

AP Alternative Assets, L.P. Annual Unitholder Meeting

December 15, 2015

APOLLO

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Forward-Looking Statements

This presentation includes “forward-looking statements”, as that term is defined in the Private Securities Litigation Reform Act of 1995, in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts are statements that could be deemed forward-looking statements and are often characterized by the use of words such as “believes”, “expects”, “estimates”, “projects”, “may”, “will”, “intends”, “plans”, or “anticipates”, or by discussions or comments about our objectives, strategy, plans or intentions and results of operations.

By their nature, these forward-looking statements involve numerous assumptions, uncertainties and opportunities, both general and specific. The risk exists that these statements may not be fulfilled or, even if they are fulfilled, the results or developments described in such statements may not be indicative of results or developments in future periods. We caution participants of this presentation not to place undue reliance on these forward-looking statements as a number of factors could cause future company results to differ materially from these statements.

Forward-looking statements may be influenced in particular by factors such as fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political and regulatory conditions. We caution that the foregoing list is not exhaustive.

When relying on forward-looking statements to make decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events. The performance data quoted represents past performance and does not guarantee future results. The performance stated may have been due to extraordinary market conditions, which may not be duplicated in the future. Current performance may be lower or higher than the performance data quoted, and any variations may be material.

We do not undertake to update our forward-looking statements unless required by law.

1. Opening Remarks

2. Overview of AAA financial results

a. Results for the Nine Months Ended September 30, 2015

b. FY'2014 Results

3. Questions and answers related to AAA

Apollo is One of the World's Largest Alternative Asset Managers



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

Business Segments

Private Equity \$38.3bn AUM
<ul style="list-style-type: none"> ➤ Opportunistic buyouts ➤ Distressed buyouts and debt investments ➤ Corporate carve-outs

Credit \$112.8bn AUM
<ul style="list-style-type: none"> ➤ Drawdown ➤ Liquid / Performing ➤ Permanent Capital Vehicles: <ul style="list-style-type: none"> - Athene - MidCap - Apollo Investment Corporation - Closed-End Funds

Real Estate \$10.8bn AUM
<ul style="list-style-type: none"> ➤ 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

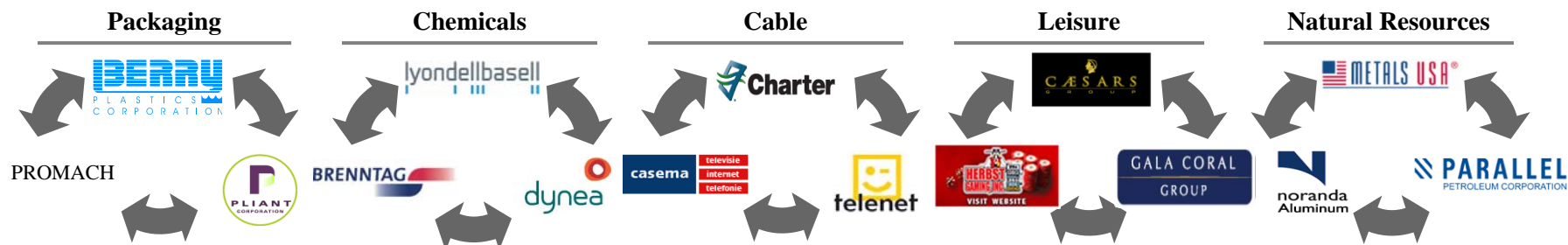
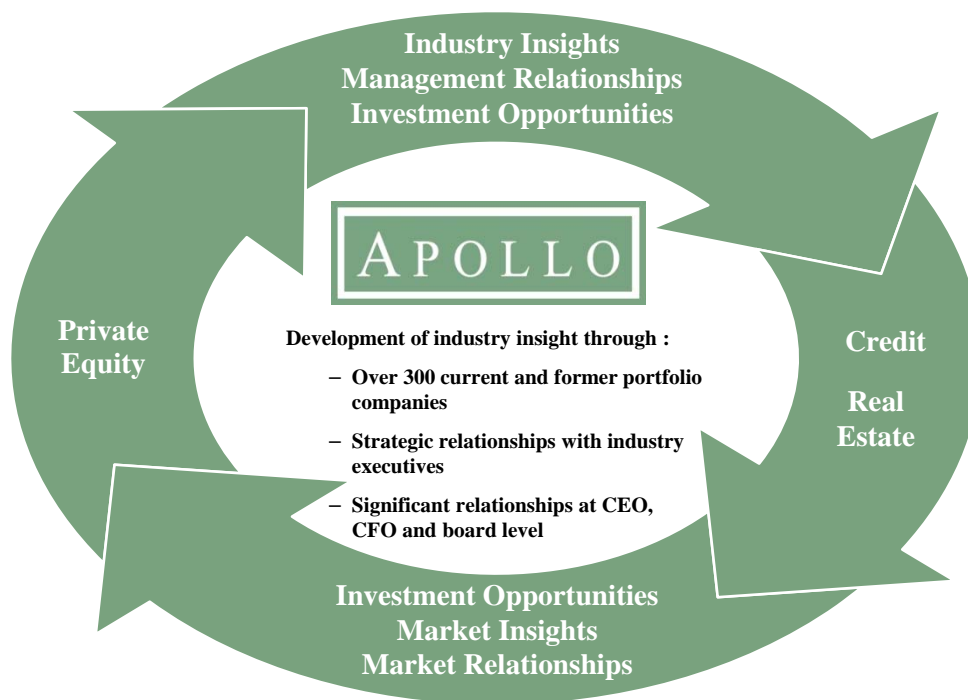
Focus on nine core industries

Global Footprint



(1) As of September 30, 2015. Note, AUM components may not sum due to rounding.

Apollo's Integrated Business Model



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.

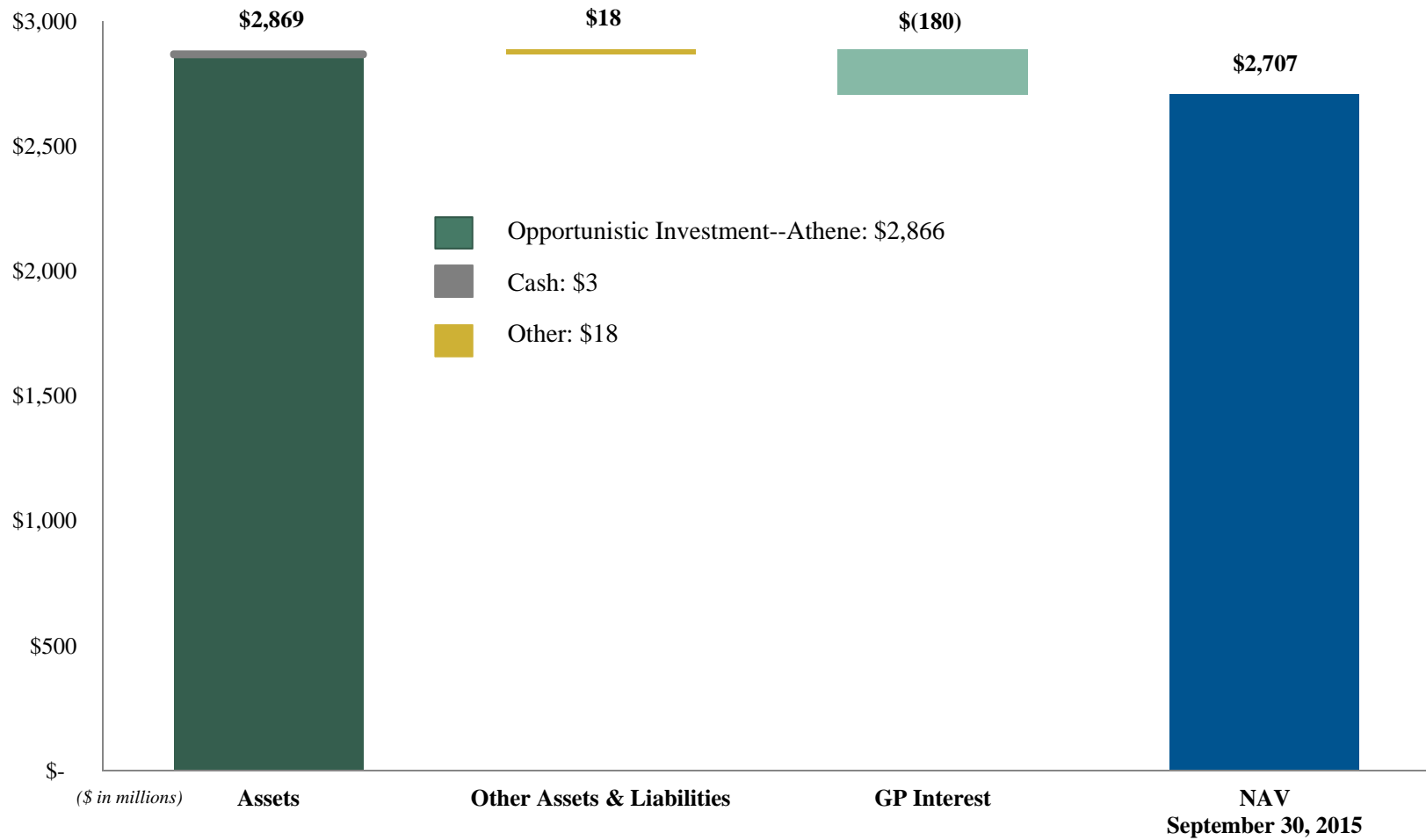
1. Opening Remarks
2. **Overview of AAA financial results**
 - a. Results for the Nine Months Ended September 30, 2015**
 - b. FY'2014 Results
3. Questions and answers related to AAA

- NAV per common unit at September 30, 2015 was \$35.46 compared to \$28.08 as of December 31, 2014, a net YTD increase of \$7.38 per common unit
- The Investment Partnership had \$3.0 million of cash and cash equivalents at September 30, 2015
- A line of credit was established in Q2'15 in order to meet future operating cash needs. It was not utilized during the period ending September 30, 2015 and remains at \$0 outstanding
- As of September 30, 2015, operating expenses decreased 27% year-over-year, from approx. \$1.8M in 2014 to approx. \$1.3M in 2015. This downward trend in operating expenses is largely driven by 71% lower legal expenses, approximately 15% lower audit fees, and an approximately 14% lower D&O insurance policy
- Athene remained the sole investment of the Investment Partnership and as of September 30, 2015 was valued at \$33.28 per share, utilizing a GAAP book value multiple approach
- The AAA management fee was satisfied through the final delivery of Athene shares to Apollo in Q1 2015. The 2015 management fees represent non-cash expenses (amortization of prepaid management fees as AAA amortizes the management fee expense over the services period which extends to 2020)

Net Asset Value as of September 30, 2015



9/30/15 - Market Cap
\$2,733 million
(1% premium to NAV)



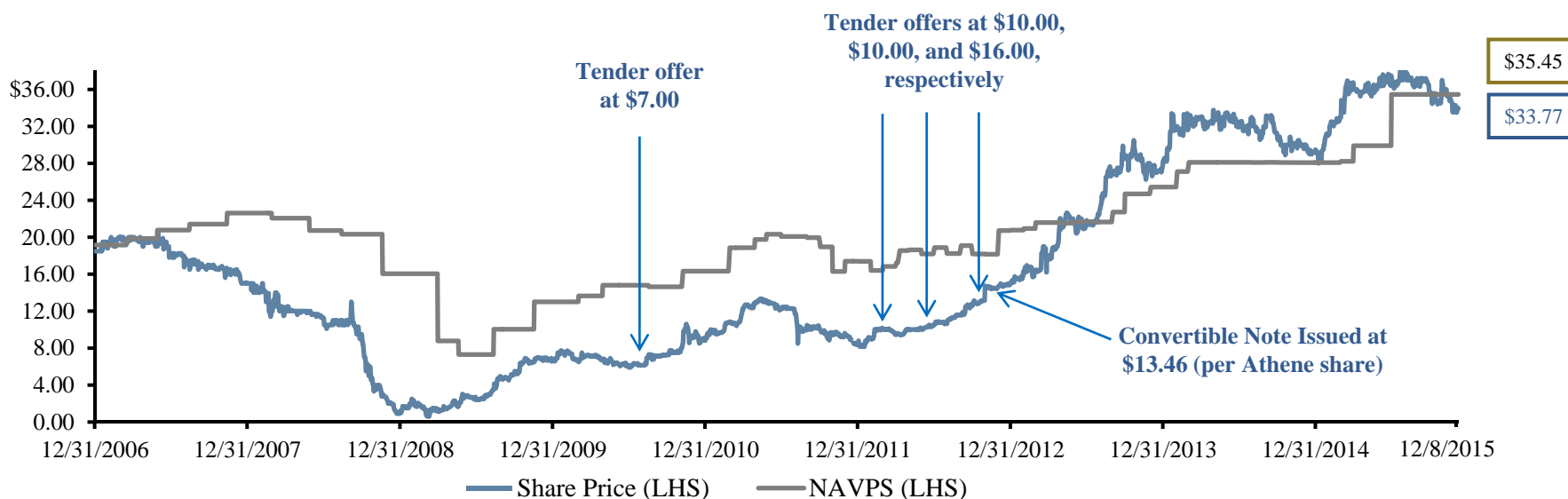
Note: The past performance of Apollo's funds is intended to be illustrative of Apollo's investing experience and not indicative of future results.

AAA Share Price History

AAA traded at \$35.80 or 1.0x P / NAV as of September 30, 2015

- AAA was trading at \$33.77 as of December 8, 2015, down \$2.03 from the September 30, 2015 share price of \$35.80.
- Investment performance over 1, 3 and 5 years horizon has been strong. Over the past 3 months AAA's share price appears to have settled into a trading range closer to the net asset value of AAA.
- The recent increase in NAV through November 30, 2015 is due to the positive developments in Athene.

	<u>(Decrease)/ Increase in AAA share price over the following periods: ⁽¹⁾</u>				
<u>Per share</u>	<u>YTD</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>Life</u>
Cummulative increase	\$4.30	\$3.77	\$18.80	\$23.97	\$13.77
	15%	13%	126%	245%	69%



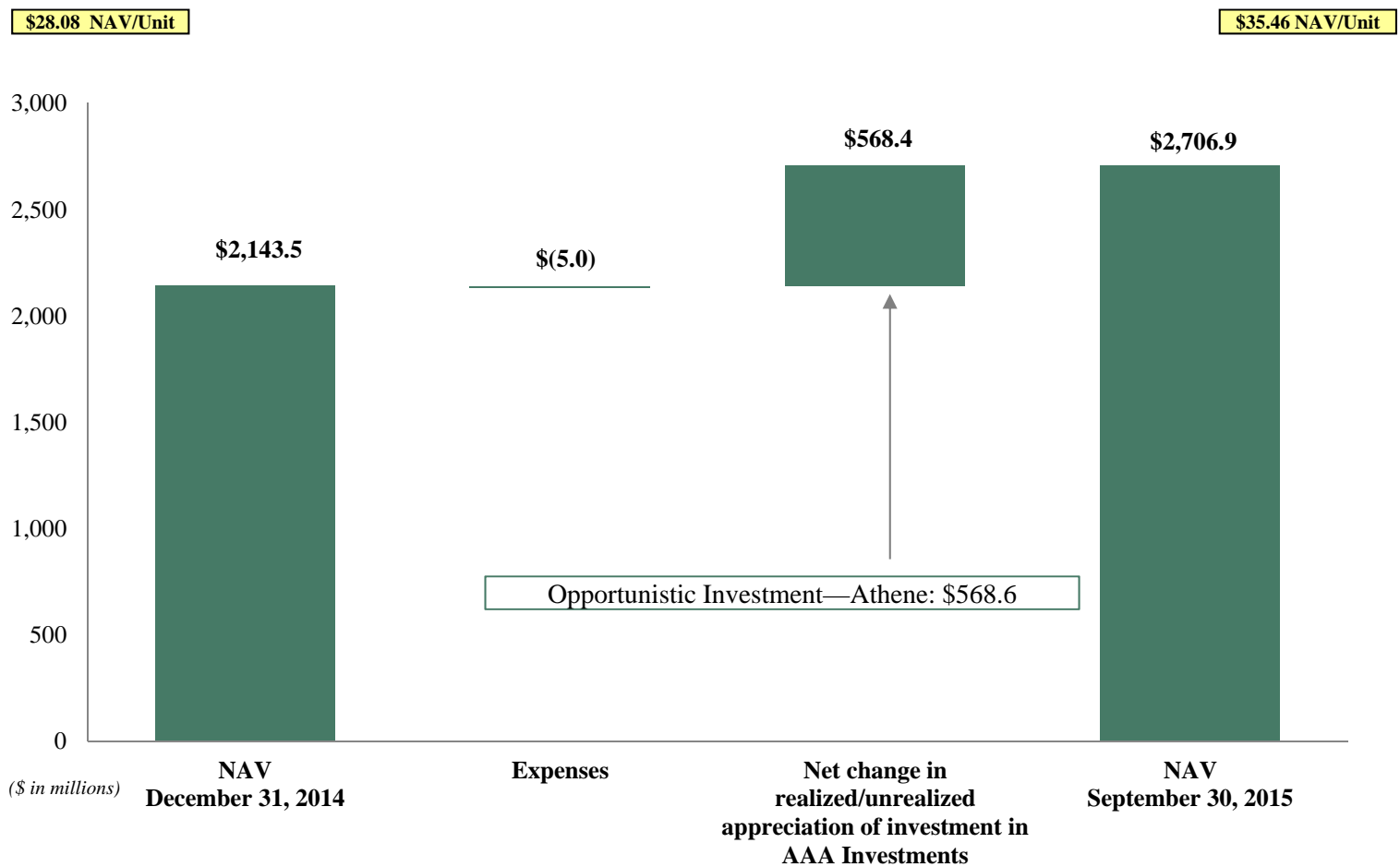
(1) As of December 8, 2015.

NOTE: Graph reflects daily market price as of December 8, 2015, while NAV is only determined on a monthly basis through November 30, 2015.

YTD Q3 2015 NAV Performance



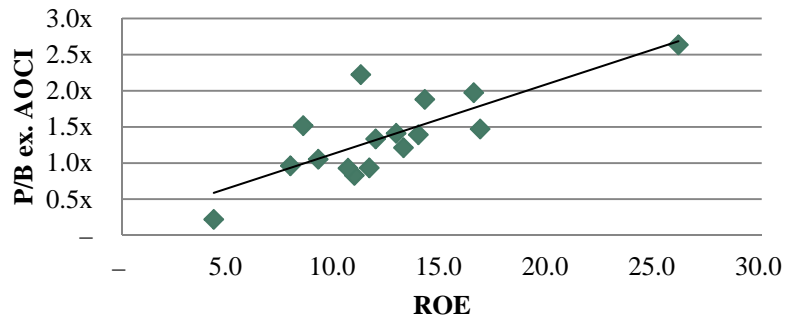
NAV per unit at September 30, 2015 was \$35.46, up \$7.38 from \$28.08 at December 31, 2014



Note: The past performance of Apollo's funds is intended to be illustrative of Apollo's investing experience and not indicative of future results.

Athene Valuation as of September 30, 2015

P/B ex. AOCI vs. ROE



Represents the calculated book value multiples of certain of Athene's public insurance company peers relative to their projected ROE.

Positive Developments at Athene

- Athene has continued to evolve its business model and position itself for becoming a public company as illustrated by value accretive events occurring since Q2 2015 such as the hiring of a new President and a new CFO, investing in a broad-based marketing campaign for its retail product offering, launching a Funding Agreement Backed Note ("FABN") program, and diversifying into new businesses via the closing of the acquisition of DLD. Further, during the quarter ended September 30, 2015, Athene published its 2014 audited GAAP financial statements and issued its unaudited GAAP financial statements for the six months ended June 30, 2015 (which facilitated the ability to use a book value multiple as a primary methodology).

GAAP BV Multiple Calculation

GAAP BV, excluding AOCI

Athene's GAAP book value excluding AOCI (based on publicly reported financial statements)

+ Future equity related to outstanding management incentive shares multiplied by respective strike price per share

+ Projected GAAP income/loss for the current quarter

= **Adjusted GAAP book value, excluding AOCI (A)**

Fully Diluted Shares

Athene's outstanding shares

+ Outstanding restricted management incentive share awards

= **Projected fully diluted shares (B)**

BV Multiple per share

BV multiple per share based on public peer analysis

- Discount for relative illiquidity and other company specific factors

= **Adjusted Book Value multiple (C)**

((A) / (B)) x (C)

= **Fair Value per share**

AP ALTERNATIVE ASSETS, L.P. STATEMENT OF ASSETS AND LIABILITIES (in thousands, except per unit amounts)	
	As of September 30, 2015 (unaudited)
ASSETS	
Investment in AAA Investments, L.P. (cost of \$1,494,358 at September 30, 2015 and December 31, 2014)	\$ 2,708,809
Other assets	352
TOTAL ASSETS	2,709,161
LIABILITIES	
Accounts payable and accrued liabilities	399
Due to affiliates	1,814
TOTAL LIABILITIES	2,213
NET ASSETS	\$ 2,706,948
NET ASSETS CONSIST OF:	
Partners' capital contribution (76,328,950 net common units outstanding at September 30, 2015 and December 31, 2014)	\$ 1,621,541
Partners' capital distributions	(112,309)
Accumulated increase in net assets resulting from operations	1,197,716
NET ASSETS	\$ 2,706,948
Net asset value per common unit	\$ 35.46
Market price per common unit	\$ 35.80

AP ALTERNATIVE ASSETS, L.P.	
STATEMENT OF OPERATIONS (unaudited)	
(in thousands)	
	For the Nine Months Ended September 30,
	2015
NET INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.)	
Interest income	\$ —
Investment expenses	(3,703)
	<u>(3,703)</u>
EXPENSES	
General and administrative expenses	(1,289)
NET INVESTMENT LOSS	<u>(4,992)</u>
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)	
Net realized gains from sales/dispositions on investments	666
Net change in unrealized appreciation of investment	567,728
NET GAIN FROM INVESTMENTS	<u>568,394</u>
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 563,402</u>

AAA INVESTMENTS, L.P.	
STATEMENT OF ASSETS AND LIABILITIES	
(in thousands)	
	As of September 30, 2015 (unaudited)
ASSETS	
Investments:	
Investment in Opportunistic Investment at fair value (cost of \$1,361,120 and \$1,363,532 at September 30, 2015 and December 31, 2014, respectively)	\$ 2,866,419
Cash and cash equivalents	3,034
Other assets	18,040
Due from affiliates	1,814
TOTAL ASSETS	2,889,307
LIABILITIES	
Accounts payable and accrued liabilities	445
Due to affiliates	368
TOTAL LIABILITIES	813
NET ASSETS	\$ 2,888,494
NET ASSETS CONSIST OF:	
Partners' capital	\$ 1,470,339
Accumulated increase in net assets resulting from operations	1,418,155
NET ASSETS	\$ 2,888,494

AAA INVESTMENTS, L.P. STATEMENT OF OPERATIONS (unaudited) (in thousands)	
	For the Nine Months Ended September 30, <u>2015</u>
INVESTMENT INCOME:	
Interest income	\$ —
EXPENSES:	
Management fees	(2,527)
General and administrative expenses	(1,177)
NET INVESTMENT LOSS	<u>(3,704)</u>
REALIZED AND UNREALIZED GAINS	
FROM INVESTMENTS:	
Net realized gains from sales/dispositions on investments	667
Net change in unrealized appreciation on investments	624,639
NET GAIN FROM INVESTMENTS	<u>625,306</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 621,602</u>

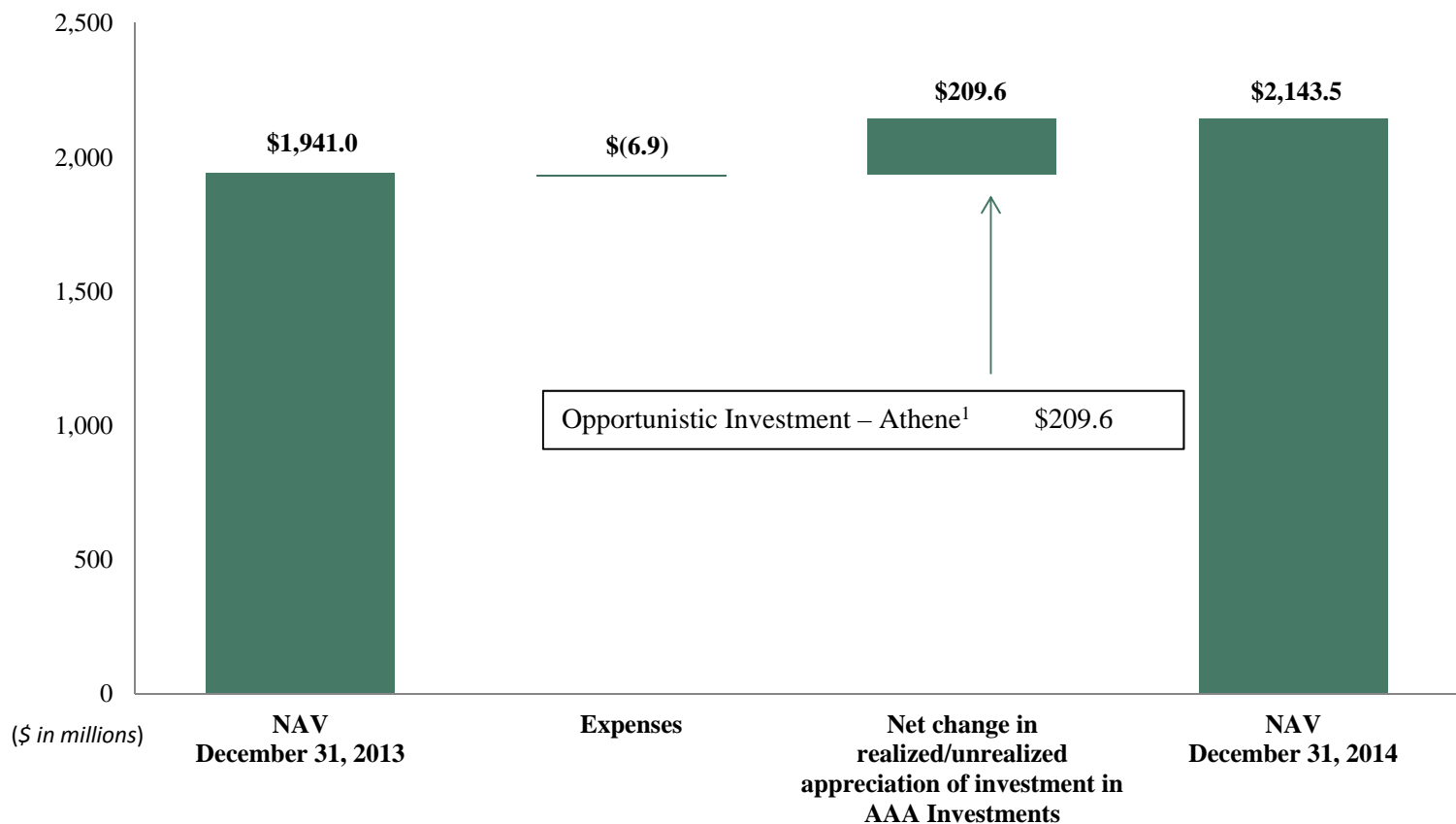
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- NAV per common unit at December 31, 2014 was \$28.08 compared to \$25.43 at December 31, 2013, reflecting a \$2.65 increase for the year
- The Investment Partnership had \$5.9 million of cash and cash equivalents at December 31, 2014
- The Investment Partnership had net gains from investments of \$230.2 million for the year ended December 31, 2014, respectively
- On September 29, 2014 AAA settled the Athene note receivable with a principal balance prior to repayment of \$51.3 million, resulting in the receipt of 3,808,626 shares of Athene class B common stock. There was no impact to net gains from investments since the note was previously marked at fair value (conversion price)
- The AAA management fee terminated December 31, 2014 and resulted in the delivery of 1,008,328 shares of stock to Apollo (inclusive of 118,338 shares accrued at December 31, 2014 but delivered in Q1 2015)

2014 NAV Performance



NAV per unit at December 31, 2014 was \$28.08, up \$2.65 from \$25.43 at December 31, 2013



(1) Net change in realized/unrealized appreciation of investment in AAA Investments includes note receivable from Athene¹ which was settled in Q3'14.

Note: The past performance of Apollo's funds is intended to be illustrative of Apollo's investing experience and not indicative of future results.

2014 AP Alternative Assets, L.P. Financial Statements

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AP ALTERNATIVE ASSETS, L.P.	
STATEMENT OF ASSETS AND LIABILITIES	
(in thousands, except per unit amounts)	
	As of December 31,
	2014
ASSETS	
Investment in AAA Investments, L.P. (cost of \$1,494,358 at December 31, 2014 and 2013)	\$ 2,144,118
Other assets	256
TOTAL ASSETS	2,144,374
LIABILITIES	
Accounts payable and accrued liabilities	474
Due to affiliates	354
TOTAL LIABILITIES	828
NET ASSETS	\$ 2,143,546
NET ASSETS CONSIST OF:	
Partners' capital contribution (76,328,950 net common units outstanding at December 31, 2014 and 2013)	\$ 1,621,541
Partners' capital distributions	(112,309)
Accumulated increase in net assets resulting from operations	634,314
NET ASSETS	\$ 2,143,546
Net asset value per common unit	\$ 28.08
Market price per common unit	\$ 29.47

2014 AP Alternative Assets, L.P. Financial Statements



AP ALTERNATIVE ASSETS, L.P.	
STATEMENT OF OPERATIONS	
(in thousands)	
	For the Year Ended December 31,
	2014
NET INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.)	
Interest income	\$ 115
Investment expenses	(5,076)
	<u>(4,961)</u>
EXPENSES	
General and administrative expenses	(2,224)
	<u>(2,224)</u>
NET INVESTMENT LOSS	<u>(7,185)</u>
REALIZED AND UNREALIZED GAINS (LOSSES) FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)	
Net realized gains (losses) from sales/dispositions on investments	5,413
Net change in unrealized appreciation of investment	204,115
	<u>204,115</u>
NET GAIN FROM INVESTMENTS	<u>209,528</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 202,343</u>

2014 AAA Investments Financial Statements



AAA INVESTMENTS, L.P.	
STATEMENT OF ASSETS AND LIABILITIES	
(in thousands)	
	As of December 31, 2014
ASSETS	
Investments:	
Investment in Opportunistic Investment at fair value (cost of \$1,363,532 and \$1,331,942 at December 31, 2014 and 2013, respectively)	\$ 2,244,192
Cash and cash equivalents	5,888
Note receivable from affiliate (cost of \$51,264 at December 31, 2013)	—
Other assets	20,468
Due from affiliates	354
TOTAL ASSETS	2,270,902
LIABILITIES	
Accounts payable and accrued liabilities	375
Due to affiliates	3,635
TOTAL LIABILITIES	4,010
NET ASSETS	\$ 2,266,892
NET ASSETS CONSIST OF:	
Partners' capital	\$ 1,470,339
Accumulated increase in net assets resulting from operations	796,553
NET ASSETS	\$ 2,266,892

2014 AAA Investments Financial Statements



AAA INVESTMENTS, L.P. STATEMENT OF OPERATIONS (in thousands)	
	For the Year Ended December 31, <u>2014</u>
INVESTMENT INCOME:	
Interest income	\$ 115
EXPENSES:	
Management fees	(3,481)
General and administrative expenses	<u>(1,596)</u>
NET INVESTMENT LOSS	<u>(4,962)</u>
REALIZED AND UNREALIZED GAINS (LOSSES)	
FROM INVESTMENTS:	
Net realized gains (losses) from sales/dispositions on investments	5,416
Net change in unrealized appreciation on investments	224,809
NET GAIN FROM INVESTMENTS	<u>230,225</u>
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ 225,263</u>

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For additional information, please visit our website: <http://www.apolloalternativeassets.com>