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AP Alternative Assets, L.P. Q4 Results Presentation – March 18, 2014

Agenda

1. **Summary of Q4 2013 Financial Results**
2. Investment Overview
3. Athene Update
4. Updated Risk Factors

AP Alternative Assets, L.P. – Q4 2013 Highlights

NAV per common unit at December 31, 2013 was $25.43, up $2.70 from $22.73 at September 30, 2013

The Investment Partnership had $10.7 million of cash and cash equivalents as of December 31, 2013 and a note receivable from Athene with a fair value of $89.0 million

The Investment Partnership had net realized and unrealized gains from investments of $231.1 million and $383.8 million for the three months and year ended December 31, 2013, respectively

Athene closed the Aviva USA transaction on October 2, 2013

Athene intends to raise capital through a private placement in Q1 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.

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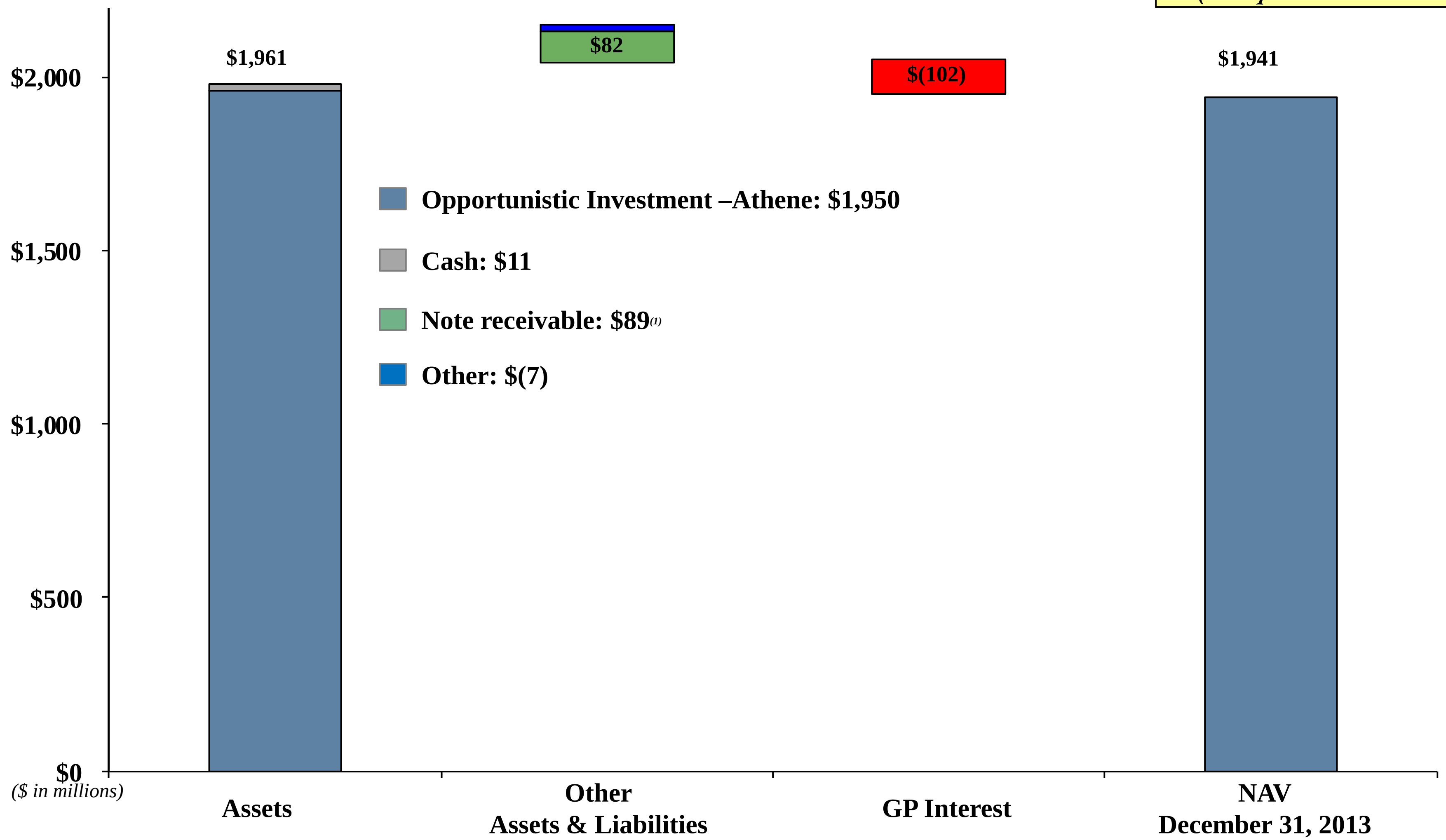
Net Asset Value as of December 31, 2013

12/31/13 - Market Cap
$2,156 million
(11% premium to NAV)

9/30/13 - Market Cap
$2,175 million
(25% 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.*

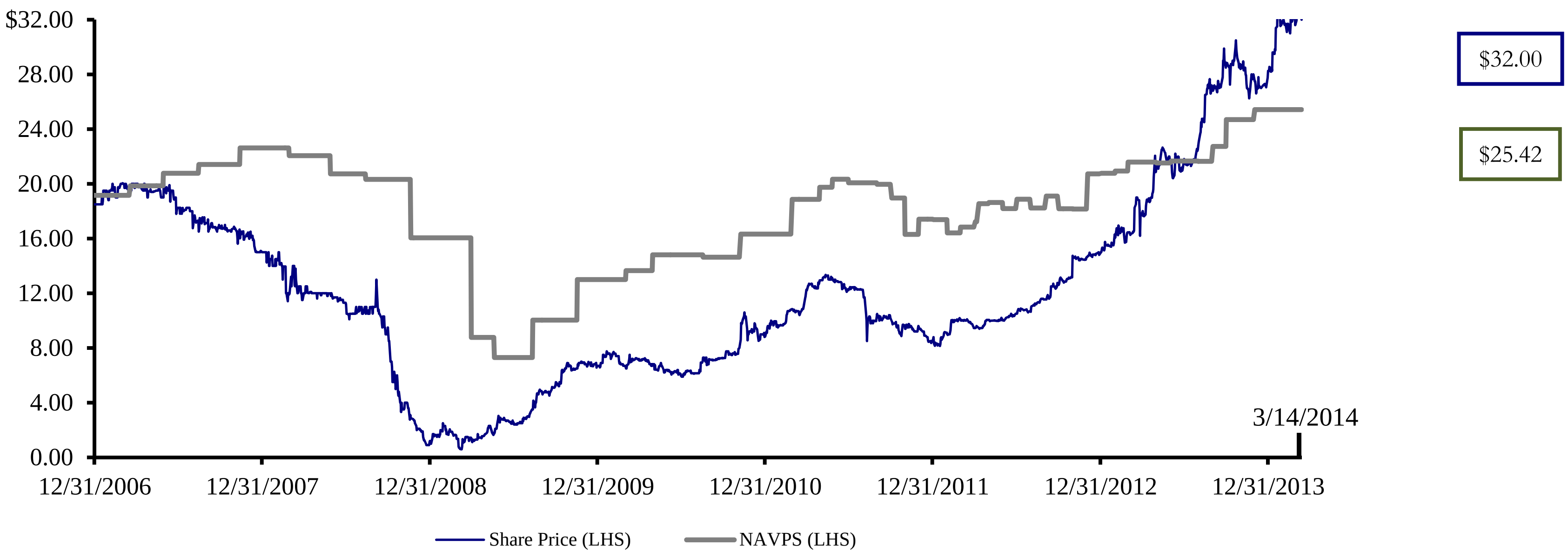
(1) The note receivable is payable upon demand by AAA in cash or Athene shares and is carried at fair value. The fair value was determined based on the Athene share valuation as of 12-31-13. The principal amount at December 31, 2013 is $51.3 million.

AAA: Share Price History

AAA trades at $28.25 or 1.11x P / NAV as of December 31, 2013

- While AAA traded at a discount to NAV prior to Q3 2013, it has been trading above NAV for all of Q4 2013. Its unit price movements have historically generally tracked its NAV movements.
- AAA is currently trading at $32.00 as of March 14, 2014, up $3.75 from December 31, 2013 share price of $28.25

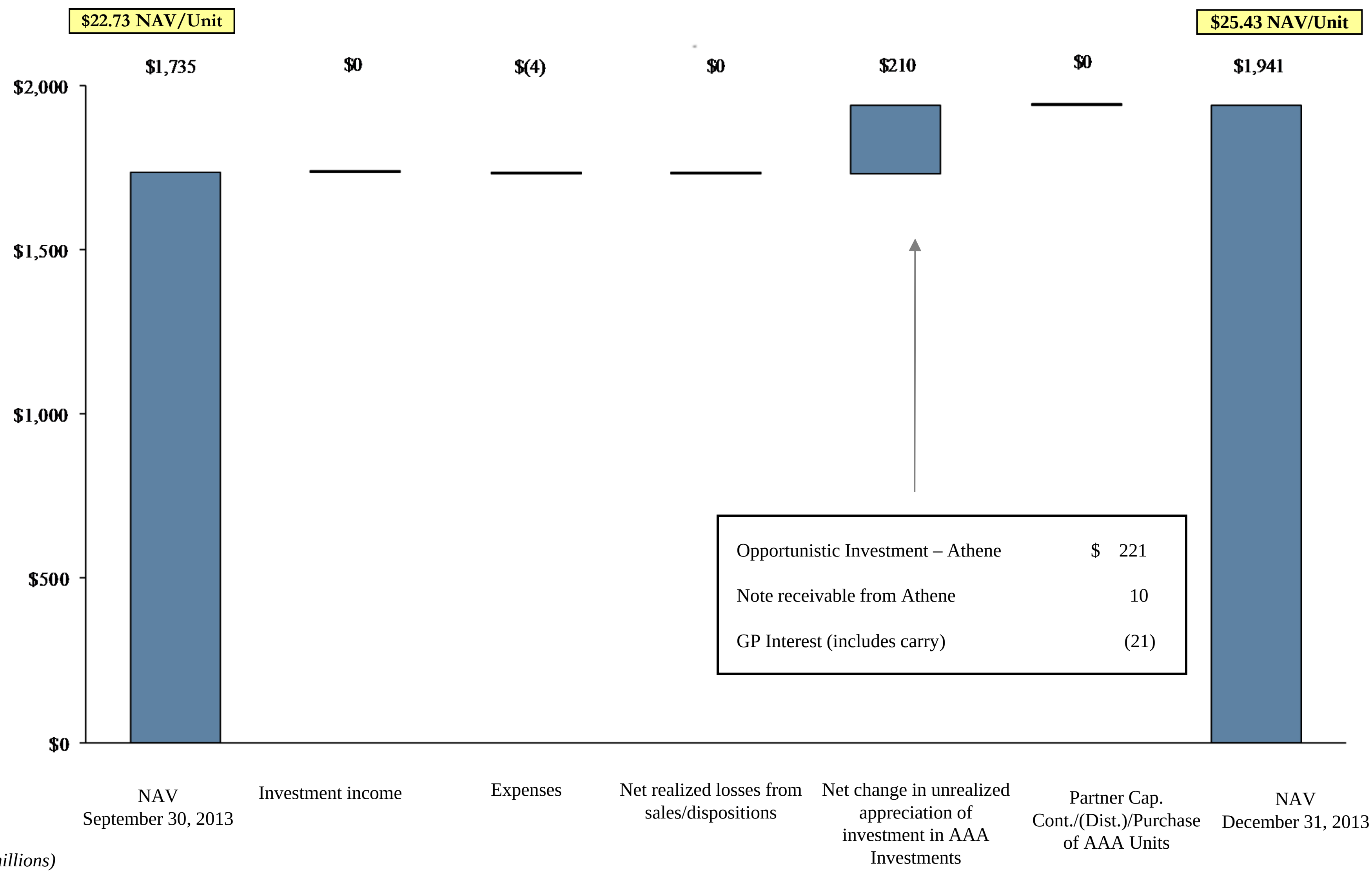
		Average Premium (Discount)			
	Current[(1)]	6-Month	1-Year	3-Year	Life
AAA	26%	18%	10%	(22)%	(34)%



(1) As of March 14, 2014.
NOTE: Graph reflects daily market price as of March 14, 2014, while NAV is only determined on a monthly basis through January 31, 2014.

Q4 2013 NAV Performance

NAV per unit at December 31, 2013 was $25.43, up $2.70 from $22.73 at September 30, 2013



($ in millions)

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

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AAA Investments, L.P. Q4 2013 Highlights

Description	December 31, 2013 Cost	December 31, 2013 Fair Value	September 30, 2013 Cost	September 30, 2013 Fair Value	Q4 QTD Unrealized MTM	Q4 QTD Realized P&L
Opportunistic Investment - Athene	$ 1,331.9	$ 1,950.0	$ 1,331.9	$ 1,729.0	$ 221.0	$ -
Note receivable from Athene	51.3	89.1	51.3	79.0	10.1	-
	$ 1,383.2	**$ 2,039.1**	**$ 1,383.2**	**$ 1,808.0**	**$ 231.1**	**$ -**

Key items during the Quarter

- Total unrealized gain from Athene of $231.1 million during the quarter.
- On October 2, 2013, Athene announced it had completed the acquisition of Aviva USA and its subsidiaries for approximately $1.55 billion bringing Athene's total assets to approximately $60 billion.
- Athene also announced it completed the sale of Aviva USA's life insurance operations to Presidential Life Insurance Company-USA.

Key Upcoming Items Q1 2014

- On January 8, 2014, AAA informed investors that Athene intends to raise capital in a private placement to sophisticated investors who are "accredited investors," as such term is defined by applicable U.S. securities laws (or equivalent standards in non-U.S. jurisdictions). No shares have been committed as of this date.

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1. Summary of Q4 2013 Financial Results
2. Investment Overview
3. **Athene Update**
4. Updated Risk Factors

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1. Summary of Q4 2013 Financial Results
2. Investment Overview
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4. **Updated Risk Factors – see Appendix A**

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ALTERNATIVE ASSETS

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

Appendix A - Risk Factors

Portfolio Risks

As a result of the Transaction, substantially all of the assets of the Investment Partnership and the only portfolio investment of the Investment Partnership consist of an investment in the majority of the economic equity of Athene Holding Ltd. We make all of our investments through the Investment Partnership and our only significant asset is the limited partner interests in the Investment Partnership. Therefore, the value of your investment in us is directly linked to the value of Athene.

Should we experience a loss on a portion or all of the Athene investment, or on any investment that represented a significant portion of our portfolio, such an event would have a material adverse effect on our business, financial condition and results of operation and may result in a significant loss in the value of your investment in us. An investment in Athene involves risks. You should carefully consider the following summary of material risks as well as other information made available to you, including Athene's consolidated financial statements and related notes for the years ended December 31, 2013, 2012 and 2011.

A number of important factors could affect Athene's business, operations, financial condition, results of operations, liquidity and prospects. Additionally, there may be events that occur that affect Athene that could have a material and adverse effect on your investment in us. These factors and events include, but are not limited to, the following:

Risks Relating to Athene's Business

- Athene's profitability, financial condition, results of operations and cash flows depend on the accuracy of Athene's management's assumptions and estimates in determining pricing, expected cash flows and reserves with respect to Athene's investments and liabilities, including Athene's ability to implement successfully its asset liability management strategies;

- the amount of statutory capital that Athene's insurance subsidiaries have can vary significantly from time to time and are sensitive to a number of factors outside of Athene's control;

- Athene and its insurance subsidiaries may need additional capital in the future to operate and grow their business, to maintain their financial strength and credit ratings and to meet other requirements and obligations and such capital may not be available to them or may not be available to them on favorable terms due to the volatility in the equity or credit markets, adverse economic conditions or their creditworthiness;

- if Athene's risk management policies and procedures, which include the use of derivatives and reinsurance, are not adequate to protect Athene, it may be exposed to unidentified, unanticipated or inadequately managed risks;

- Athene operates in a highly competitive industry that includes a number of competitors, many of which are substantially larger and better known than Athene, which could limit Athene's position in the industry and could materially and adversely affect Athene's business, financial condition, results of operations and prospects;

- interest rate fluctuations could adversely affect Athene's profitability, financial condition, results of operations and cash flows by, among other things, (i) increasing surrenders of Athene's policies, (ii) negatively impacting the value of Athene's investments or asset management strategies and (iii) adversely affecting the type and quality of acquisitions of insurance liabilities and businesses Athene is able to make;

- Athene's growth plans include acquiring business through acquisitions of other insurance companies and reinsurance of insurance obligations written by unaffiliated insurance companies, and Athene's ability to consummate these acquisitions and reinsurance arrangements on terms acceptable to it in the future is unknown; furthermore, Athene's failure to manage its growth and integrate these acquisitions successfully, including its failure to successfully redeploy investments acquired in its acquisition of Aviva USA into higher yielding assets, may adversely affect Athene's profitability, financial condition, results of operations and cash flows;

- Athene may be responsible for certain of the obligations and liabilities of the companies and businesses it acquires and the insurance obligations written by unaffiliated insurance companies that Athene reinsures; these obligations and liabilities Athene assumes may be known to Athene at the time of acquisition or reinsurance or unknown; to the extent Athene does not price these obligations and liabilities appropriately or to the extent Athene assumes any unknown or unanticipated obligations and liabilities resulting from such acquisitions and reinsurance arrangements, Athene's profitability, results of operation, financial condition and cash flows could be materially adversely affected;

- a financial strength ratings downgrade, potential downgrade or any other negative action by a rating agency could make Athene's product offerings less attractive, inhibit its ability to acquire future business through acquisitions or reinsurance and increase its cost of capital which could have a material and adverse effect on its business, financial condition, results of operations and cash flows;

- Athene may be subject to significant operating and financial restrictions imposed by its financing agreements if Athene fails to maintain and comply with covenants applicable to it and its subsidiaries; Athene's failure to comply with these covenants, some of which are financial, may prevent or restrict Athene from capitalizing on business opportunities, including making additional acquisitions or growing its business;

- Athene and its subsidiaries are subject to the credit risk of their counterparties, including ceding companies who reinsure business to Athene's insurance subsidiaries and reinsurers who assume liabilities from Athene's insurance subsidiaries;

- some of the products offered by Athene's insurance subsidiaries and insurance company customers allow policyholders and contract holders to withdraw their funds under defined circumstances; some of the reinsurance agreements entered into by Athene's insurance subsidiaries provide for recapture rights that permit Athene's insurance company customers to reassume all or a portion of the risk ceded to Athene's insurance subsidiaries under defined circumstances; and unanticipated withdrawal or surrender activity or recaptures of reinsurance agreements could, under certain circumstances, require Athene to dispose of investments on unfavorable terms, which may adversely affect Athene's profitability, financial condition, results of operations and cash flows;

- Athene relies on third parties, including reinsurance companies to which Athene has sold life insurance businesses, to provide services in connection with Athene's business operations; any failure by such third parties to perform their obligations to Athene in accordance with their respective agreements with Athene could have a material adverse effect on Athene's business; in addition, some of these third parties may act, or be deemed to act, on Athene's behalf or represent Athene in various capacities and consequently, Athene may be held responsible for obligations that arise from the acts or omissions of such third parties;

- Athene is dependent on its ability to maintain effective relationships with distribution partners that Athene is highly reliant upon to sell its products, including third party distributors, marketers or sellers of fixed annuities;

- Athene is subject to general economic conditions and other factors, including prevailing interest and unemployment rate levels and financial and credit market performance, which may affect, among other things, its ability to sell its products, the fair value of its investments and whether such investments become impaired and the surrender rate and profitability of its policies;

- Athene may incur additional senior or subordinated indebtedness the creditors of which would have priority in payment over holders of Athene's equity, including upon any liquidation of Athene;

- if Athene loses or fails to retain its senior executives or other key personnel and is unable to attract qualified personnel, its ability to execute its growth plans and operate its business could be impeded or adversely affected, which could significantly and negatively affect Athene's business;

- interruption or other operational failures in telecommunications, information technology and other operational systems or a failure to maintain the security, integrity, confidentiality or privacy of sensitive data residing on these systems, including as a result of human error, could have a material adverse effect on Athene's business;

Risks Related to Athene's Investments and Investment Manager

- Athene's investments are subject to market, liquidity, concentration and credit risks; these risks could be greater during periods of extreme volatility or disruption in the financial and credit markets, which could adversely impact Athene's financial condition, results of operations and liquidity;

- Athene's financial condition, results of operations, cash flows and liquidity could be adversely affected if the fair value and future performance of Athene's investments decrease due to credit defaults, changes in interest rates or adverse cash flow characteristics, in each case, in a manner that differs from the assumptions or estimates made by Athene's management at the time of acquisition;

- if Athene's subsidiaries fail to generate sufficient cash, Athene may be required to sell its investments at a loss at inopportune times to cover policyholder withdrawals or to meet its insurance, reinsurance or other obligations;

- certain conflicts of interest exist and may arise from time to time among Apollo Global Management, LLC and its affiliates (collectively, "Apollo") and Athene and its subsidiaries, including but not limited to investment management fees paid to Athene's asset manager, an affiliate of Apollo, and the failure to manage these potential conflicts appropriately could damage Athene's reputation and adversely affect its business;

- Athene's bye-laws provide that Athene may not, and will cause its subsidiaries not to, terminate any investment management agreement between its investment manager and Athene or any of its subsidiaries without cause on any date other than February 28, 2017 (or any third anniversary of such date) and any such termination without cause requires approval of the board of directors of Athene and a majority of the voting shares of Athene and six months' prior written notice to the investment manager of such termination;

Risks Related to Insurance and Other Regulatory Matters

- Athene is subject to significant legal restrictions, regulations and regulatory oversight in connection with the operations of its business, including the discretion of various governmental entities in applying such restrictions and regulations; these restrictions may have a material adverse effect on its business, financial condition, results of operations, cash flows, liquidity and prospects;

- Athene's failure to maintain or obtain approval of insurance regulators and other regulatory authorities as required for the operations of its insurance subsidiaries may have a material adverse effect on its business and prospects;

- Athene may become subject to regulatory changes or actions, including those relating to the regulation of financial services affecting (among other things) underwriting of insurance products and the regulation of the sale, underwriting and pricing of insurance products, the ability of its insurance subsidiaries to make cash distributions to Athene, to invest assets in accordance with Athene's investment strategy or to engage in transactions with or among affiliates, including Apollo, any of which could have an adverse effect on Athene's financial condition, results of operations or cash flows;

- with subsidiaries domiciled across the U.S. as well as in Bermuda, Athene is subject to oversight from U.S. regulators as well as the Bermuda Monetary Authority, the potential for Athene's insurance subsidiaries' regulators to implement standards that require its insurance subsidiaries to hold more capital, limit its subsidiaries' ability to invest in certain asset classes, constrain its subsidiaries from paying dividends, or prevent its subsidiaries from consummating reinsurance or acquisition transactions may materially and adversely affect Athene's profitability, financial condition, results of operations and cash flows;

- changes in the regulatory framework governing the insurance industry resulting from the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, including the establishment of, and actions taken by, the Federal Insurance Office, may have a material adverse effect on Athene's business, financial condition, results of operations, liquidity and prospects;

- Athene may in the future be the target or subject of, and may be required to defend against or respond to, litigation (including class action litigation), enforcement investigations or regulatory scrutiny;

- new accounting rules or accounting principles, whether GAAP or statutory or whether in the United States or Bermuda, including convergence with International Financial Reporting Standards ("IFRS") may adversely affect Athene's financial condition and results of operation;

- the requirements governing the determination and recognition of purchase GAAP accounting ("PGAAP") in connection with Athene's acquisitions are complicated and rely on, among other things, management's estimates of the fair values of assets and liabilities acquired in the acquisition. Inaccurate estimates or changes in the values of these assets and liabilities that were not or could not be contemplated could result in unanticipated changes in Athene's net income and may affect its financial condition and results of operation;

Risks Relating to Athene's Common Shares

- there is currently no market for Athene's common shares, and there is no assurance that an active trading market will develop or continue or will be liquid; Athene's common shares are subject to transfer restrictions and contractual restrictions on sales, and the Investment Partnership may be required to hold its investment in Athene for an indefinite period of time;

- the Investment Partnership's ability to transfer its Athene common shares is limited; even if Athene becomes a publicly-traded company, the Investment Partnership will be contractually restricted from selling all or a portion of its Athene common shares for a period of time after Athene's initial public offering;

- Athene may raise additional equity capital in the future; future issuances or the possibility of future sales of a substantial amount of equity by Athene (including the issuance of additional equity in Athene to Apollo in respect of management and other fees payable to Apollo) may depress the price of the Investment Partnership's investment in Athene common shares and result in substantial dilution to the Investment Partnership if it does not exercise its preemptive rights;

- the interests of Apollo, who controls 45% of the total voting power of Athene and who (directly or through employees) holds a number of the seats on Athene's board of directors, may conflict with those of other Athene shareholders and could make it more difficult for the Investment Partnership and other shareholders to influence significant corporate decisions;

Risks Relating to Taxation

- Athene is subject to the risk that future changes in U.S. tax law could adversely affect its profitability, diminish the attractiveness of the products issued or reinsured by it, or reduce the after-tax returns of direct or indirect U.S. holders of Athene's common shares;

- Athene's financial condition, results of operations, cash flows and prospects are subject to the risk that the U.S. Internal Revenue Service may assert that Athene is liable for additional U.S. federal income or excise taxes as the result of its operations, including its reinsurance arrangements;

- Athene is subject to the risk that Bermuda tax laws may change and that it may become subject to new Bermuda taxes following the expiration of a current exemption after 2035;

- Athene is subject to the risk that it may become subject to withholding on certain investment income or proceeds under certain U.S. tax provisions commonly known as the "Foreign Account Tax Compliance Act" or "FATCA"; to avoid any withholding or penalties, Athene may be required to report the identity of, and certain other information regarding, certain direct or indirect U.S. holders of its common shares to counterparties or the U.S. Internal Revenue Service; Athene may also be required to withhold on payments to holders of its common shares who do not provide it with certain information required to fully comply with FATCA;

- certain direct or indirect U.S. holders of Athene's common shares may be subject to adverse U.S. tax consequences if Athene is characterized as a "passive foreign investment company" for U.S. federal income tax purposes;

- existing voting restrictions on Athene's common shares set forth in Athene's bye-laws limit the voting power of Athene's common shares such that no U.S. person is treated as owning (directly, indirectly or constructively) more than 9.9% of the total voting power of Athene's stock; if this voting restriction were not respected by a court or were suspended by Athene's board of directors, certain U.S. investors could experience adverse U.S. tax consequences as described below:

    - specifically, if the voting restriction were not in force or effective and Athene was treated as a CFC in a taxable year, each U.S. person treated as a "U.S. Shareholder" with respect to Athene that held its common shares directly or through foreign entities as of the last day in such taxable year that Athene was a CFC would generally be required to include in gross income its pro rata share of Athene's insurance income and certain other investment income, regardless of whether that income was actually distributed to such U.S. person (with certain adjustments); for these purposes, a "U.S. Shareholder" of a non-U.S. corporation generally is any U.S. person that directly, indirectly or constructively owns stock of the non-U.S. corporation possessing 10% or more of the total voting power of such corporation's stock;

    - In general, a non-U.S. corporation is a CFC if "U.S. Shareholders", in the aggregate, directly, indirectly or constructively own stock of the non-U.S. corporation possessing more than 50% of the voting power or value of such corporation's stock; however, this threshold generally is lowered to 25% for purposes of taking into account the insurance income of a non-U.S. corporation;

- if any of Athene's Bermuda reinsurance subsidiaries is treated as recognizing "related person insurance income", or RPII in a taxable year and such Bermuda reinsurance subsidiary is treated as a CFC for such taxable year, each U.S. person that holds Athene's common shares directly or through foreign entities as of the last day in such taxable year must generally include in gross income its pro rata share of the RPII, determined generally as if the RPII were distributed proportionately only to all such U.S. persons, regardless of whether that income is distributed (with certain adjustments); for purposes of taking into account RPII, a non-U.S. corporation generally will be treated as a CFC if U.S. persons in the aggregate directly, indirectly or constructively own 25% or more of the total voting power or value of such corporation's stock;

- RPII generally means any income of a non-U.S. corporation attributable to insuring or reinsuring risks of a U.S. person that directly, indirectly or constructively owns stock of such non-U.S. corporation, or risks of a person that is "related" to such U.S. person; for this purpose, (i) a person is "related" to another person if such person "controls", or is "controlled" by, such other person or if both are "controlled" by the same persons, and (ii) "control" of a corporation means direct, indirect or constructive ownership of stock possessing more than 50% of the total voting power or value of such corporation's stock;

- Existing voting restrictions on Athene's common shares set forth in Athene's bye-laws prevent Apollo from owning more than 45% of the total voting power of Athene stock (including by preventing Apollo from investing in voting Class A common shares of Athene stock at any time in which Apollo holds any Class B common shares of Athene stock). These and other provisions are intended to comply with certain insurance regulatory requirements; these restrictions also have the effect of strengthening Athene's protection against any of Athene's Bermuda reinsurance subsidiaries recognizing RPII by reducing the likelihood that Apollo and Athene would be treated as "related" for RPII purposes.

- However, the bye-laws provide Apollo the right to retain the vote on newly acquired Class A common shares. If Apollo were to exercise such right, Apollo and Athene may be treated as "related" for these purposes, generally triggering the adverse RPII consequences to all U.S. persons that hold Athene common shares directly or through foreign entities, as described above but subject to the discussion in the bullet point below.

- However, due to the complexity of the RPII rules, even if Apollo and Athene were treated as "related" for RPII purposes, it is unclear whether any portion of Athene's income would be properly characterized as RPII. If the U.S. Internal Revenue Service were to successfully take the position that RPII was generated, all U.S. persons who hold Athene common shares directly or through foreign entities could experience the adverse RPII consequences described above, which would have a material adverse effect on the value of their investment in Athene common shares.

- Any of Athene's insurance income or RPII that is required to be taken into account by a direct or indirect U.S. tax-exempt holder of Athene's common shares generally will be taxable to such holder as unrelated business taxable income.

Risks Relating to Athene's Financial Reporting

Athene has identified material weaknesses in its internal control over financial reporting. If Athene fails to maintain effective internal control over financial reporting, it may not be able to accurately report its financial results.

During the process of preparing and completing Athene's consolidated financial statements for the year ended December 31, 2013 under GAAP, Athene determined that it did not have sufficient control procedures over financial reporting in place for (i) certain actuarial balances and (ii) the preparation and accuracy of tax balances, each of which constitutes a material weakness. A material weakness is a control deficiency, or combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented, or detected and corrected on a timely basis. Athene is not currently required to evaluate its internal control over financial reporting in the same manner that is currently required of certain public companies, nor has Athene performed such an evaluation. Such evaluation would include documentation of internal control activities and procedures over financial reporting, assessment of design effectiveness of such controls and testing of operating effectiveness of such controls which could result in the identification of material weaknesses in Athene's internal control over financial reporting.

- *Control Over Actuarial Balances.* As a private company, Athene has grown rapidly through acquisitions, most recently through the acquisition of Aviva USA, a company three times its size. In preparing its IFRS financial statements for the nine month period immediately prior to its acquisition, Aviva identified a material weakness in its controls over financial reporting of its reserves. With respect to actuarial balances of this type, the accounting practices in the U.S. under IFRS and GAAP are substantially similar. Similar issues arose in the preparation of Athene's consolidated financial statements for the year ended December 31, 2013 under GAAP and it concluded that a material weakness now exists in Athene's control over financial reporting under GAAP for actuarial balances, which principally relates to the recently acquired Aviva USA operations.

  In particular, Athene determined that it does not have sufficient control procedures in place to identify unusual trends or balances within the actuarial reserves or to validate modeled results created in the past by third parties. These control deficiencies resulted in adjustments to interest sensitive contract liabilities, including value of business acquired, or VOBA, reported within that balance, and deferred acquisition costs, or DAC.

  To remedy this material weakness, Athene is pursuing multiple initiatives, most of which were already underway as part of the program to integrate the Aviva USA business, which it believes will remediate the material weakness by the end of calendar year 2014. Athene is implementing a process to use data from its policy administration systems to roll forward the balances in its reserve valuation system and test reasonability of the ending calculated reserve balances compared to the actual reserves created by transactions posted to the general ledger. Athene is also accelerating and devoting additional resources to the process of integrating actuarial process, procedures, models, systems and assumptions across the historical and newly acquired parts of its company. In addition, Athene is adding validation processes, similar to ones it already employs for statutory reserving, to reconcile the reserves it calculates in the actuarial systems of its reinsurance company with those reported to it by cedents, including its own U.S. insurance subsidiaries. Athene plans to launch a comprehensive review of all models, reserve systems, valuations and other processes in connection with a single legacy Aviva USA product associated with a disproportionate share of its control issues, and it will retain outside resources if needed to complete this review in a timely manner. Finally, Athene is reviewing reserve control process checklists and actuarial model change control processes in the actuarial units of Athene to insure that best practices are adopted uniformly throughout the company.

- *Control over Tax Balances.* As a private company which, prior to 2011, did not have any material operations subject to U.S. income tax, Athene has substantially relied on the tax staff, systems and processes of the U.S. companies it has acquired to prepare its U.S. tax returns and to account for the impact of U.S. tax in its GAAP financial reporting. The acquisition of Aviva USA significantly increased the complexity of Athene's U.S. tax position and the associated accounting. Furthermore, the substantial majority of its staff and resources devoted to U.S. tax accounting joined Athene from Aviva USA. This complexity arises not just from the significantly greater size and scope of Aviva USA's historical operations relative to Athene's historical operations, but also from the complexity of the accounting necessary to report the tax consequences of Athene's near simultaneous purchase of Aviva USA, sale of Aviva USA's life operations to Global Atlantic, reinsurance of a significant part of Aviva USA's annuity business to Athene Life Re Ltd. and several other related transactions.

  As Athene prepared its consolidated financial statements for the year ended December 31, 2013 under GAAP, it identified a lack of control procedures over the preparation and accuracy of tax balances. These control deficiencies did not result in any adjustments to tax balances or other entries in its consolidated financial statements. However, delays in the timely preparation of Athene's tax basis balance sheet as of the opening balance sheet date for the acquisition of Aviva USA, delays in the creation of tax accounting entries and supporting schedules and documentation, limitations in the systems that support its tax accounting records and deficiencies in the amount and training of its staff caused Athene to identify this as a material weakness for financial reporting.

  To remedy this material weakness, Athene is adding more expertise and human resources to its tax staff, enhancing its capabilities and recruiting a senior and highly experienced global head of tax, which is a new position in Athene. Athene plans to add or improve software to support the work of its tax reporting area, and to undertake a comprehensive review of its processes for timely preparing support for its tax accounting positions. Finally, Athene will undertake a review of its processes and capabilities for managing the complexity of accounting for the tax consequences of insurance acquisitions that will enhance its ability to respond to these challenges should they undertake another acquisition.

While Athene's management believes these deficiencies are in the process of being remediated and will have been remediated by the end of calendar year 2014, they cannot be certain that they will succeed in addressing these material weaknesses, that additional material weaknesses or deficiencies will not develop or be identified or that they will complete this remediation process by the end of this year. Any failure to maintain adequate internal control over financial reporting or to implement required, new or improved controls, or difficulties encountered in its implementation, could cause Athene to report material weaknesses or other deficiencies in its internal control over financial reporting, which may result in its inability to accurately report its financial results.

There may also be risks that are currently immaterial or not known to Athene, us or the Investment Partnership that may in the future become material and may adversely affect Athene's business, operations, financial condition, liquidity and prospects. These factors may be subject to change.

Market Risks

We are exposed to a number of market risks due to the types of investments that we make, the assets of the companies in which we invest and the manner in which we and the Investment Partnership raise capital. Our exposure to market risks include declines in the values of our investments, movements in prevailing interest rates, changes in foreign currency exchange rates and controls, availability of credit, inflation rates and government regulation. These market risks are outside of our control and may affect the level and volatility of securities prices and the liquidity and the value of investments, and we may not be able to or may choose not to manage our exposure to these risks. We may seek to mitigate such market risks through the use of hedging arrangements and derivative instruments, which may or may not be effective and could subject us to additional market risk. Additionally, the entities in which we invest or co-invest alongside may also seek to hedge or otherwise mitigate such risks, subject to their internal policies, which may or may not be effective and could result in increased risks. Additionally, we are exposed to concentration risk since Athene is our only portfolio investment. Apollo Alternative Assets, as the service provider under our services agreement, is responsible for monitoring all market risks and for carrying out risk management activities relating to our investments.

Global Financial Crisis

Events during the past few years in the global capital markets illustrate that the current environment is one of extraordinary and unprecedented uncertainty and volatility for financial services companies and other market participants and that such uncertainty and volatility has had, and could continue to have, a material adverse effect on the functioning of capital markets, and on the business and operations of asset management businesses and other market participants, worldwide. In light of the uncertainty in the financial services industry, our financial condition may be materially adversely affected, and we may become subject to new legal or regulatory requirements, suffer reputational harm or encounter unforeseen risks that could have a material adverse effect on our business and operations and those of the Investment Partnership. We may be affected by reduced opportunities to exit and realize value from our investments, by lower than expected returns on investments made prior to the deterioration in the credit markets and by the possibility that we may not be able to find suitable investments in which to deploy our capital. In light of volatile market and economic conditions, the Company in which we have invested (either directly or through investments in affiliated funds) may experience decreased revenues, financial losses, credit rating downgrades, difficulty in obtaining access to financing and increased funding costs. The Company may also have difficulty in expanding their businesses and operations or be unable to meet their debt service obligations or other expenses as they become due, including expenses payable to us. In addition, during periods of adverse economic conditions and volatility, we may have difficulty accessing the financial markets, which could make it even more difficult or impossible for us to obtain funding for additional investments and harm our operating results. Significant market volatility may result in lower investment returns, which would further adversely affect our net income. The extent to which the underlying causes of instability are pervasive throughout global financial markets and have the potential to cause renewed instability is not yet clear, and despite the recovery of global capital markets from historically low levels, the sustainability of any recovery of financial markets cannot be foreseen. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. These events, and their underlying causes, are likely to be the catalyst for changes in worldwide financial regulation for some time, and may result in major and unavoidable losses or additional costs to the Investment Partnership.

Securities Market Risks

The Investment Partnership's investments, and the assets of the companies in which it invests, may include investments in publicly traded securities. The market prices and values of publicly traded securities may be volatile and are likely to fluctuate due to a number of factors beyond our control. These factors include actual or anticipated fluctuations in the quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. The Investment Partnership is required to value investments based on current market prices at the end of each accounting period, which may lead to significant changes in the net asset values and operating results that it reports from quarter to quarter.

The Investment Partnership's investments may include investments that are not publicly traded, including privately held securities, bank debt and other private investments. The value of these investments may also fluctuate due to the factors described in the preceding paragraph, which are largely beyond our control. In addition to these factors, these investments are subject to additional risks. For example, in many cases (including publicly traded securities), we may be prohibited by contract or by applicable securities laws from selling privately held securities for a period of time. We generally cannot sell these securities unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. The ability to dispose of an investment may be heavily dependent on the public equity markets. Furthermore, we may only be able to dispose of large holdings (even of publicly traded equity securities) and holdings of investments in illiquid over-the-counter markets over a substantial period of time, exposing the investment returns to risks of downward movement in market prices during the disposition period. In addition, in periods of extreme market volatility, it may be difficult to sell privately held or illiquid investments even at their current valuation.

Prime Brokers

The Investment Partnership's assets, and the assets of the companies in which it invests, may be held in one or more accounts maintained by prime brokers, which may be located in various jurisdictions. Such brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Investment Partnership's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any of its sub-custodians, agents or affiliates, or a local broker, it is impossible to generalize about the effect of their insolvency on the Investment Partnership and its assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in a loss to the Investment Partnership, which could be material.

Structure of Ownership Risks

Under AAA's limited partnership agreement, AAA unitholders are not entitled to vote on matters relating to the Partnership or to participate in the management or control of the business. In particular, AAA unitholders do not have the right to cause the Partnership's Managing General Partner to withdraw from the partnership, to cause a new general partner to be admitted to the Partnership, to appoint new directors to AAA's Managing General Partner's board of directors, to remove existing directors from AAA's Managing General Partner's board of directors, to prevent a change of control of AAA's Managing General Partner or to propose changes to or otherwise approve the Investment Partnership's investment policies and procedures. As a result, unlike holders of common stock of a corporation, AAA unitholders are not able to influence the direction of the business and affairs, including investment policies and procedures, or to cause a change in management, even if they are unsatisfied with the performance of the Partnership's Managing General Partner.

In addition, the Partnership's Managing General Partner's board of directors has broad discretion to change the investment policies and procedures which may result in a significant change from the investment objectives described in the Partnership's prospectus. AAA unitholders do not have any right to refuse to consent to a change in the Investment Partnership's investment policies and procedures.