

A P O L L O

AP Alternative Assets, L.P. Q2 2012 Results Presentation – August 2, 2012

Agenda

- 1. AAA Update**
2. Tender Offer Results and Update
3. Strategic Update
4. Investment Overview
5. Term Loan Update
6. Valuation Update
7. Summary of Q2 2012 Financial Results
8. Appendix

AP Alternative Assets, L.P. – Q2 2012 Highlights

NAV per unit at June 30, 2012 was \$18.88, up from \$18.55 at March 31, 2012

The Tender Offer completed during the quarter was accretive to NAV/unit by an estimated ~\$0.52⁽¹⁾

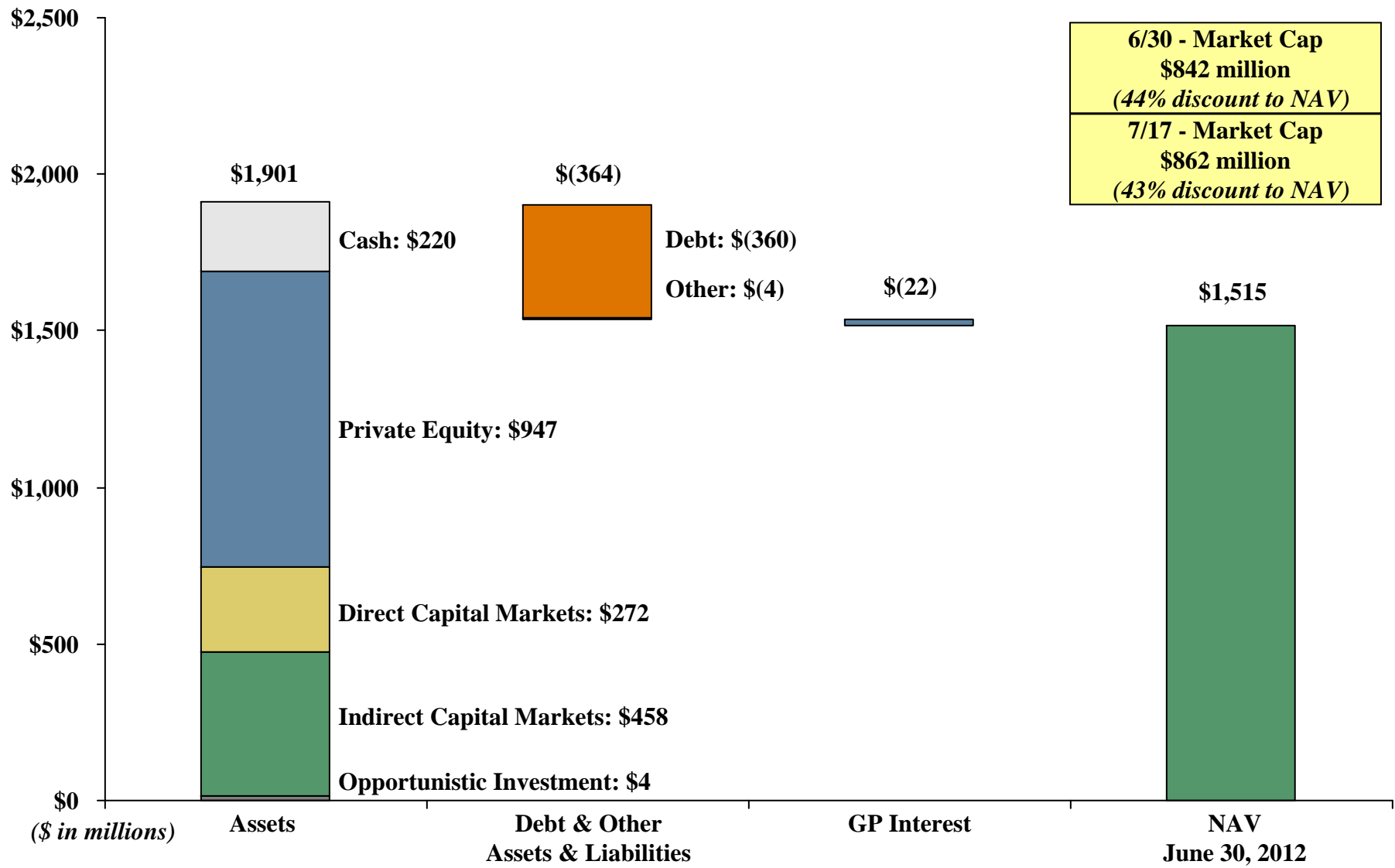
The Investment Partnership sold its interest in Charter Communications Inc. resulting in \$37 million of gross proceeds and recognized a realized gain of \$26 million on the sale

AP Investment Europe Limited (“AIE”) sold its final investment in July 2012 and AAA expects to receive a distribution for the majority of the remaining investment in AIE once trades have settled

The Investment Partnership had \$220 million of cash and cash equivalents at June 30, 2012

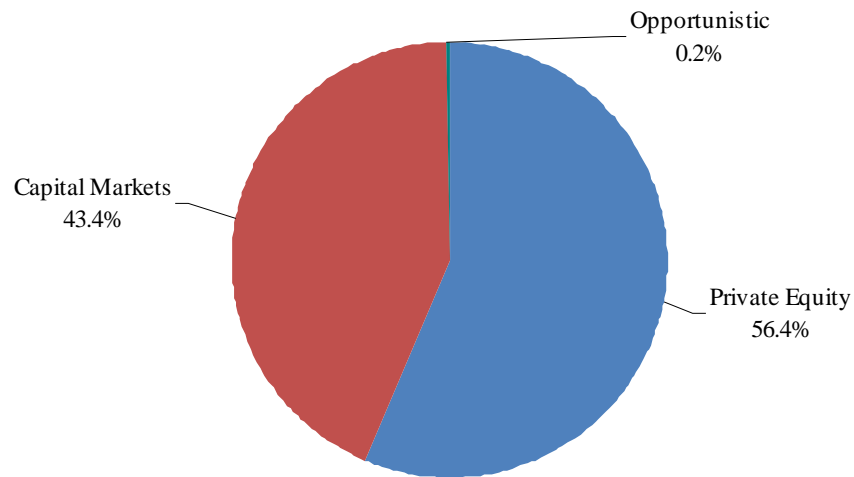
The Investment Partnership prepaid \$43 million of the senior secured term loan during Q2 as the result of certain asset sales and investment realizations reducing loan balance to \$360 million

Net Asset Value as of June 30, 2012

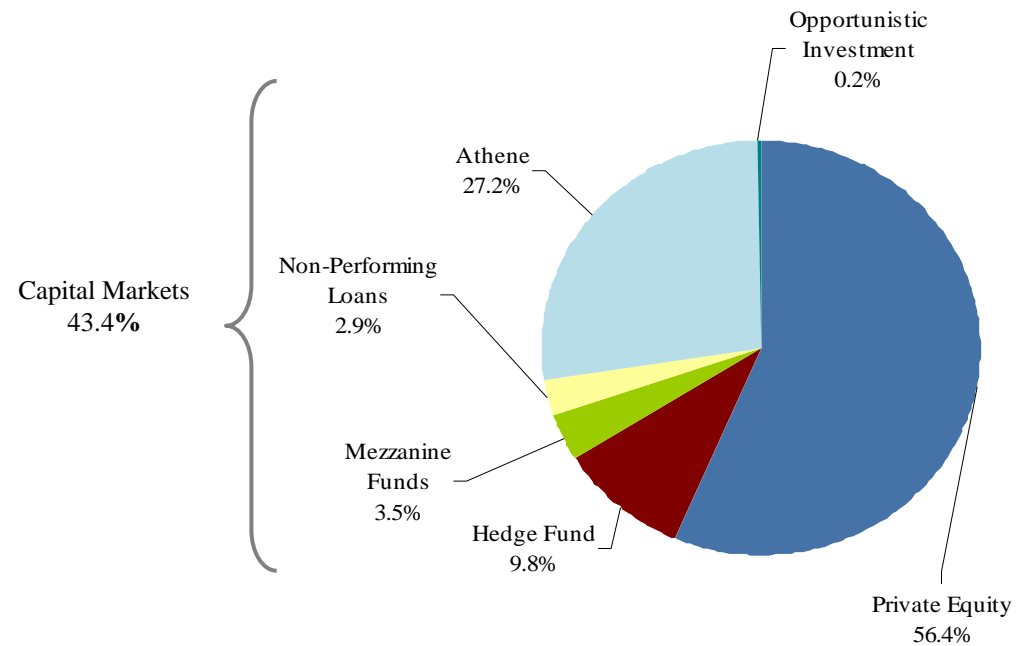


AAA Portfolio Summary

Portfolio Summary (As of June 30, 2012)⁽¹⁾



Capital Markets Detail (As of June 30, 2012)⁽¹⁾



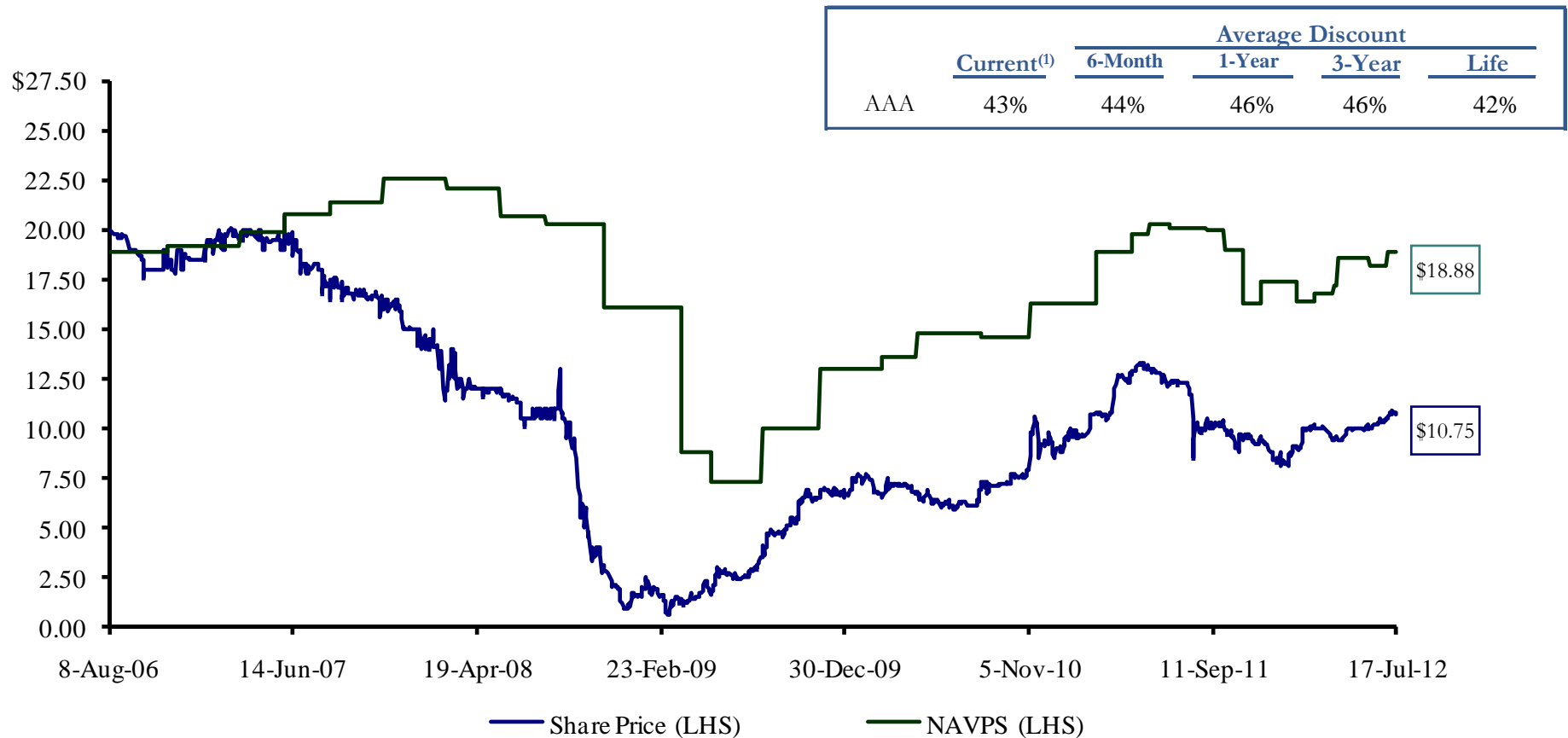
	Private Equity	Opportunistic	Athene (Capital Markets Indirect)	Capital Markets (Direct)
June 30, 2012	56.4%	0.2%	27.2%	16.2%

(1) Capital markets includes direct investments in capital markets funds and indirect investments via Athene.

AAA: Share Price History

AAA currently⁽¹⁾ trades at \$10.75 or 0.57x P / NAV

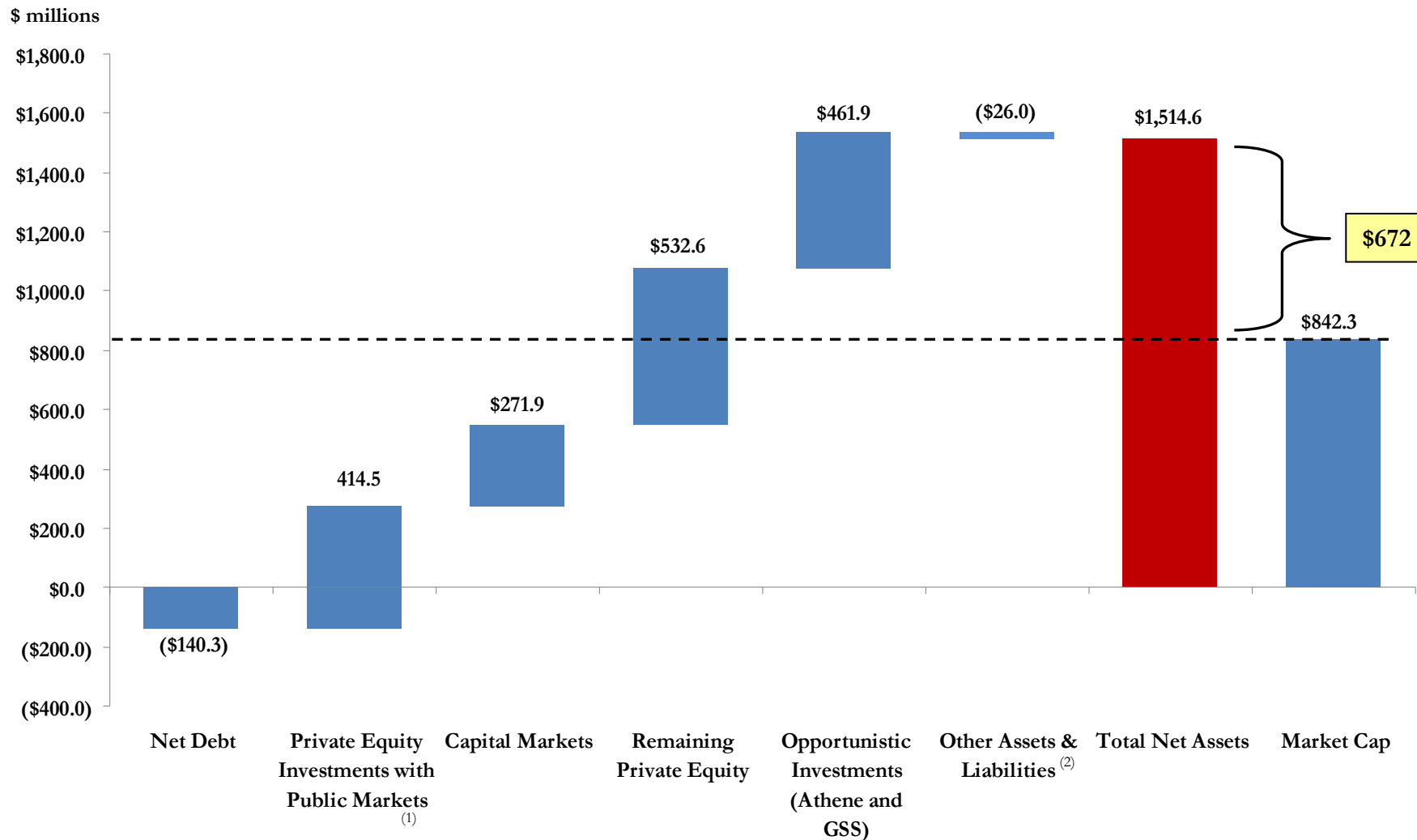
- While AAA has traded at a discount to NAV since mid-2007, its unit price movements generally track NAV
- We believe that NAV growth should continue to drive AAA unit price higher



(1) As of July 17, 2012.
 (2) Graph reflects daily market price while NAV is only determined on a monthly basis.

Market Price of Units is Significantly Below Investment Values

We believe there is approximately \$672 million of enterprise value (or \$8.38 per unit) that the June 30, 2012 market price did not reflect



All values shown are as of June 30, 2012

(1) Included in the Private Equity Investments with Public Markets are the fair value of debt investment vehicles and Lyondell which is held in LeverageSource which are classified as Level II and Level III in the fair value hierarchy.
 (2) Includes GP interest.

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Using AAA's Cash for Buybacks in Effort to Narrow Discount

Narrow Trading
Discount
*through opportunistic
buybacks*

Pros

- At any discount to NAV, buybacks are accretive to NAV per unit
- At certain trading discounts AND in certain circumstances, *long-term* returns associated with buybacks outweigh *long-term* returns of other alternatives
- Buybacks send a message to the market about AAA's view of value ("putting money where our mouth is")

Cons

- Buybacks reduce AAA's cash / balance sheet liquidity
- Buybacks reduce the borrowing base under AAA's credit facility
- Buybacks reduce public float and may reduce trading liquidity
- No certainty buybacks will sustainably reduce discount

2012 Tender Offers Accrete Unit NAV by ~\$ 1.00 or ~5%

Accretion/Unit

February / March 2012 Tender

- On February 10, 2012, AAA announced the terms of a Dutch-auction tender offer:
 - Indicated Range: \$9.20 - \$10.70
 - Size = \$25 million, with option to increase to \$50 million at AAA's discretion
- Tender offer was significantly oversubscribed and priced at \$10 per unit for \$50.0 million on March 14, 2012

~\$0.47⁽¹⁾

April / May 2012 Tender

- On April 20, 2012, AAA announced the terms of a Dutch-auction tender offer:
 - Indicated Range: \$9.00 - \$10.50
 - Size = \$50 million
- Tender offer was oversubscribed and priced at \$10 per unit for \$49.7 million on May 25, 2012

~\$0.52⁽²⁾

(1) Accretion approximation was calculated using the March 31, 2012 NAV and units outstanding adjusted for impact of tender, net of estimated expenses (\$50.3 million to NAV and 5.0 million change in units outstanding).

(2) Accretion approximation was calculated using the June 30, 2012 NAV and units outstanding, adjusted for impact of tender; net of estimated expenses (\$49.8 million to NAV and 5.0 million change in units outstanding).

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Clear Message

WE ARE COMMITTED TO NARROWING THE DISCOUNT

- 1. Successfully completed multiple tender offers**
- 2. Modified the carry reinvestment policy**
 - Apollo reinvested \$1.45 million of its realized carry in Q2 '12 by purchasing existing AAA units in the open market
- 3. Enhanced investor relations activities**
 - Improved disclosure, investor roadshow, and other initiatives
 - Appointment of Gernot Lohr as Strategic Development Officer of AAA
- 4. Suspension of tax distributions making cash available for unit buybacks instead**
- 5. We intend to buy back units on an on-going basis:**
 - i. When we have sufficient liquidity
 - ii. When market conditions allow
 - iii. When window periods allow
 - iv. When we believe purchasing units represents the best long-term return to shareholders versus alternative opportunities

Strategic Options

1. Continue Operations Status Quo

- Opportunistically buy back units subject to available cash flow, credit facility guidelines and market appetite
- Obtained approval from Board of Directors for a buy back program of up to \$50 million

2. Athene

- Evaluating potential options for Athene with and without additional capital contribution from AAA

3. Variety of Other Strategic Alternatives for AAA

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Key Investment Highlights – Q2 2012

Segment	June 30, 2012		March 31, 2012		Q2 Unrealized MTM	Q2 Realized P&L
	Cost	Fair Value	Cost	Fair Value		
Private Equity	\$ 997.0	\$ 947.1	\$ 1,023.6	\$ 1,025.0	\$ (51.2)	\$ 26.0
Capital Markets	375.2	271.9	417.7	324.8	(10.3)	0.0
Athene	358.2	457.9	358.2	431.6	26.3	-
Other	4.1	4.0	14.7	14.1	0.4	(0.3)
	\$ 1,734.5	\$ 1,680.9	\$ 1,814.2	\$ 1,795.5	\$ (34.8)	\$ 25.7

Key Items of Note during the Quarter

- Sale of Charter Equity (realized gain \$26.0 mm) with receipt of total proceeds of \$36.7mm
- \$45.5mm of distributions from Asia Opportunity Fund
- Began investing in Asia Private Credit
- Realogy filed an S-1

Q2 Net Realized & Unrealized P&L Key Drivers



















Athene	\$26.3
Packaging and Materials	14.3
Consumer and Retail	14.0
Distribution and Transportation	(23.1)
Chemicals	(17.2)
Debt Investment Vehicles	(15.4)
Other Apollo Capital Markets	(7.5)

Key Upcoming Items Q3

- AIE sold final investment, will make distribution of majority of remaining investment in AIE in Q3
- Asia will continue to make distributions as investments are sold
- Athene subsidiary announced agreement to purchase Presidential Life Corp

AAA Portfolio Overview: Private Equity

(\$ in millions)

Portfolio Company	Company Description (Headquarters)	Publicly Traded ⁽¹⁾	Combined ⁽¹⁾ Fair Value
1  Caesars Entertainment	Diversified casino entertainment provider (USA)	Yes	\$415
2  LyondellBasell Industries	Third-largest independent chemical company in the world (Netherlands)	Yes	
3  Noranda Aluminum	Integrated producer of value-added primary aluminum products (USA)	Yes	
4  Rexnord	Diversified, multi-platform industrial company (USA)	Yes	
5  Verso Paper	Supplier of coated papers to catalog and magazine publishers (USA)	Yes	
6 Quoted Debt		Yes	
7  Aleris International	Manufacturer of aluminum and other metal alloy products (USA)	No, but S-1 filed ⁽²⁾	\$300
8  Berry Plastics	Manufacturer of plastic packaging, adhesives and coated products (USA)	No, but S-1 filed ⁽²⁾	
9  CEVA Logistics	Provider of various logistics services (Netherlands)	No, but S-1 filed ⁽²⁾	
10  Momentive	Specialty chemicals and materials manufacturer (USA)	No, but S-1 filed ⁽²⁾	
11  NCL Corporation	Contemporary cruise line operator (USA)	No, but S-1 filed ⁽²⁾	
12  Realogy Corporation	Residential real estate and relocation services provider (USA)	No, but S-1 filed ⁽²⁾	
13  Claire's Stores	Specialty accessories and jewelry retailer (USA)	No	\$232
14  Countrywide plc	Residential real estate agency and property services provider (UK)	No	
15  Jacuzzi Brands	Provider of branded home water comfort and therapy products (USA)	No	
16  Prestige Cruise Holdings	Upscale cruise line operator (USA)	No	
17  Smart & Final	Operator of warehouse and wholesale cash-and-carry stores (USA)	No	
18  Skylink	Provider of government and other air charter services (Canada)	No	
19  Sprouts	Specialty food retailer (USA)	No	

TOTAL PRIVATE EQUITY

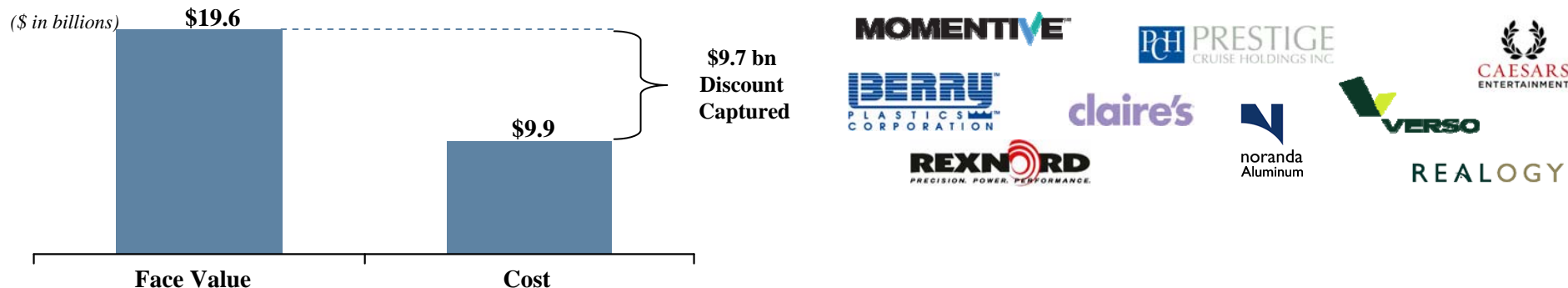
\$ 947

(1) Publicly traded status is disclosed as of July 31, 2012. Combined Fair Value shown as of June 30, 2012.

(2) Although an S-1 registration statement has been filed with the SEC, no assurance can be given as to whether or when the company's shares will be publicly traded.

Capturing Value Through Portfolio Company Debt

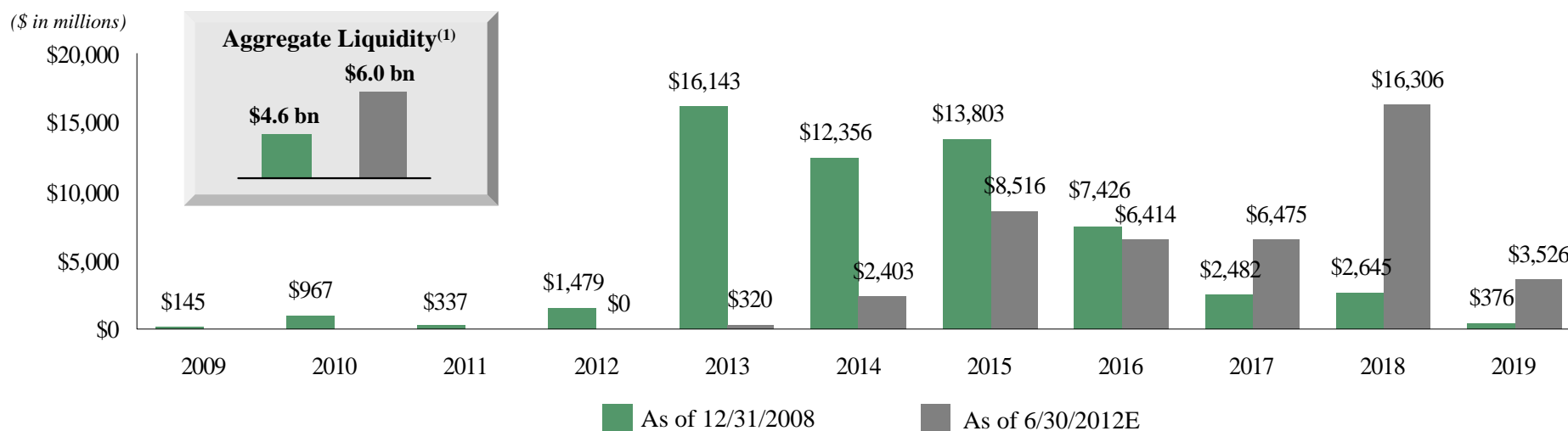
- During the depths of the recent downturn, Apollo Investment Fund VI, AAA and the portfolio companies captured approximately \$10 billion of discount through debt purchases



Actively Managing Capital Structures

- Across the private equity portfolio, we have reduced maturities through 2016 by over 64%, cut over \$3.3 billion in costs and increased liquidity by over 30%

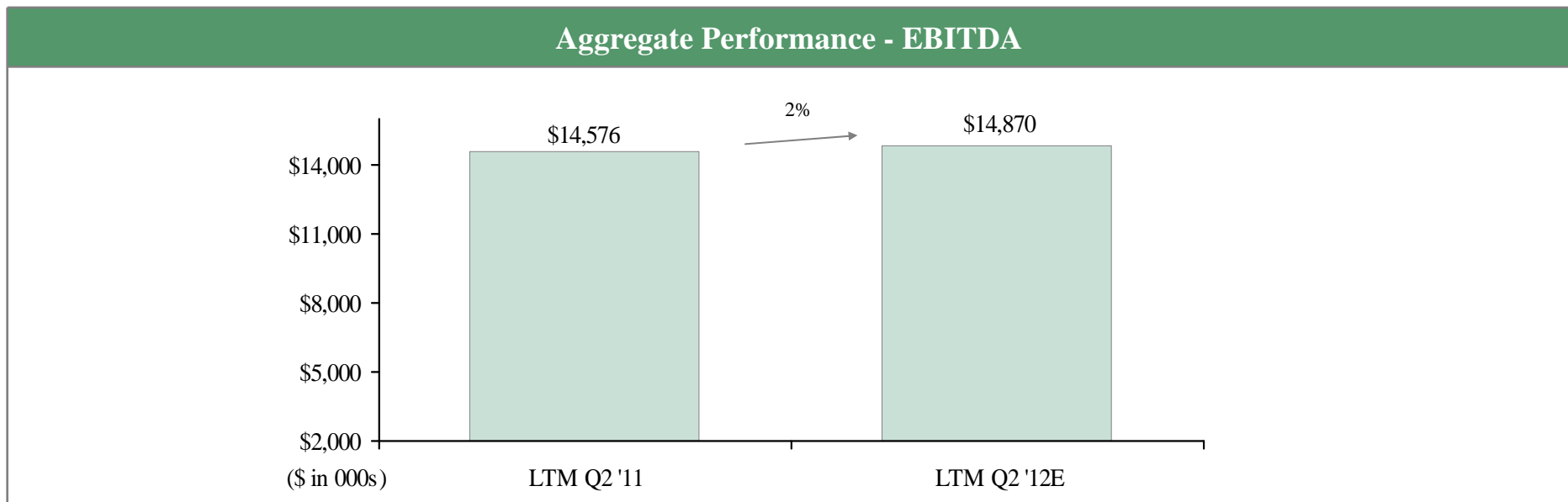
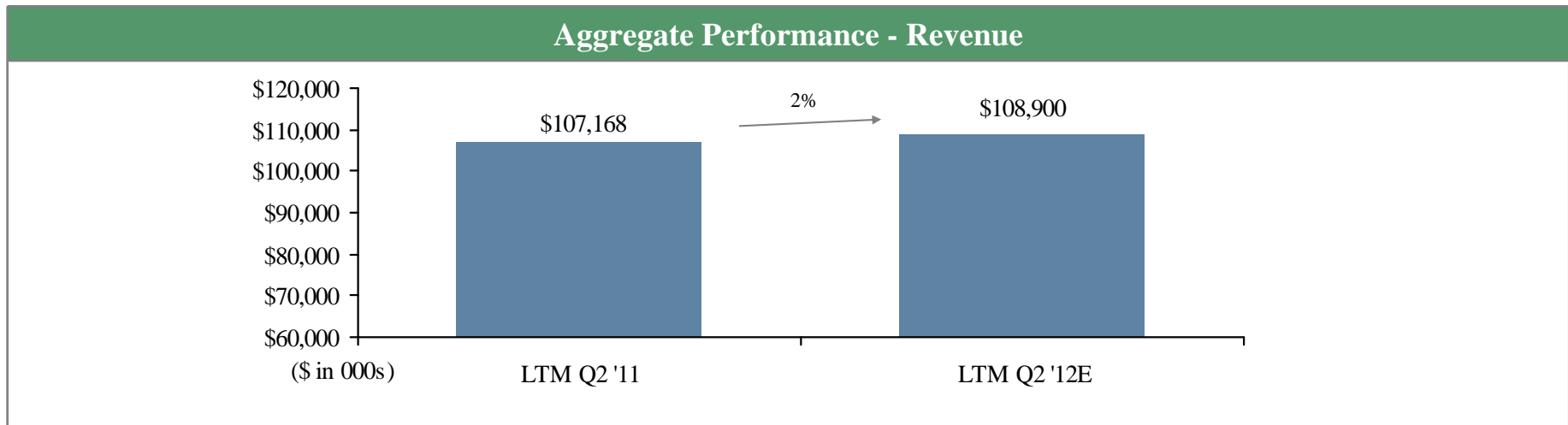
Aggregate Debt Maturity Profile



Note: Percentages based on Total Invested Capital.

(1) Combined total of liquidity for each of the portfolio companies AAA was co-invested in alongside Apollo Investment Fund VI at December 31, 2008. Liquidity is shown as of December 31, 2008 and June 30, 2012.

AAA Portfolio Company Performance



Note: Represents aggregate performance for AAA private equity co-investment portfolio companies. Past performance is not indicative of future results.

AAA Portfolio Overview: Capital Markets

The majority of the direct capital market investments are in liquidation mode with the expectation to fully monetize on the investment

(\$ in millions)

Fund	Status	Fair Value June 30, 2012	Total Proceeds Received through June 30, 2012
Apollo Strategic Value Fund	Liquidation (100% Memo Accounts)	\$165	\$418
Apollo Asia Opportunity Fund	Liquidation with final distribution expected in 2013	\$36	\$177
Apollo European Principal Finance Fund	Investment period ends in December 2012	\$49	n/a
AP Investment Europe Limited	Liquidation with majority of distributions expected Q3/Q4 2012	\$14	\$150
Apollo Asia Private Credit Fund	Began investing in Q2 '12	\$8	n/a
Total Capital Markets		\$272	

Portfolio Overview: Athene

Description of Athene

- Athene Holding Ltd. (“Athene”) is a Bermuda holding company founded in July 2009 to capitalize on favorable market conditions in the dislocated life insurance sector
- Athene’s business model is effectively a spread lending business: its subsidiaries earn the difference between the investment return of assets and the credited rate on annuity liabilities
 - Athene’s return on equity benefits from embedded leverage: Athene holds roughly 7%-10% capital to reserves at its subsidiaries, which is consistent with highly rated insurance companies (Athene Holding is not rated)
- Since its founding in 2009, Athene’s net assets⁽⁴⁾ have grown to approximately \$8.5 billion, supported by \$7.9 billion of reserves and \$0.7 billion of capital and surplus as of 12/31/2011
- Athene is led by Jim Belardi (former President of SunAmerica Life Insurance Company and EVP and CIO of AIG Retirement Services, Inc)

Investment Overview

- Target IRR⁽¹⁾ = 25%
- Target MOIC⁽¹⁾ = 3.0x
- Expected hold period: 5 to 7 years from initial investment (2009)⁽²⁾
- Expected exit form: initial public offering (“IPO”) or strategic sale⁽³⁾
- AAA ownership: 59%

(1) The target IRR and target MOIC are presented gross and do not reflect the effect of management fees, incentive compensation, certain expenses or taxes. The target IRR and target MOIC were calculated using certain assumptions, which include recent performance data, current market conditions and an exit at the end of 2015. Apollo gives no assurance that targeted returns will be achieved or as to the adequacy of the methodology used to estimate such returns. Actual returns may vary significantly.

(2) Liquidity could come sooner subject to market conditions and other factors. However, there can be no assurance as to whether or when liquidity can be achieved.

(3) Subject to market conditions and other factors. There can be no assurance these liquidity events can be achieved.

(4) Valuation based on discounted cash flow model; valuation multiple (i.e. price to book) is consistent with that of publicly traded insurance companies with similar ROEs

(5) Please refer to important disclosures regarding asset performance set forth on Athene in Appendix A

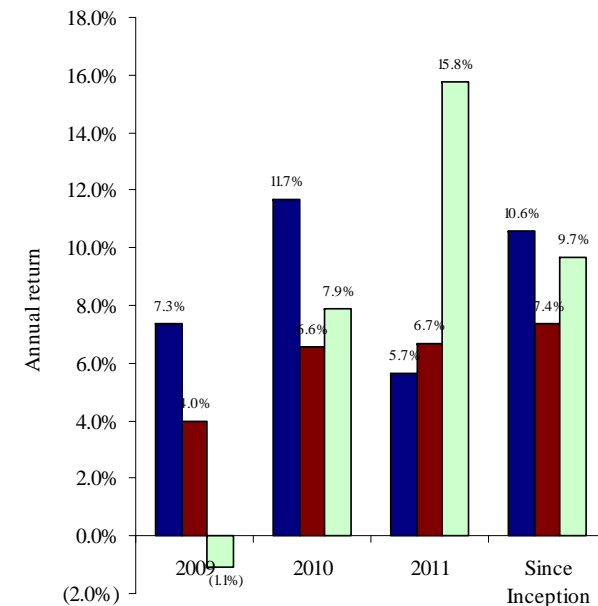
Valuation Summary

(\$ in millions)

	Cost	Fair Value (6/30/2012)	Fair Value / Cost
Apollo Life Re Ltd.	358	458	1.28x

* Valuation is consistent with Publicly-traded insurance companies with similar ROEs

Asset Performance History⁽⁵⁾



■ Athene asset returns ■ Barclays aggregate index □ 10 year treasury

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AAA: Credit Facility Overview

Recent Events

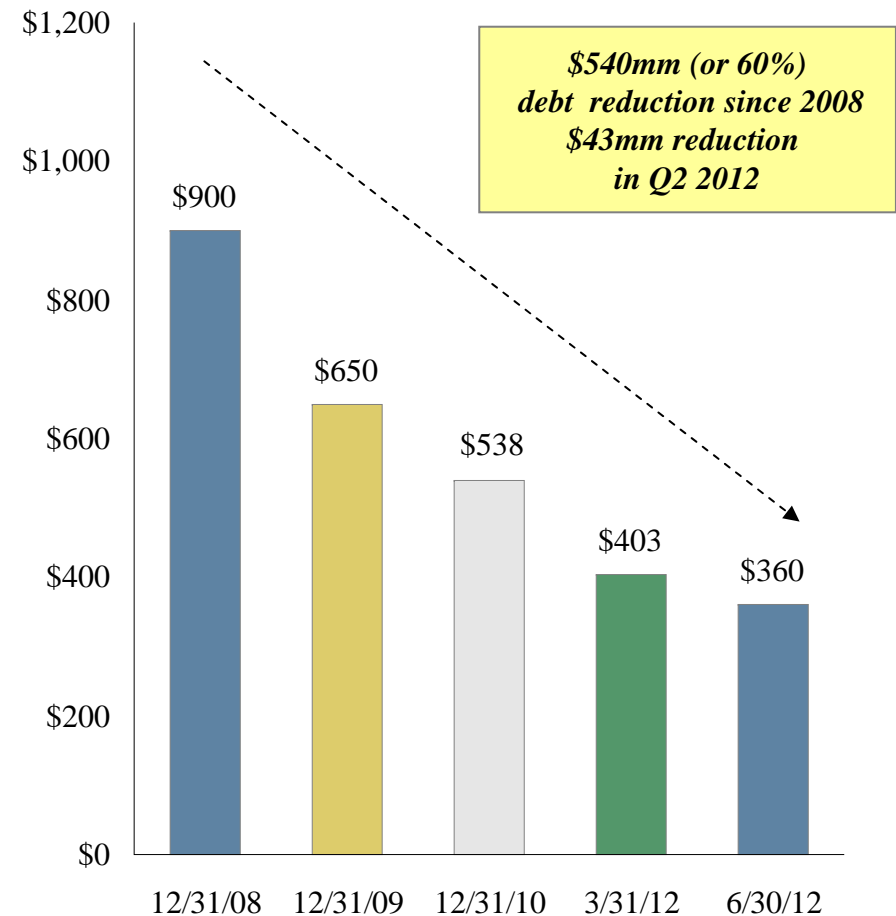
- On October 5, 2011, AAA announced it had received a “BBB” counterparty credit rating from S&P
- On December 2, 2011, AAA successfully amended its revolving credit facility and converted it to a new senior secured term loan facility
- Mandatory prepayments for investment realizations and asset sales

Summary Terms

- Maturity: June 30, 2015
 - Amortization payments of 20% of outstanding principal per quarter beginning December 2014.
 - Mandatory prepayments
 - For certain investment realizations, asset sales, debt incurrences and equity issuances
 - Ranges from 50% to 100% of net proceeds
- Interest: L+375
- Maintenance covenants: Borrowing base, liquid assets test, and asset coverage test
- Restricted payments allowed, subject to meeting applicable asset to debt tests.

\$360mm of Debt Outstanding as of June 30, 2012

Debt (\$mm)



AAA’s credit facility provides the vehicle with financial flexibility and 3 years of maturity runway

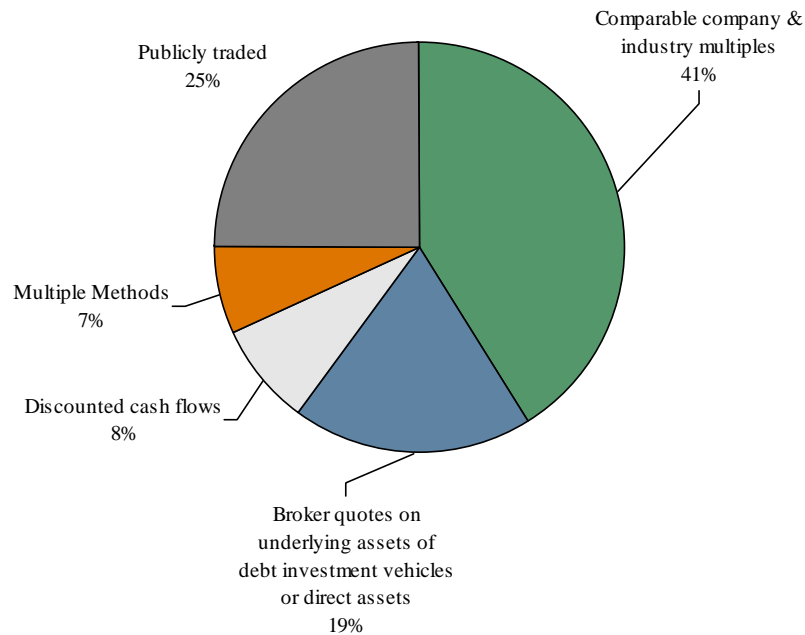
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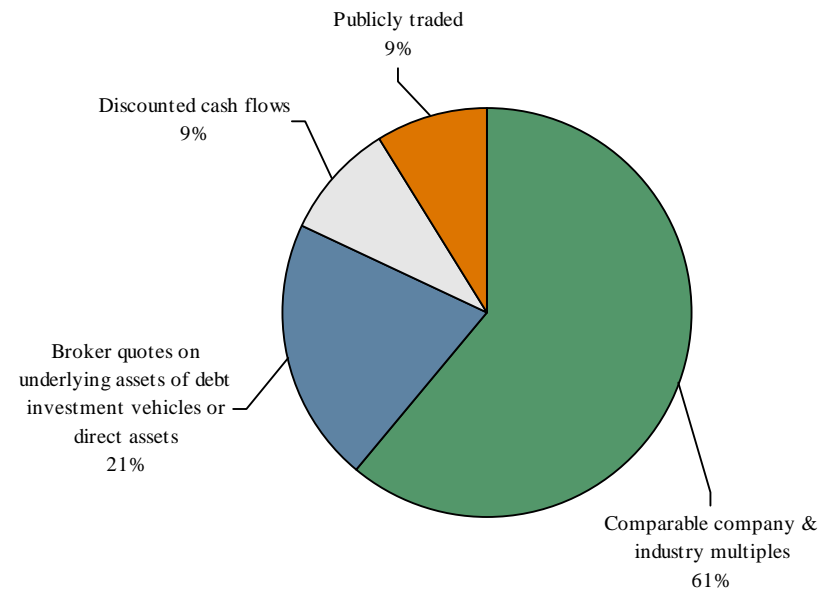
Private Equity Valuation Methodology

➤ At June 30, 2012 and December 31, 2011 AAA’s portfolio of private equity co-investments was valued based on the methodologies below

Valuation Methodology at 6/30/2012⁽¹⁾



Valuation Methodology at 12/31/2011⁽²⁾



At June 30, 2012 a quarter of AAA’s private equity portfolio was comprised of publicly traded securities

(1) Based on fair value as of June 30, 2012.

(2) Based on fair value as of December 31, 2011.

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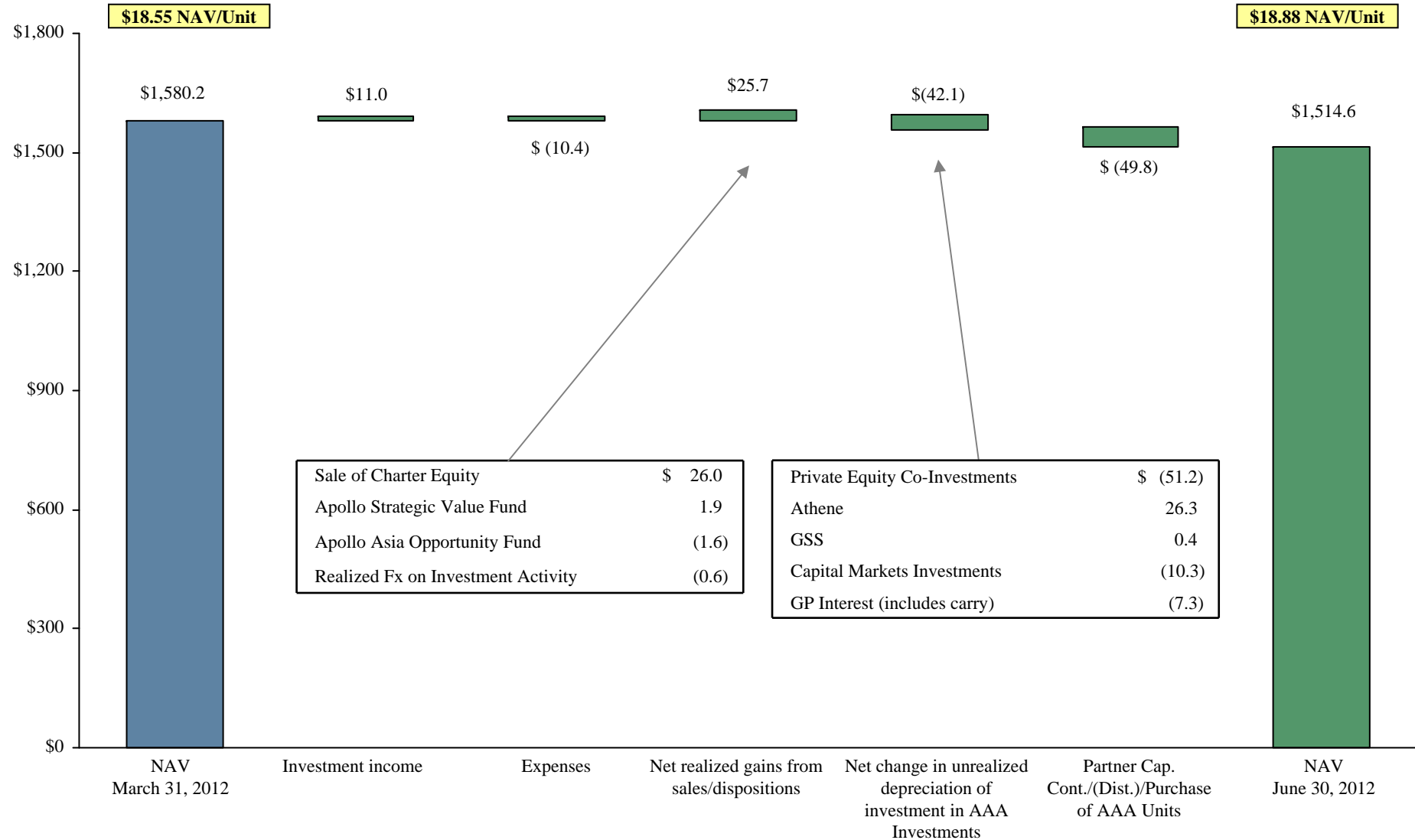
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Q2 2012 NAV Performance

NAV per unit at June 30, 2012 was \$18.88, up from \$18.55 at March 31, 2012

The Tender Offer completed during the quarter was accretive to NAV/unit by ~\$0.52⁽¹⁾

\$ in millions

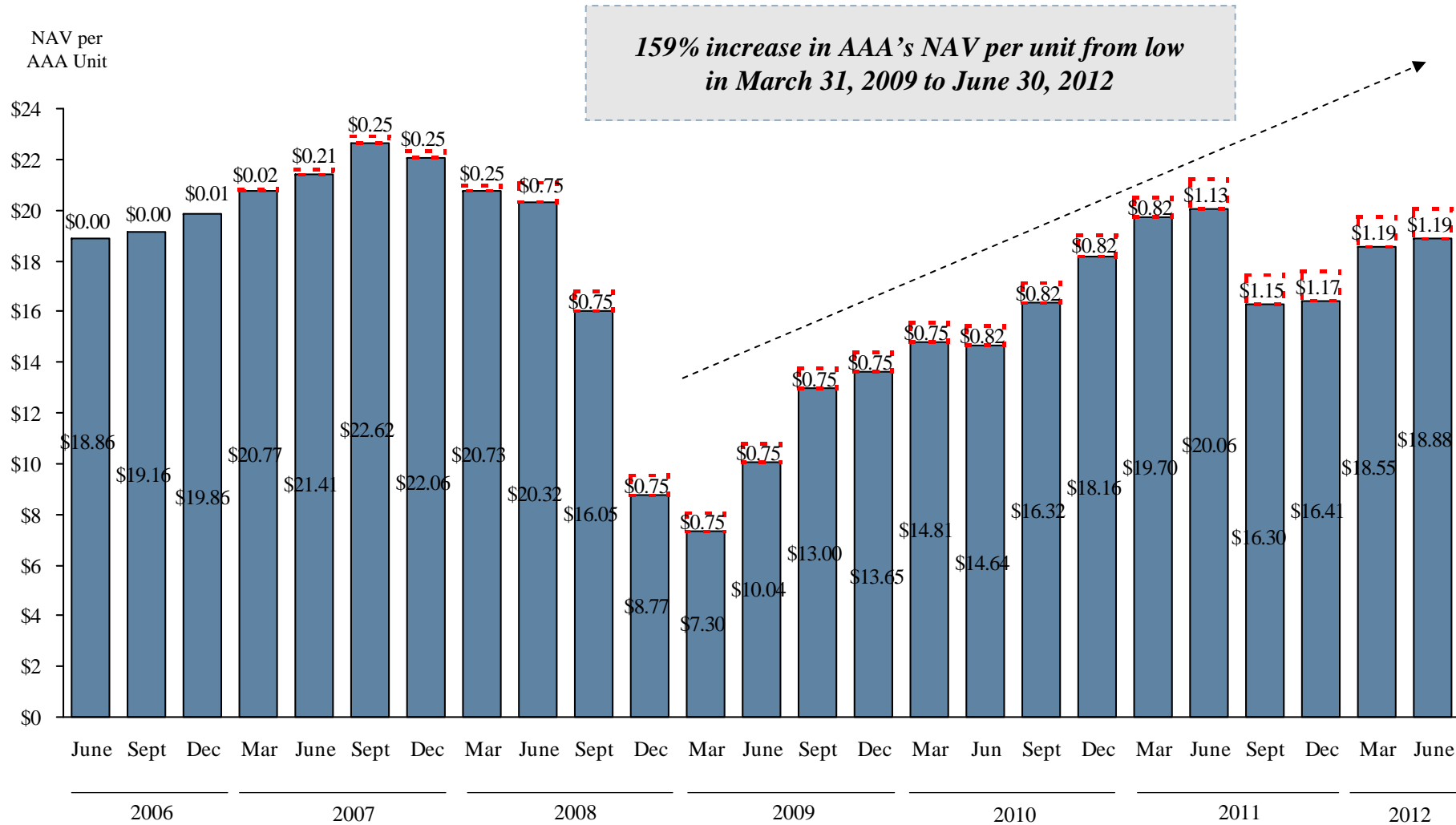


Note: The past performance of Apollo's funds is intended to be illustrative of Apollo's investing experience and not indicative of future results.
 (1) Accretion to NAV / Unit from Tender is an estimate and shown net of expenses

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Appendix I - AAA's NAV & Dividends Through 6/30/2012



Represents cumulative distributions per unit paid to or on behalf of unitholders

Cumulative Dividends per Unit:	June 2006	Sept 2006	Dec 2006	Mar 2007	June 2007	Sept 2007	Dec 2007	Mar 2008	June 2008	Sept 2008	Dec 2008	Mar 2009	June 2009	Sept 2009	Dec 2009	Mar 2010	June 2010	Sept 2010	Dec 2010	Mar 2011	June 2011	Sept 2011	Dec 2011	Mar 2012	June 2012
	\$0.00	\$0.00	\$0.01	\$0.02	\$0.21	\$0.25	\$0.25	\$0.25	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.75	\$0.82	\$0.82	\$0.82	\$0.82	\$1.13	\$1.15	\$1.17	\$1.19	\$1.19

There was \$0.02 per unit of deemed distributions during Q1 2012 related to tax withholding on dividends received.

Appendix II: Athene - Asset Performance Disclosures

Asset Performance Disclosures

The portfolio return was calculated based on best estimates using gross of fee quarterly returns provided by Athene's investment manager. Performance history is a total return calculation based on a modified-dietz methodology. The calculation is unaudited and gross of fees and expenses. Information respecting prior performance is not necessarily indicative of actual results to be achieved for unrealized investments, the realization of which is dependent upon many factors, many of which are beyond the control of Athene. Further, there can be no assurance that the indicated valuations for unrealized investments accurately reflect the amounts for which the subject investments could be sold. No representation or warranty is made, expressed or implied, with respect to fairness, correctness, accuracy, reasonableness, or completeness of any of the information contained herein (including or not limited to information obtained from third parties unrelated to Athene), and Athene expressly disclaims any responsibility or liability. Athene calculated the return using all available information. Athene makes no representation with respect to the completeness of the information included herein. Information about the Barclays Index is an appropriate benchmark for comparison to Athene's asset performance to date. You cannot invest directly in the Barclays Index and the Barclays Index does not take into account trading commissions and/or brokerage, custodian costs or general operating expenses. Such costs would likely lower performance. The volatility of the Barclays Index may be materially different from that of the portfolio of investments selected by Athene. In addition, any portfolio of investments or any strategy's holdings may differ substantially from securities that comprise the Barclays Index.

Past performance is not indicative of future success.

A P O L L O

ALTERNATIVE ASSETS

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