

# APOLLO

## *Investor Presentation*

*November 2015*

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*This presentation contains information regarding Apollo's financial results that is calculated and presented on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States ("non-GAAP measures"). Refer to the definitions slides for the definitions of EI, non-GAAP measures presented herein, and to the reconciliation of EI to the applicable GAAP financial measure set forth on slides 26-28.*

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

<b>Ticker (NYSE)</b>	<b>APO</b>
<b>Market Capitalization<sup>(1)</sup></b>	<b>\$7.4 billion</b>
<b>Total Assets Under Management<sup>(2)</sup></b>	<b>\$161.8 billion</b>
<b>AUM CAGR (2004 – 3Q'15)</b>	<b>28%</b>
<b>LTM Dividend Yield<sup>(3)</sup></b>	<b>11%</b>
<b>2016E P/ENI Multiple<sup>(4)</sup></b>	<b>8.9x</b>

(1) Closing price on October 26, 2015 using 402.8 mm fully-diluted shares outstanding as of September 30, 2015.

(2) As of September 30, 2015. Please refer to the definition of Assets Under Management on Slide 27.

(3) Based on closing price on October 26, 2015 and last twelve months distributions as of and for the period ended September 30, 2015.

(4) Based on mean FactSet sell-side analyst consensus earnings per share estimate for Fiscal Year 2016 as of October 30, 2015.

## APOLLO

Firm Profile <sup>(1)</sup>	
<b>Founded:</b>	1990
<b>AUM:</b>	\$161.8bn
<b>Employees:</b>	933
<b>Investment Prof.:</b>	352
<b>Global Offices:</b>	15

## Business Segments

**Private Equity**  
**\$38.3bn AUM**

- Opportunistic buyouts
- Distressed buyouts and debt investments
- Corporate carve-outs

**Credit**  
**\$112.8bn AUM**

- Drawdown
- Liquid / Performing
- Permanent Capital Vehicles:
  - Athene
  - MidCap
  - Apollo Investment Corporation
  - Closed-End Funds

**Real Estate**  
**\$10.8bn AUM**

- Residential and commercial
- Global private equity and distressed debt investments
- Performing fixed income (CMBS, CRE Loans)

## Investment Approach

*Value-oriented*

*Contrarian*

*Integrated investment platform*

*Opportunistic across market cycles and capital structures*

*Focus on nine core industries*

## Global Footprint

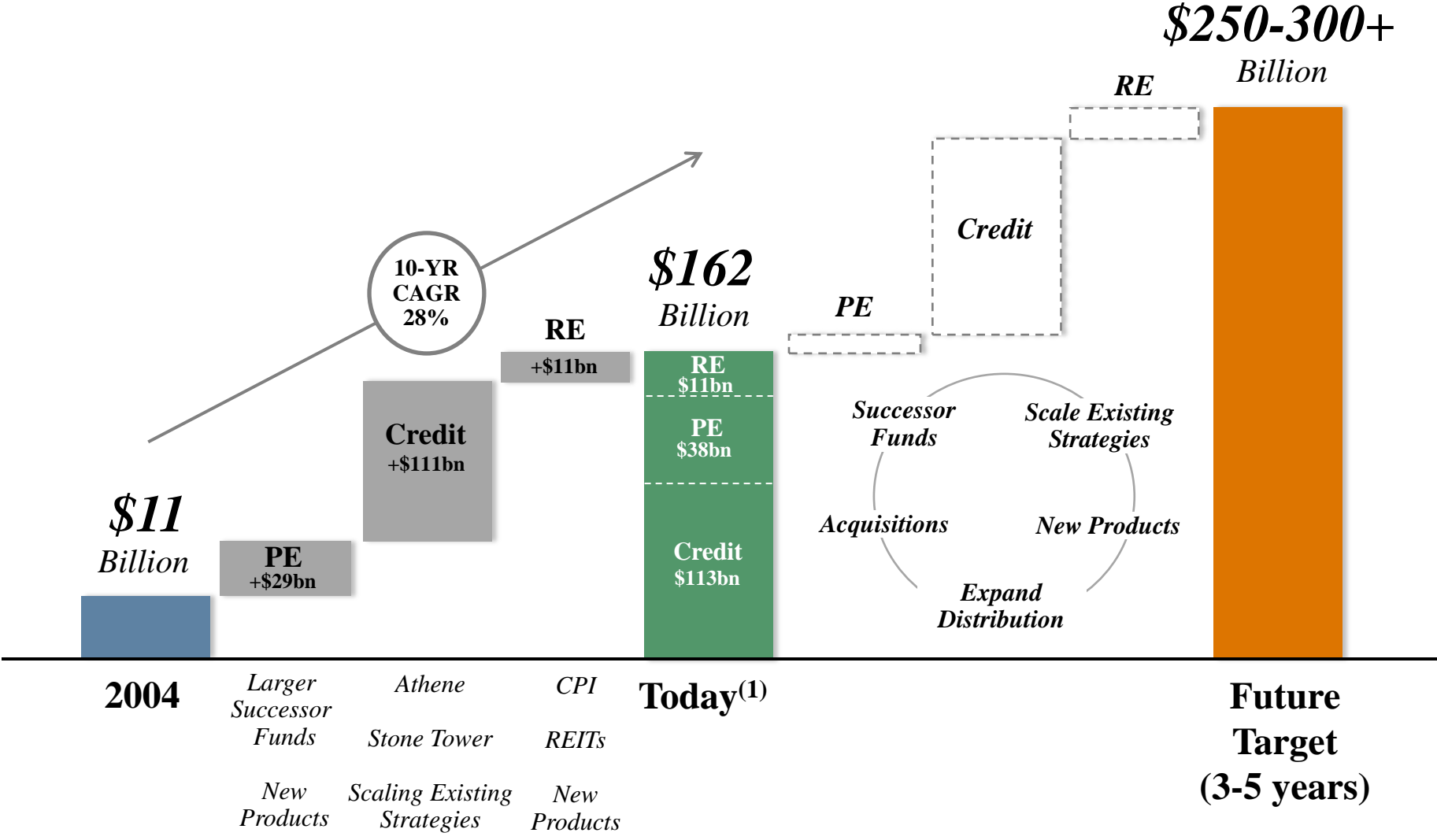


(1) As of September 30, 2015. Please refer to the definition of Assets Under Management on Slide 27. Note, AUM components may not sum due to rounding.

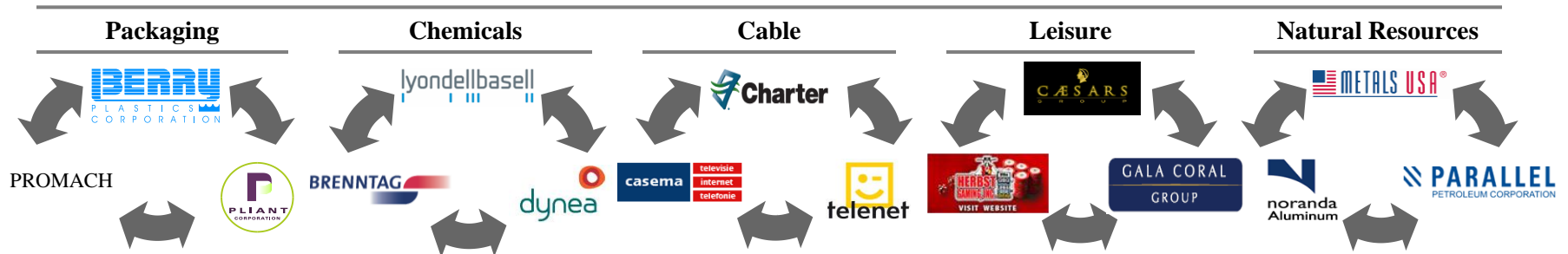
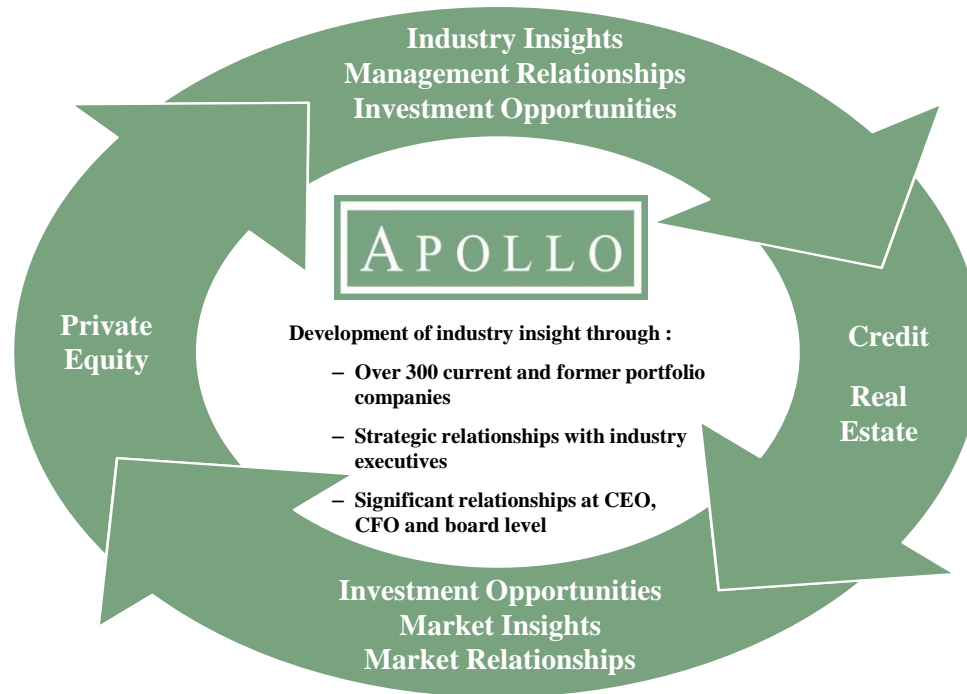
# Apollo's Platform is Built for Continued Growth and Innovation



*Our stair step growth has been driven by Credit and we believe this trend is likely to continue*



(1)Note: "Today" AUM as of September 30, 2015. AUM components may not sum due to rounding.



*Note: The listed companies are a sample of Apollo private equity and credit investments. The list was compiled based on non-performance criteria and are not representative of all transactions of a given type or investment of any Apollo fund generally, and are solely intended to be illustrative of the type of investments across certain core industries that may be made by the Apollo funds. It may include companies which are not currently held in any Apollo fund. There can be no guarantees that any similar investment opportunities will be available or pursued by Apollo in the future. It contains companies which are not currently held in any Apollo portfolio.*

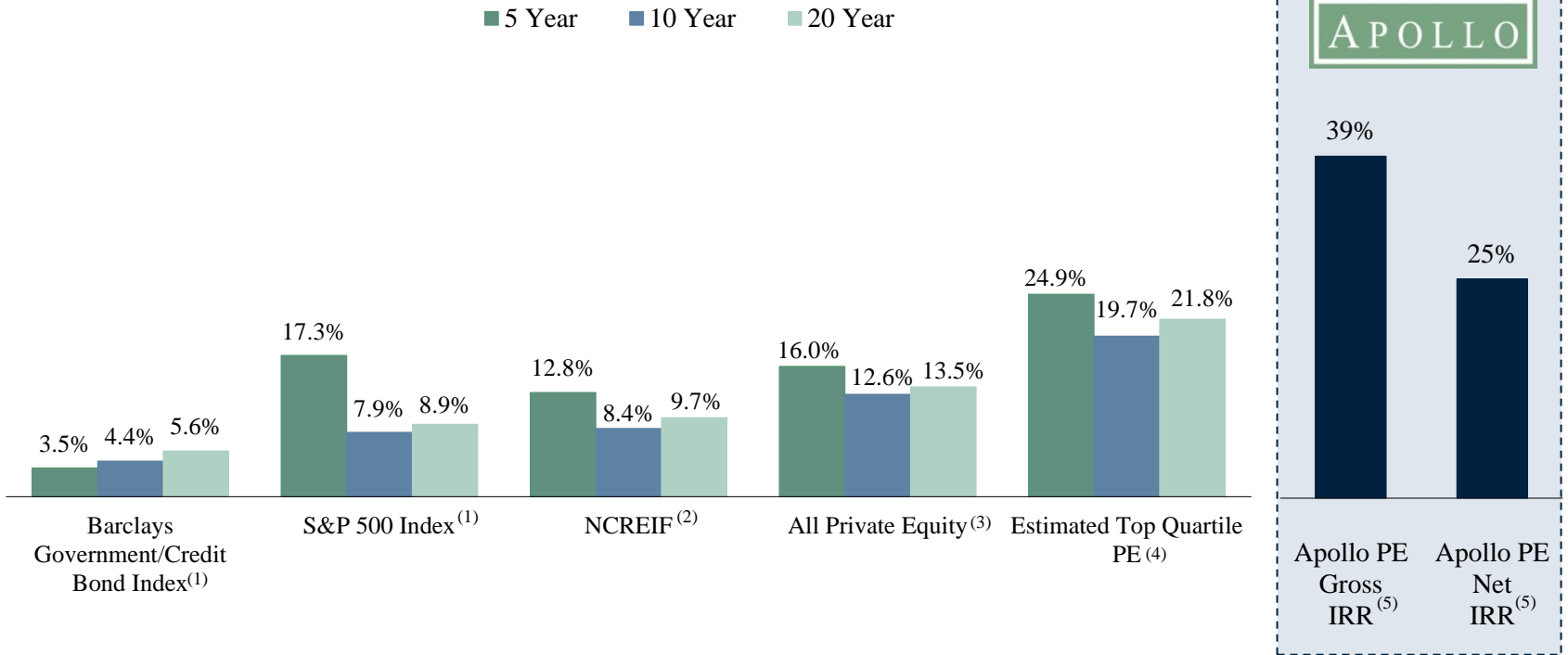
# Apollo's Expertise – Nine Core Industries



Chemicals	Consumer & Retail	Distribution & Transportation	Financial & Business Services	Manufacturing & Industrial	Media, Cable & Leisure	Packaging & Materials	Satellite & Wireless	Natural Resources

Note: The listed companies are a sample of Apollo private equity and credit investments. The list was compiled based on non-performance criteria and are not representative of all transactions of a given type or investment of any Apollo fund generally, and are solely intended to be illustrative of the type of investments across certain core industries that may be made by the Apollo funds. The list may include companies which are not currently held in any Apollo fund. There can be no guarantees that any similar investment opportunities will be available or pursued by Apollo in the future. It contains companies which are not currently held in any Apollo portfolio.

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



### Index Definitions

Barclays Government/Credit Bond Index is a commonly used benchmark index for investment grade bonds being traded in the United States with at least one year until maturity. S&P 500 Index is a free floating capitalization-weighted index of the prices of 500 large-cap common stocks actively traded in the United States. NCREIF is a quarterly time series composite total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the United States private market for investment purposes only.

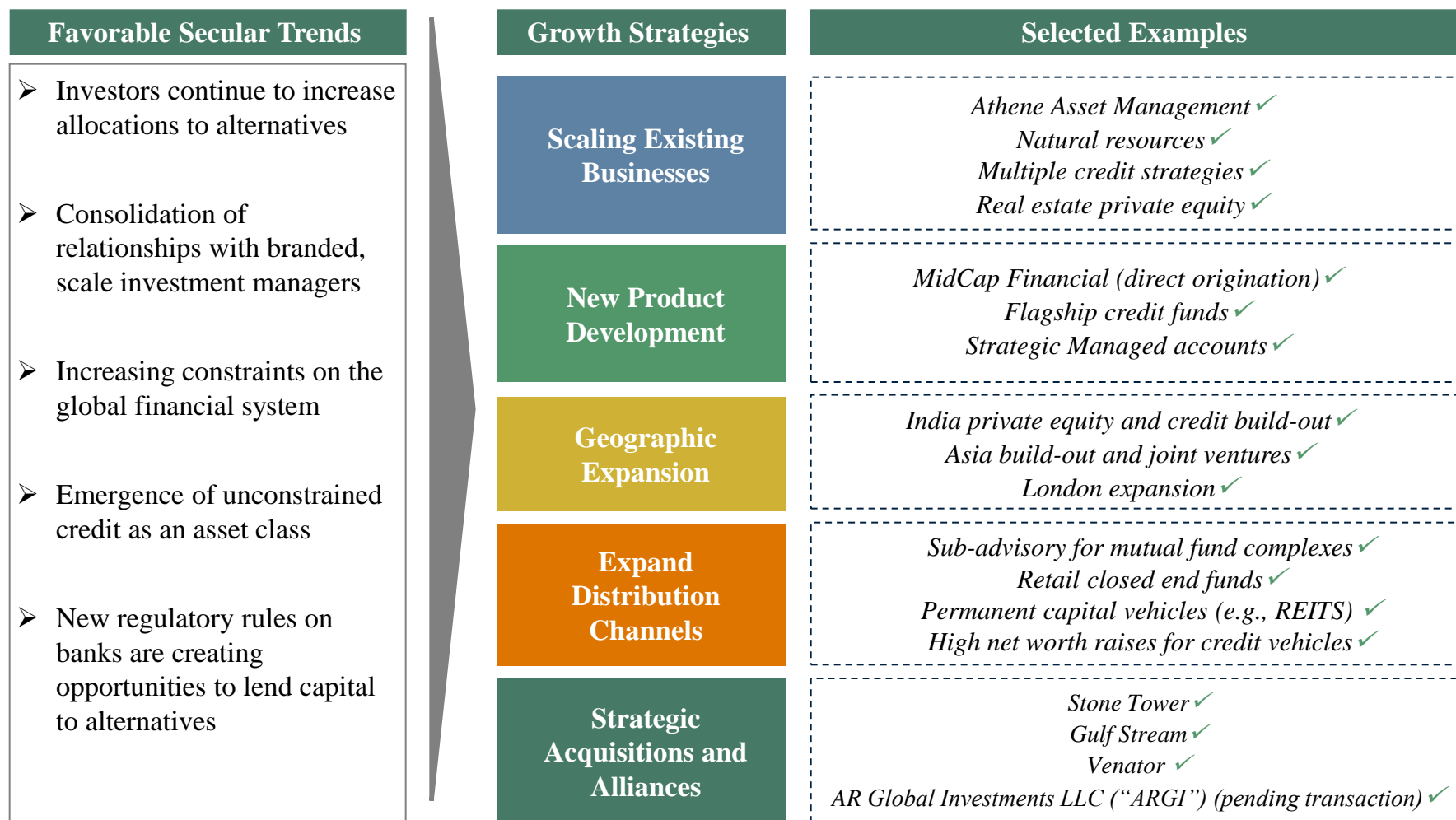
Please refer to endnotes at the end of this presentation and to Slide 28 for "Important Notes Regarding the Use of Index Comparison."

(1) Data as of June 30, 2015. (2) National Council of Real Estate Investment Fiduciaries ("NCREIF") Data as of March 31, 2015. (3) Cambridge Associates LLC U.S. Private Equity Index and Benchmark Statistics, June 30, 2015, the most recent data available. Returns represent End-to-End Pooled Mean Net to Limited Partners (net of fees, expenses and carried interest) for all U.S. Private Equity. (4) Cambridge Associates LLC U.S. Private Equity Index and Benchmark Statistics, June 30, 2015, 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 traditional Apollo private equity funds since inception in 1990 through September 30, 2015. Past performance is not indicative of future results.



# Apollo Has a Clear Path for Continued Growth

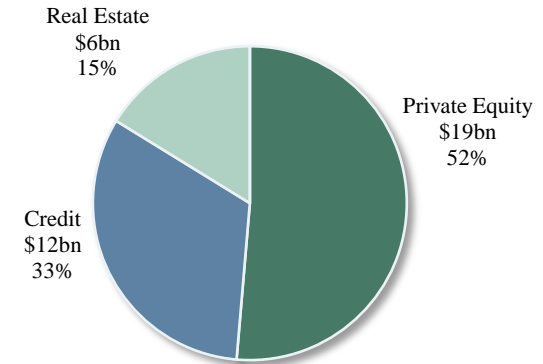
- Apollo will continue to identify opportunities to leverage its existing platform and diversify into areas with meaningful synergies with its core business



## Overview of Apollo's Marketing Capabilities

- Full-scale solutions provider in alternatives
- Integrated global team structure incorporating:
  - Sales Coverage
  - Product Specialists
  - Investor Relations
- Dedicated client service / investor relations coverage
- Build new relationships and cross-sell across the Apollo platform
- Continue to expand the Apollo brand through multiple distribution channels

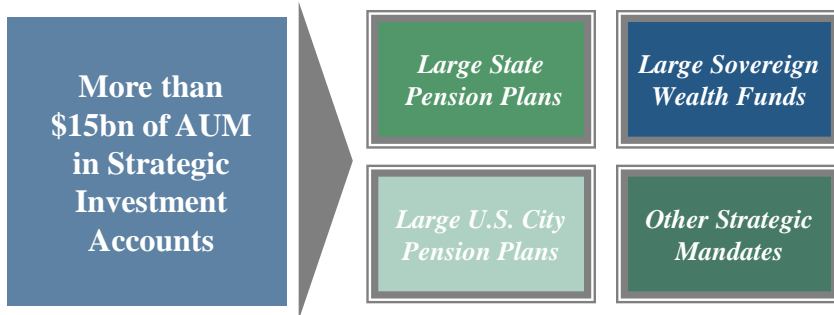
## Overview of Apollo's Marketing Capabilities



Total = \$36bn (11% average organic growth over trailing three years)<sup>(1)</sup>

## Customized Solutions to Meet Evolving Investor Needs

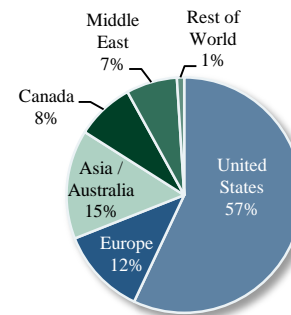
Apollo is Attracting Capital to Invest Across its Platforms



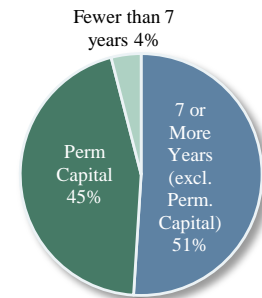
We believe strategic investment accounts enable Apollo's institutional investors to be more opportunistic and well-positioned to capture value in today's market

## Global Base of Long-Term Investors

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



### Duration<sup>(3)</sup>









Approximately 96% of AUM was in funds with a contractual life at inception of seven years or more

(1) Average organic growth is based on AUM net flows ex acquisitions of \$36.2 billion for the period September 30, 2012 through September 30, 2015, divided by the three year period, over total AUM of \$109.7 billion as of September 30, 2012. Note, segment components may not sum due to rounding. (2) AUM by geography represents locations of investors and is based on investor commitments, as of November 1, 2014. (3) AUM duration based on contractual life at inception, as December 31, 2014 as well as the definition of permanent capital. Please refer to endnotes and definitions at the end of this presentation.

# Various Paths For Public Investors to Access Apollo's Expertise

APOLLO

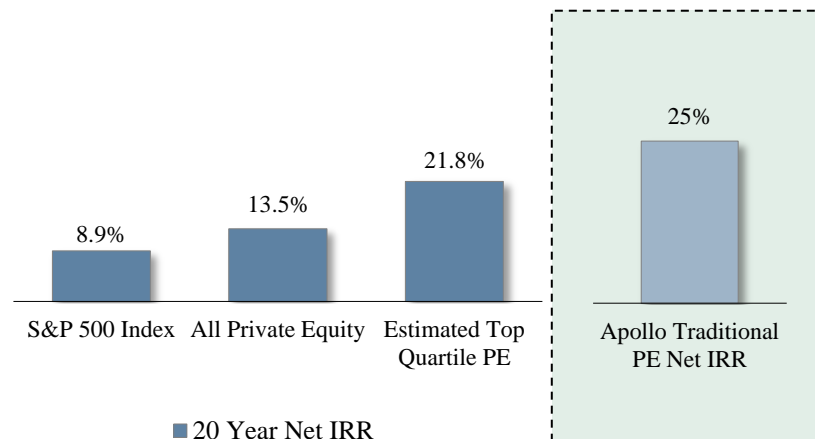
Publicly Traded Alternative Investment Manager		<b>Ticker:</b> <b>APO</b> (NYSE)	<b>AUM:</b> <b>\$161.8 billion</b>	<b>Year of Listing:</b> <b>2011</b>
Business Development Company (BDC)		<b>AINV</b> (NASDAQ OMX)	<b>\$4.3 billion</b>	<b>2004</b>
Closed-End Limited Partnership		<b>AAA</b> (Euronext Amsterdam)	<b>\$2.7 billion (NAV)</b>	<b>2006</b>
Real-Estate Investment Trusts (REITs)		<b>AMTG</b> (NYSE)	<b>\$4.1 billion</b>	<b>2011</b>
		<b>ARI</b> (NYSE)	<b>\$2.5 billion</b>	<b>2009</b>
Closed-End Funds (CEFs)		<b>AFT &amp; AIF</b> (NYSE)	<b>\$839 million</b>	<b>2011 &amp; 2013</b>

Note: APO, AAA and ARI AUM as of September 30, 2015. All other AUM and NAV figures as of June 30, 2015. Please refer to the definition of Assets Under Management on Slide 27.

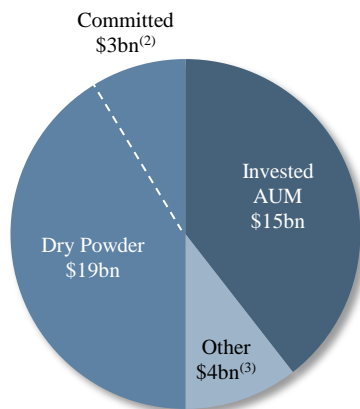
## Highlights

- \$38.3bn in total AUM
  - \$29.3bn fee-generating, \$10.3bn carry-generating
- \$18.5bn of dry powder
- Value oriented: Buyouts completed at lower EBITDA multiples than industry averages
- Investors have rewarded performance with the largest fundraise since the Financial Crisis
- Significant focus on distressed since inception
  - \$12 billion+ in nearly 250 distressed investments

## Historical Returns for Selected Asset Classes<sup>(1)</sup>



## Key Stats



### Traditional PE Funds

Inception-to-date  
Gross / Net IRR  
39% / 25%

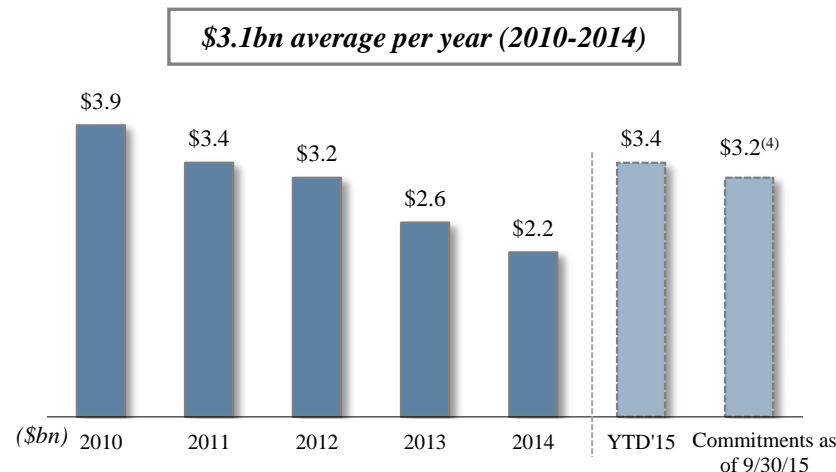
### PE Portfolio

29% Public /  
71% Private

### Fund VIII

33% Committed  
or Deployed

## Pace of Capital Deployment

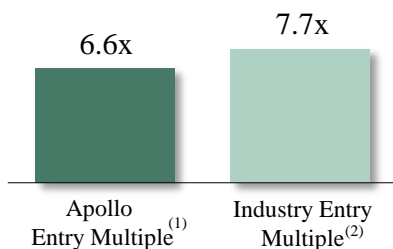


Please refer to the endnotes and definitions at the end of this presentation (1) Cambridge Associates LLC U.S. Private Equity Index and Benchmark Statistics, June 30, 2015, the most recent data available. Estimated Top Quartile PE numbers are calculated by taking the 20 year return metrics as described 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. Represents returns of all Apollo Private Equity funds since inception in 1990 through June 30, 2015. S&P 500 return as of June 30, 2015. Refer to Side 28 for "Important Notes Regarding the Use of Index Comparisons." (2) Represents capital committed to investments as of September 30, 2015 by Apollo's private equity funds which have not yet closed and may be subject to a variety of closing conditions or other contractual provisions which could result in such capital not ultimately being invested. (3) Other represents approximately \$4 billion of uncalled commitments which can be called for fund fees and expenses only and is not available for investment or reinvestment subject to the provisions of the applicable fund limited partnership agreements or other governing agreements. (4) Represents pending investment commitments in Private Equity that have not yet been funded as of September 30, 2015.

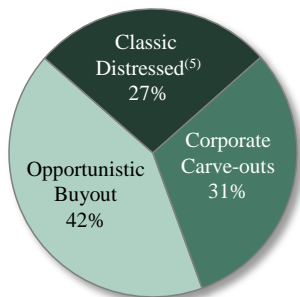
## Fund V

Vintage: 2001  
 Total Commitments: \$3.7bn  
 Total Invested: \$5.2bn

### Creation Multiple



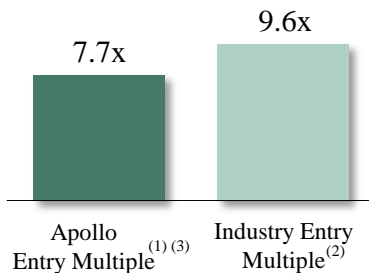
### Composition<sup>(4)</sup>



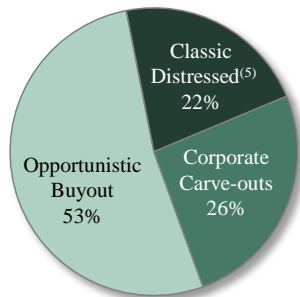
## Fund VI

Vintage: 2006  
 Total Commitments: \$10.1bn  
 Total Invested: \$12.5bn

### Creation Multiple



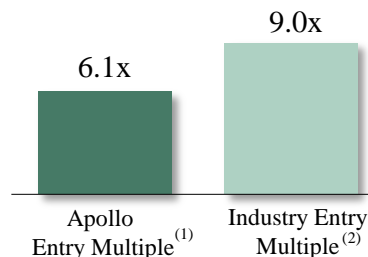
### Composition<sup>(4)</sup>



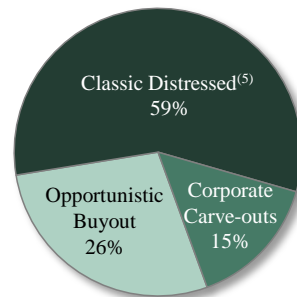
## Fund VII

Vintage: 2008  
 Total Commitments: \$14.7bn  
 Total Invested: \$15.6bn

### Creation Multiple



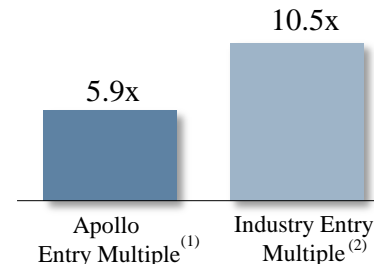
### Composition<sup>(4)</sup>



## Fund VIII

Vintage: 2013  
 Total Commitments: \$18.4bn  
 Invested/Committed: \$6.1bn

### Creation Multiple



### Announced/Closed Investments



Please refer to endnotes and definitions at the end of this presentation

(1) As of September 30, 2015. The average entry multiple is the average of the total enterprise value over an applicable EBITDA. Average entry multiples may incorporate pro forma or other adjustments based on investment team's estimates and/or calculations. (2) S&P LCD database as of September 30, 2015. (3) Where Fund VI invested in the equity and debt of a portfolio company, a capital weighted average creation multiple was used. As of September 30, 2015. (4) As of September 30, 2015. Composition of pie charts is based on total invested capital as per the fund's initial investment strategy at time of acquisition. (5) Classic distressed investments include credit and distressed buyouts.

*Apollo Funds Rely on Three Investment Strategies to Capture Value Across Market Cycles*

## Corporate Carve-Out

## Distressed For Control

## Opportunistic Buyouts

- Build de novo businesses with companies in need of a financial partner
- Mitigate downside risk through attractive purchase price and structural protections
- Willing to trade complexity for value
- 21 transactions since inception

### Select Examples:



*Carve-out Creation Multiple: 5.8x*

- Leader in complex corporate restructurings and bankruptcies
- Pioneered the first out of court restructuring in Europe
- Three main themes over last downturn: levered senior loans, distressed for control, portfolio company debt
- Distressed capabilities enhance our ability to effectively manage capital structures of all of our businesses

### Select Examples:



*Distressed Creation Multiple: 5.7x*

- Focus on industries and geographies that are out of favor or have come under pressure
- Often uncorrelated to macro environment or perceived to be less cyclical
- Aim to enter transactions several turns lower than industry averages, creating value upfront as well as over time

### Select Examples:

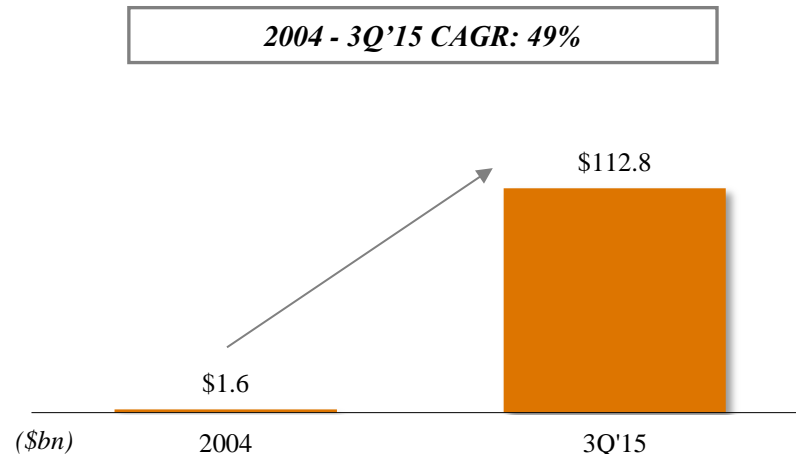


*Buyout Creation Multiple: 7.2x*

## Highlights

- \$112.8bn in total AUM
  - \$94.7bn fee-generating, \$17.2bn carry-generating
- Same value-oriented approach as private equity
- Leverage Apollo's core industry expertise and benefit from integrated platform
- Activities span broad range of credit spectrum from yield to opportunistic funds
- Attractive relative returns with downside protected strategies

## Significant Growth in Total Credit AUM



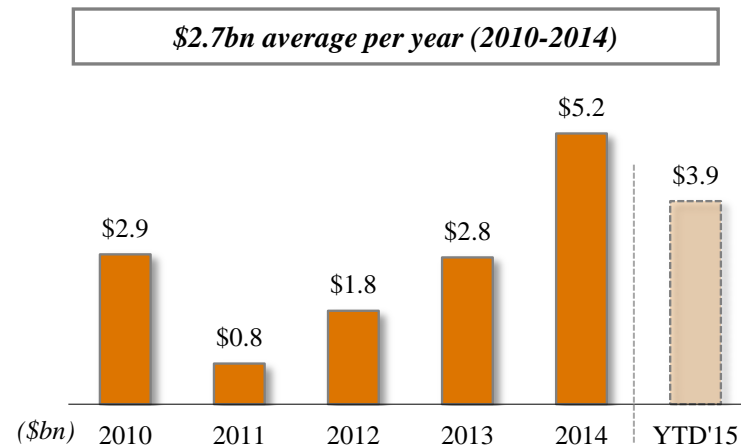
## Key Stats

(\$ in billions)

**\$113 billion AUM**

Category	AUM	FG AUM	CE AUM	CG AUM	3Q'15 Gross Return <sup>(1)</sup>	YTD'15 Gross Return <sup>(1)</sup>	LTM Gross Return <sup>(1)</sup>
Liquid / Performing	\$35	\$31	\$21	\$6	(0.6)%	2.6%	3.0%
Drawdown <sup>(3)</sup>	\$19	\$11	\$18	\$5	(1.7)%	1.2%	(0.9)%
Permanent Capital Vehicles ex AAM	\$13	\$8	\$7	\$6	0.5%	3.8%	4.5%
Athene Asset Management (AAM) <sup>(2)</sup>	\$46	\$46	-	-			
<b>Total Credit</b>	<b>\$113</b>	<b>\$96</b>	<b>\$46</b>	<b>\$17</b>	<b>(0.8)%</b>	<b>2.4%</b>	<b>2.3%</b>

## Drawdown Fund Capital Deployment



(1)Gross return represents gross return as defined in the non-GAAP financial information and definitions section of this presentation with the exception of CLO assets in Liquid/Performing which are calculated based on gross return on invested assets, which excludes cash. The 3Q'15 net returns for Liquid/Performing, Drawdown and Permanent Capital Vehicles ex AAM were (0.7)% (1.8)% (0.5)% respectively, and (0.9)% for total credit excluding assets managed by AAM that are not directly invested in Apollo funds or sub-advised by Apollo. The YTD net returns for Liquid/Performing, Drawdown and Permanent Capital Vehicles ex AAM were 2.4% (0.1)% 0.4% respectively, and 1.7% for total credit excluding assets managed by AAM that are not directly invested in Apollo funds or sub-advised by Apollo. The LTM net returns for Liquid/Performing, Drawdown and Permanent Capital Vehicles ex AAM were 2.6% (2.3)% (0.2)% respectively, and 1.3% for total credit excluding assets managed by AAM that are not directly invested in Apollo funds or sub-advised by Apollo. (2)AUM amounts presented for AAM exclude \$14.6 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo. (3)Significant Drawdown funds and strategic investment accounts ("SIAs") had inception-to-date ("ITD") gross and net IRRs of 17.2% and 13.4% respectively, as of September 30, 2015. Significant Drawdown funds and SIAs include funds and SIAs with AUM greater than \$200 million that did not predominantly invest in other Apollo funds or SIAs.

## Global Credit Themes

Impact of secular change on financial re-regulation

De-leveraging of global financial balance sheets

Investor demand for yield and opportunistic credit

## Apollo Credit Platform

Senior Loans

Stressed Credit

NPLs

CLOs

Bank Platforms

High Yield

Distressed Credit

Shipping Assets

RMBS and CMBS

RE Platforms

Mezzanine

Rescue Finance

Aircraft & Energy Finance

Insurance-Linked Securities

Servicing Platforms

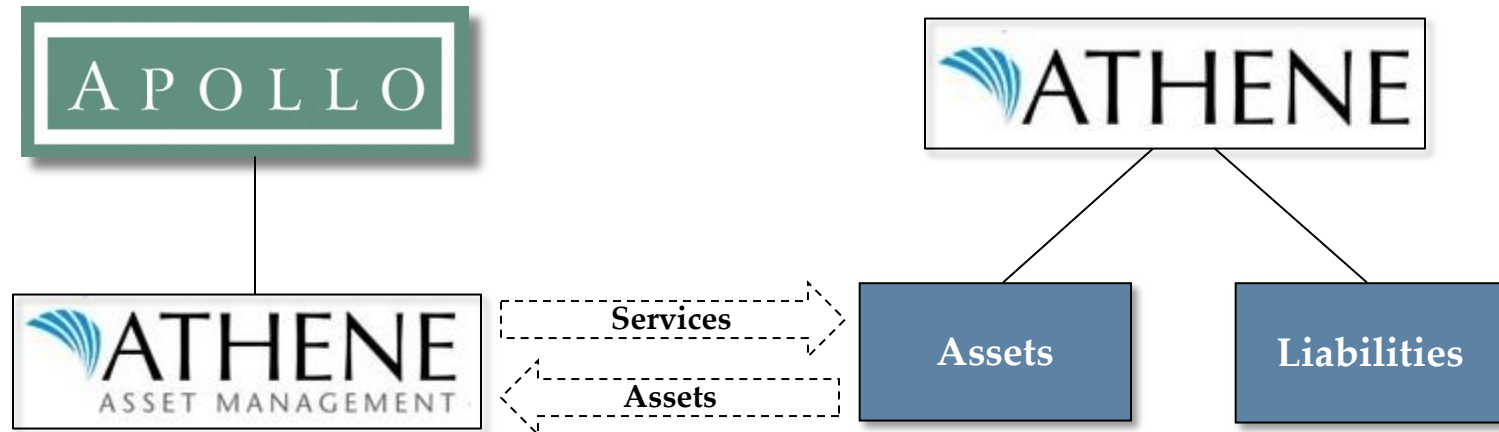
*Credit platform that is fully integrated with Apollo's leading private equity platform*

*Broad origination and sourcing platform in the U.S. and Europe*

*Proven ability to develop opportunities before the market*

*Benefits derived not only through the size of our platform, but also our expertise in leveraged credit*





## Athene Asset Management

- Athene Asset Management, L.P. (“AAM”) is a subsidiary of Apollo and is included within the Credit segment
  - Provides asset allocation services, direct asset management services, and a suite of other services to Athene
  - Team of full-time dedicated investment professionals with deep experience in asset allocation
  - 100% of Athene’s portfolio is allocated by AAM
  - Approximately 24% of Athene’s portfolio directly managed by Apollo through sub-advisory agreements
  - Apollo business model designed to scale in-line with Athene’s assets

## Athene Holding Ltd.

- Athene Holding Ltd. (“Athene”) is an insurance holding company focused on fixed annuities with approximately \$60bn in assets and was founded in 2009
  - Earns the spread between its investment return on assets and the rate on its liabilities
  - Originally funded through an Apollo sponsored permanent capital vehicle (AP Alternative Assets, L.P.; Euronext Amsterdam: AAA)
  - Led by seasoned management team with significant insurance experience
  - Completed transformative Aviva USA acquisition in October 2013, adding approximately \$44bn of assets
  - Seeks to grow annuity liabilities through three primary channels: retail issuance, institutional issuance, & acquisition

## Apollo's Strategic View of Credit Landscape

*Illiquid Investment Grade*

*Directly Originated  
Non-CUSIP /  
Non-Tradable  
Opportunities*

*Broadly Syndicated  
CUSIP /  
Tradable  
Opportunities*

*Opportunistic Credit*

## Investment Highlights

*Favorable Regulatory Landscape*

*Proprietary Origination Capabilities*

*Experienced Management Team*

*Downside Protection*

*Attractive Risk-Adjusted Target Returns*

## Creation of a New Direct Origination Platform

*MidCap Financial*

+

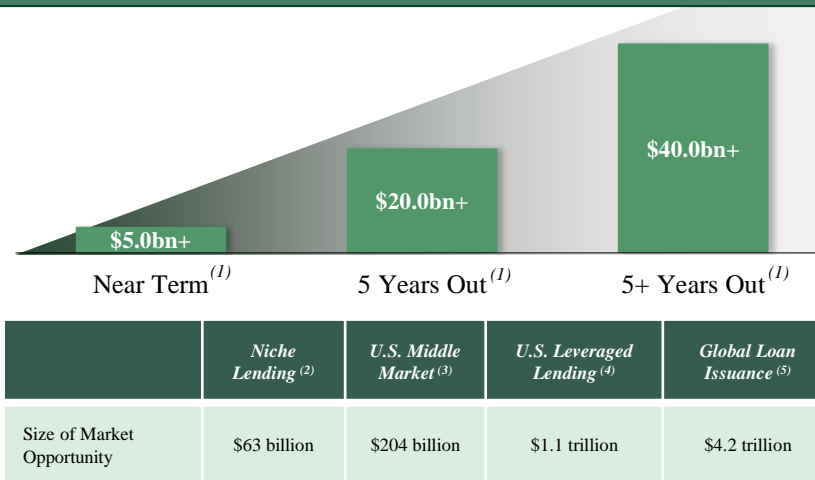
APOLLO

+

*New Equity Capital*

*MidCap  
FinCo*

## Tremendous Growth Potential for MidCap FinCo



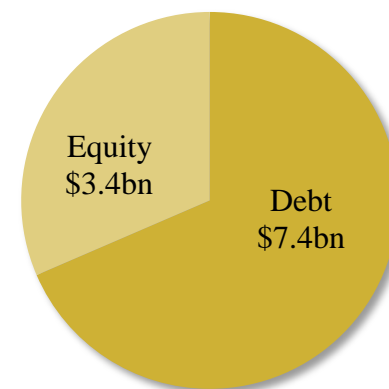
(1) The projected balance sheet for MidCap FinCo figures represent best estimates from Apollo based on current market conditions and potential future conditions. There can be no assurance that such events will ultimately take place. (2) Represents direct lending funds and business development companies ("BDCs") managed by publicly traded alternative asset managers, where known (Apollo, Ares, Blackstone/GSO, Fortress and KKR), as well as other public BDCs. Source: company filings and public records and Bloomberg. Represents 12/31/14 asset balances. (3) Represents 2013 Middle Market Loan Issuance. Source: Thomson Reuters LPC Middle Market 4Q13 Review. Focus will be on companies with \$20+ million of EBITDA (4) Represents 2013 U.S. Leveraged Lending Issuance. Source: Thomson Reuters LPC 4Q13 Review. (5) Represents 2013 global loan issuance. Source: Thomson Reuters LPC 4Q13 Review.

## Highlights

- \$10.8bn in total AUM, including \$7.1bn in fee generating
- Global platform with a presence in North America, Europe and Asia
- Value-oriented approach for equity investments targeting the acquisition and recapitalization of RE portfolios, platforms and operating companies
- Originates and acquires commercial RE debt investments throughout the capital structure and across property types
- Manages Apollo Commercial Real Estate Finance, Inc. (NYSE:ARI), a REIT that originates and acquires commercial real estate debt and securities

## Key Stats

**\$10.8 billion AUM**

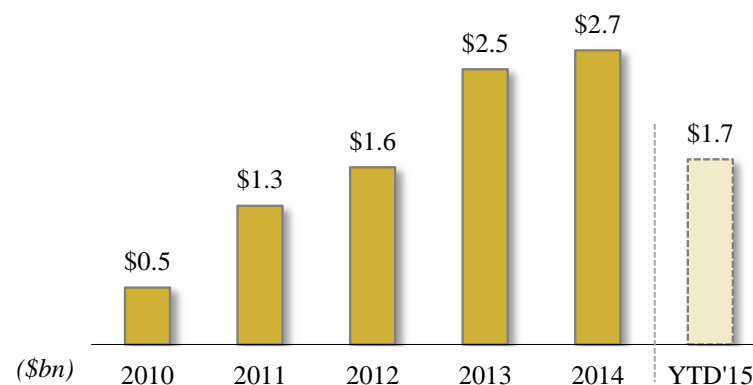


## Select Investment Strategies

- Hospitality
- Mezzanine lending
- Single family homes for rent
- Non-performing loans
- CMBS
- Condominium conversion

## Pace of Capital Deployment

**\$1.7bn average per year (2010-2014)**



## *Business Model Driven by Management Business, Incentive Business and Balance Sheet, Across Three Segments*

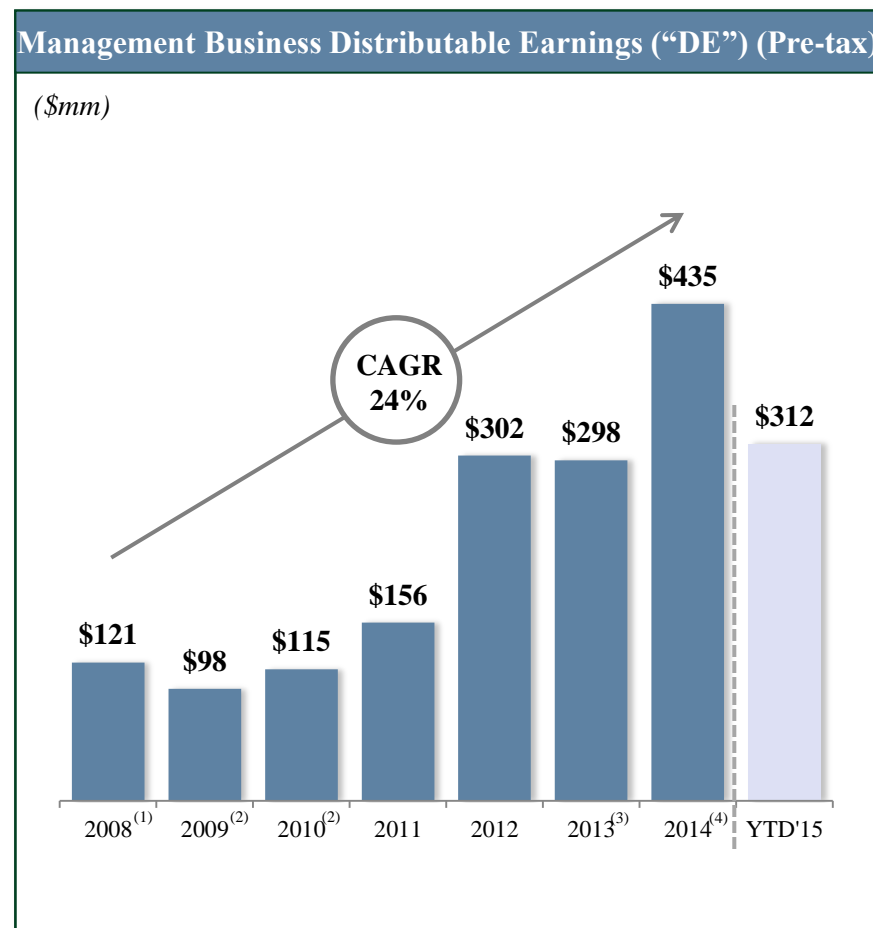
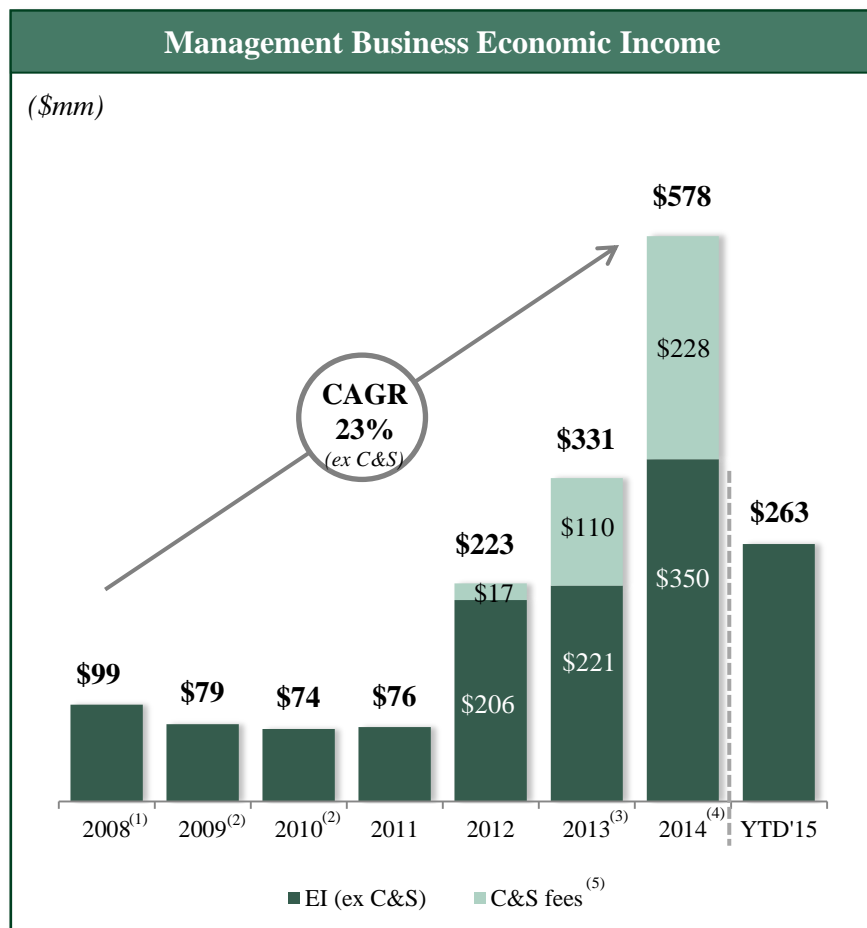
		PE	Credit		RE	Total	
			Excl. Athene	Athene			
Management Business	AUM	\$38bn <sup>(1)</sup>	\$67bn <sup>(1)</sup>	\$46bn <sup>(1)(3)</sup>	\$11bn <sup>(1)</sup>	\$162bn <sup>(1)</sup>	
	Management Fees	FGAUM	\$29bn	\$49bn	\$46bn	\$7bn	\$131bn
		Avg. Fee Rate <sup>(2)</sup>	98 bps	75 bps	40 bps	77 bps	70 bps
	Transaction and Adv. Fees	Deal-Dependent (Entry, Exit, Monitoring and Financing Transactions)					
Incentive Business	Performance Fees	Carry-Gen. AUM	\$10bn	\$17bn	N/A	\$1bn	\$28bn
		Carry-Elig. AUM	\$33bn	\$46bn		\$2bn	\$81bn
		Uncalled Comm. Carry Rate	\$19bn 20%	\$9bn 15-20%		\$1bn 10-15%	\$29bn
	Balance Sheet Investments	Co-investments of approximately \$602mm Athene investment of \$566mm					

(1) As of September 30, 2015. Please refer to the definition of Assets Under Management on slides 27-28.

(2) Calculated based on FY2014 management fees divided by simple average Fee-Generating AUM over the period.

(3) Excludes \$15 billion of Apollo sub-advised assets.

*Growth in Fee-Generating AUM and Focus on Operating Margins has Driven Strong Growth in Management Business Economic Income and Cash Earnings*



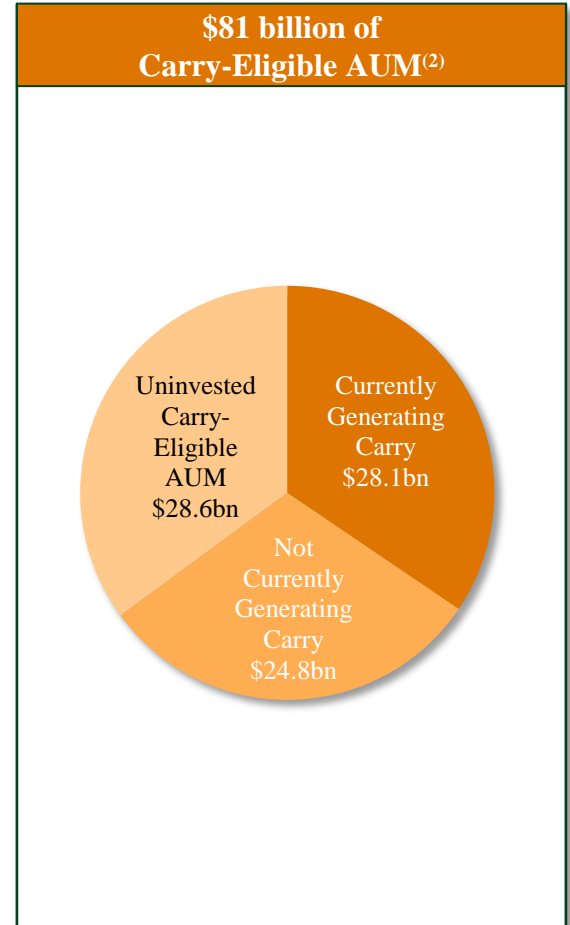
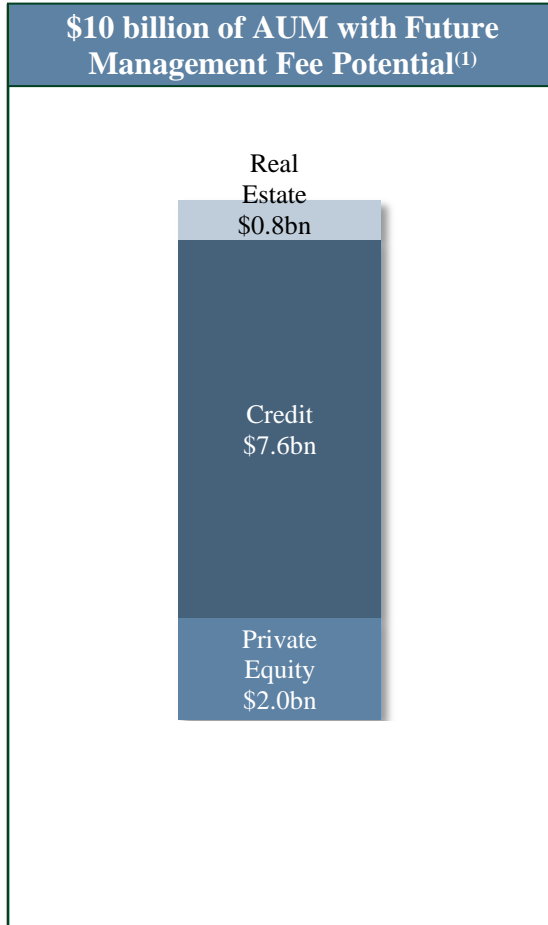
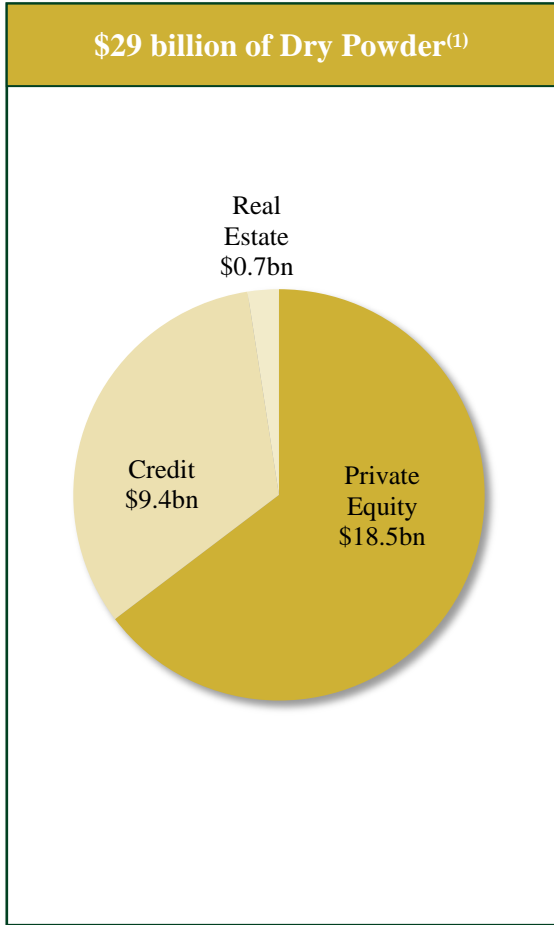
(1) Excludes one time charges in 2008 of \$306mm associated with issuance of convertible notes to our strategic partners and related professional fees for IPO preparation.

(2) Adjusted for \$200mm associated with a litigation settlement in 2008 and subsequent insurance reimbursements in 2009 and 2010 of \$37mm and \$163mm, respectively. Additionally, excludes one time gain from debt repurchase of \$36mm in 2009 and a bargain purchase gain related to the CPI acquisition of \$24mm in 2010.

(3) Includes impact of Stone Tower acquisition during 2012.

(4) Includes impact of Athene's acquisition of Aviva during 2013.

(5) C&S fee represents monitoring fee paid by Athene to Apollo by delivery of common shares of Athene Holding Ltd., calculated based on Athene's capital and surplus, as defined in Apollo's transaction and advisory services agreement with Athene. This fee ceased at the end of the fourth quarter of 2014.



Please refer to the endnotes and definitions at the end of this presentation. Past performance is not indicative of future results.

(1) Based on capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements. Please refer to the definition of AUM with Future Management Fee Potential on Slide 28.

(2) Potential distributions of carried interest to the general partner are subject to terms and conditions outlined in the respective fund limited partnership agreements. Please refer to the definition of Carry-Eligible AUM on Slide 27.

- At September 30, 2015, Apollo had \$836 million in total cash, \$1,168 million of investments, and \$322 million of net carried interest receivable for a total net value of \$2.3 billion, or \$5.71 per DE share outstanding.
- Long-term debt of \$1.0 billion, includes \$500 million in senior notes due 2024 and \$500 million of term loan due 2019.
- Apollo has a \$500 million revolving credit facility expiring in 2019 that remained undrawn as of September 30, 2015.
- Unfunded future commitments totaled \$642 million as of September 30, 2015, of which \$321 million related to Fund VIII.

## Summary Balance Sheet

(\$ in millions)	3Q'15
Cash	\$836
Investments <sup>(1)</sup>	1,168
Carry Receivable <sup>(1)</sup>	689
Profit Sharing Payable	(367)
<b>Total Net Value</b>	<b>\$2,326</b>
<i>Debt</i>	<i>(\$1,031)</i>
<i>Unfunded Future Commitments</i>	<i>\$642</i>

(\$ in millions)	3Q'15
Athene/AAA	\$566
GP Co-Investments / Other Investments <sup>(2)</sup>	602
<b>Total Investments</b>	<b>\$1,168</b>

*S&P and Fitch  
A / A- rated*

---

*Undrawn  
Credit Facility  
\$500 million*

(1) Investments and Carry Receivable are presented on an unconsolidated basis.

(2) Represents realized gains from our general partner investments in the funds we manage (excluding AAA) and other balance sheet investments.

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# APO's Financial Summary – Combined Segments

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	For the Three Months Ended September 30,		For the Year Ended December 31,		
<i>\$ in millions (except per share data)</i>	2015	2014	2014	2013	2012
<b>Total Assets under Management<sup>(1)</sup></b>					
Private Equity	\$38,256	\$46,423	\$41,299	\$50,158	\$39,061
Credit	112,781	108,282	108,960	101,580	65,318
Real Estate	10,782	9,195	9,538	9,439	9,000
<b>TOTAL AUM</b>	<b>\$161,819</b>	<b>\$163,900</b>	<b>\$159,797</b>	<b>\$161,177</b>	<b>\$113,379</b>
<b>Management Business Revenues</b>					
Management Fees from Affiliates	227	228	901	731	623
Advisory and Transaction Fees from Affiliates, net	9	71	316	196	150
Carried Interest Income from Affiliates (from AINV)	9	12	41	37	38
Total Management Business Revenues	245	311	1,258	964	811
Management Business Expenses	163	169	688	664	563
Other Management Business Income / (Loss)	(3)	(4)	29	24	6
<b>Management Business EI</b>	<b>79</b>	<b>138</b>	<b>599</b>	<b>354</b>	<b>254</b>
<b>Incentive Business</b>					
Carried Interest Income from Affiliates	64	70	365	2,859	2,164
Profit Sharing Expense	12	7	265	1,112	846
Other Income/(Loss)	78	4	56	88	88
<b>Incentive Business EI</b>	<b>26</b>	<b>67</b>	<b>156</b>	<b>1,835</b>	<b>1,406</b>
<b>Total EI</b>	<b>105</b>	<b>71</b>	<b>755</b>	<b>2,189</b>	<b>1,660</b>
Total EI per share <sup>(2)</sup>	\$0.26	\$0.18	\$1.89	\$5.56	\$4.30
<b>Cash Distributions Earned in the Respective Period</b>	<b>\$0.35</b>	<b>\$0.73</b>	<b>\$2.89</b>	<b>\$3.98</b>	<b>\$1.94</b>

(1) As of September 30, 2015 and 2014 and December 31, 2014, 2013, and 2012.

(2) Based on applicable fully-diluted shares outstanding as of the end of the period specified.

# Reconciliation of Non-GAAP Measures to GAAP

(\$ in thousands)

	3Q'14	4Q'14	1Q'15	2Q'15	3Q'15	YTD'14	YTD'15
<b>Economic Income</b>	<b>\$71,327</b>	<b>\$142,617</b>	<b>\$102,069</b>	<b>\$157,533</b>	<b>\$105,194</b>	<b>\$612,434</b>	<b>\$364,796</b>
Income tax provision	(29,376)	(50,283)	(5,514)	(9,092)	(6,591)	(96,962)	(21,197)
Net income attributable to Non-Controlling Interests in Apollo Operating Group	(42,955)	(54,632)	(48,012)	(83,148)	(55,347)	(350,050)	(186,507)
Transaction related charges and equity-based compensation <sup>(1)</sup>	3,214	(15,520)	(17,616)	(8,865)	(2,205)	(19,375)	(28,686)
<b>Net Income Attributable to Apollo Global Management, LLC</b>	<b>\$2,210</b>	<b>\$22,182</b>	<b>\$30,927</b>	<b>\$56,428</b>	<b>\$41,051</b>	<b>\$146,047</b>	<b>\$128,406</b>

(1) Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. Equity-based compensation adjustment represents non-cash revenues and expenses related to equity awards granted by unconsolidated affiliates to employees of the Company.

## **Definitions:**

**“Assets Under Management”, or “AUM”**, refers to the assets we manage for the funds, partnerships and accounts to which we provide investment management services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our AUM equals the sum of:

- i) the fair value of the investments of the private equity funds, partnerships and accounts we manage plus the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;
- ii) ii) the net asset value, or “NAV,” of the credit funds, partnerships and accounts for which we provide investment management services, other than certain collateralized loan obligations (“CLOs”) and collateralized debt obligations (“CDOs”), which have a fee-generating basis other than the mark-to-market value of the underlying assets, plus used or available leverage and/or capital commitments;
- iii) iii) the gross asset value or net asset value of the real estate funds, partnerships and accounts we manage, and the structured portfolio company investments of the funds, partnerships and accounts we manage, which includes the leverage used by such structured portfolio company investments;
- iv) iv) the incremental value associated with the reinsurance investments of the portfolio company assets we manage; and
- v) v) the fair value of any other assets that we manage for the funds, partnerships and accounts to which we provide investment management services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above.

Our AUM measure includes Assets Under Management for which we charge either no or nominal fees. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our Apollo fund management agreements. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers.

We use AUM as a performance measurement of our investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs.

**“AUM with Future Management Fee Potential”** refers to the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund

**“Fee-Generating AUM”** consists of assets we manage for the funds, partnerships and accounts to which we provide investment management services and on which we earn management fees, monitoring fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts we manage. Management fees are normally based on “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” “adjusted assets,” “stockholders’ equity,” “invested capital” or “capital contributions,” each as defined in the applicable management agreement. Monitoring fees, also referred to as advisory fees, with respect to the structured portfolio company investments of the funds, partnerships and accounts we manage, are generally based on the total value of such structured portfolio company investments, which normally includes leverage, less any portion of such total value that is already considered in Fee-Generating AUM.

**“Carry-Eligible AUM”** refers to the AUM that may eventually produce carried interest income. All funds for which we are entitled to receive a carried interest income allocation are included in Carry-Eligible AUM, which consists of the following:

- **“Carry-Generating AUM”** refers to funds’ invested capital that is currently above its hurdle rate or preferred return, and the funds’ profit is allocated to the general partner in accordance with the applicable limited partnership agreements or other governing agreements.
- **“AUM Not Currently Generating Carry”** refers to funds’ invested capital that is currently below its hurdle rate or preferred return.
- **“Uninvested Carry-Eligible AUM”** refers to available capital for investment or reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements that are not currently part of the NAV or fair value of investments that may eventually produce carried interest income, which would be allocated to the general partner.

**Permanent Capital** – refers to (a) assets that are managed by Athene Asset Management, L.P., (b) assets that are owned by or related to MidCap FinCo Limited and managed by Apollo Capital Management, L.P., and (c) assets of publicly traded vehicles managed by Apollo such as AP Alternative Assets, L.P. (“AAA”), Apollo Investment Corporation (“AINV”), Apollo Commercial Real Estate Finance, Inc. (“ARI”), Apollo Residential Mortgage, Inc. (“AMTG”), Apollo Tactical Income Fund Inc. (“AIF”), and Apollo Senior Floating Rate Fund Inc. (“AFT”), in each case that do not have redemption provisions or a requirement to return capital to investors upon exiting the investments made with such capital, except as required by applicable law. The investment management arrangements of AINV, AIF and AFT have one year terms, are reviewed annually and remain in effect only if approved by the boards of directors of such companies or by the affirmative vote of the holders of a majority of the outstanding voting shares of such companies, including in either case, approval by a majority of the directors who are not “interested persons” as defined in the Investment Company Act of 1940. In addition, the investment management arrangements of AINV, AIF and AFT may be terminated in certain circumstances upon 60 days’ written notice. The investment management arrangements of ARI and AMTG have one year terms and are reviewed annually by each company’s board of directors and may be terminated under certain circumstances by an affirmative vote of at least two-thirds of such company’s independent directors. The investment management arrangements between MidCap FinCo Limited and Apollo Capital Management, L.P. and Athene and Athene Asset Management, L.P. may also be terminated under certain circumstances.

**“Economic Income”** (previously referred to as Economic Net Income), or **“EI”**, as well as **“Economic Net Income”** (previously referred to as ENI After Taxes), or **“ENI”**, are key performance measures used by management in evaluating the performance of Apollo’s private equity, credit and real estate segments. Management uses these performance measures in making key operating decisions such as the following:

- Decisions related to the allocation of resources such as staffing decisions including hiring and locations for deployment of the new hires;
- Decisions related to capital deployment such as providing capital to facilitate growth for the business and/or to facilitate expansion into new businesses; and
- Decisions related to expenses, such as determining annual discretionary bonuses and equity-based compensation awards to its employees. With respect to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in the funds and those of Apollo’s shareholders by providing such individuals a profit sharing interest in the carried interest income earned in relation to the funds. To achieve that objective, a certain amount of compensation is based on Apollo’s performance and growth for the year.

**EI** represents segment income (loss) before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges includes equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, segment data excludes non-cash revenue and expense related to equity awards granted by third unconsolidated affiliates to employees of the Company, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements.

**ENI** represents EI adjusted to reflect income tax provision on EI that has been calculated assuming that all income is allocated to Apollo Global Management, LLC, which would occur following an exchange of all AOG Units for Class A shares of Apollo Global Management, LLC. The economic assumptions and methodologies that impact the implied income tax provision are similar to those methodologies and certain assumptions used in calculating the income tax provision for Apollo’s consolidated statements of operations under U.S. GAAP.

**“Distributable Earnings”**, or **“DE”**, as well as **“DE After Taxes and Related Payables”** are derived from Apollo’s segment reported results, and are supplemental measures to assess performance and amounts available for distribution to Class A shareholders, holders of RSUs that participate in distributions and holders of AOG Units. DE represents the amount of net realized earnings without the effects of the consolidation of any of the affiliated funds. DE, which is a component of EI, is the sum across all segments of (i) total management fees and advisory and transaction fees, excluding monitoring fees received from Athene based on its capital and surplus (as defined in Apollo’s transaction advisory services agreement with Athene), (ii) other income (loss), excluding the gains (losses) arising from the reversal of a portion of the tax receivable agreement liability, (iii) realized carried interest income, and (iv) realized investment income, less (i) compensation expense, excluding the expense related to equity-based awards, (ii) realized profit sharing expense, and (iii) non-compensation expenses, excluding depreciation and amortization expense. DE After Taxes and Related Payables represents DE less estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo’s tax receivable agreement.

### **Important Notes Regarding the Use of Index Comparisons**

Index performance and yield data are shown for illustrative purposes only and have limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number and types of securities). It may not be possible to directly invest in one or more of these indices and the holdings of any fund managed by Apollo may differ markedly from the holdings of any such index in terms of levels of diversification, types of securities or assets represented and other significant factors. Indices are unmanaged, do not charge any fees or expenses, assume reinvestment of income and do not employ special investment techniques such as leveraging or short selling. No such index is indicative of the future results of any fund managed by Apollo.

### **Credit Rating Disclaimer**

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