

AP Alternative Assets, L.P. Q4 Results Presentation – February 1, 2018

APOLLO

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As of December 31, 2017, the only portfolio investment of AAA consists of an investment in the economic equity of Athene Holding Ltd. (“Athene”). AAA makes all of its investments through AAA Investments, L.P. (the “Investment Partnership”) and AAA’s only significant asset is the limited partner interests in the Investment Partnership. Therefore, the value of the investment is directly linked to the value of Athene. 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 an investment in AAA. Should AAA experience a loss on a portion or all of the Athene investment, or on any investment that represented a significant portion of AAA’s portfolio, such an event would have a material adverse effect on AAA’s business, financial condition and results of operation and may result in a significant loss in the value of an investment in AAA. Investors should carefully consider the material risks set forth in AAA’s most recent financial report (available at www.apolloalternativeassets.com) as well as other information made available, including references therein to risks relating to Athene.

Nothing contained in this document shall constitute an offer to sell, or the solicitation of an offer to buy, any security, product, service or fund. This document does not constitute a prospectus or an offer within the meaning of Article 3 of the Prospectus Directive (Directive 2003/71/EC as amended, including by Directive 2010/73/EC).

1. Summary of Q4 2017 Financial Results

2. Investment Overview

On December 8, 2017, AAA made a distribution of 22,965,061 Athene shares to AAA unitholders and AAA Investments made a distribution of 12,531 Athene shares to its General Partner (the “AAA Distribution”) in connection with AAA’s 12-month unlock release of Athene shares. AAA Investments also retained 1,768,635 Athene shares as an estimate of its General Partner carried interest in connection with the distribution.

NAV per common unit at December 31, 2017 was \$15.46 compared to \$31.49 as of September 30, 2017, reflecting a net decrease for the quarter of \$16.03 per common unit.

There was a \$0.5 million drawdown on the line of credit in Q4’17 to meet operating cash needs. Total outstanding balance is \$4.5 million.

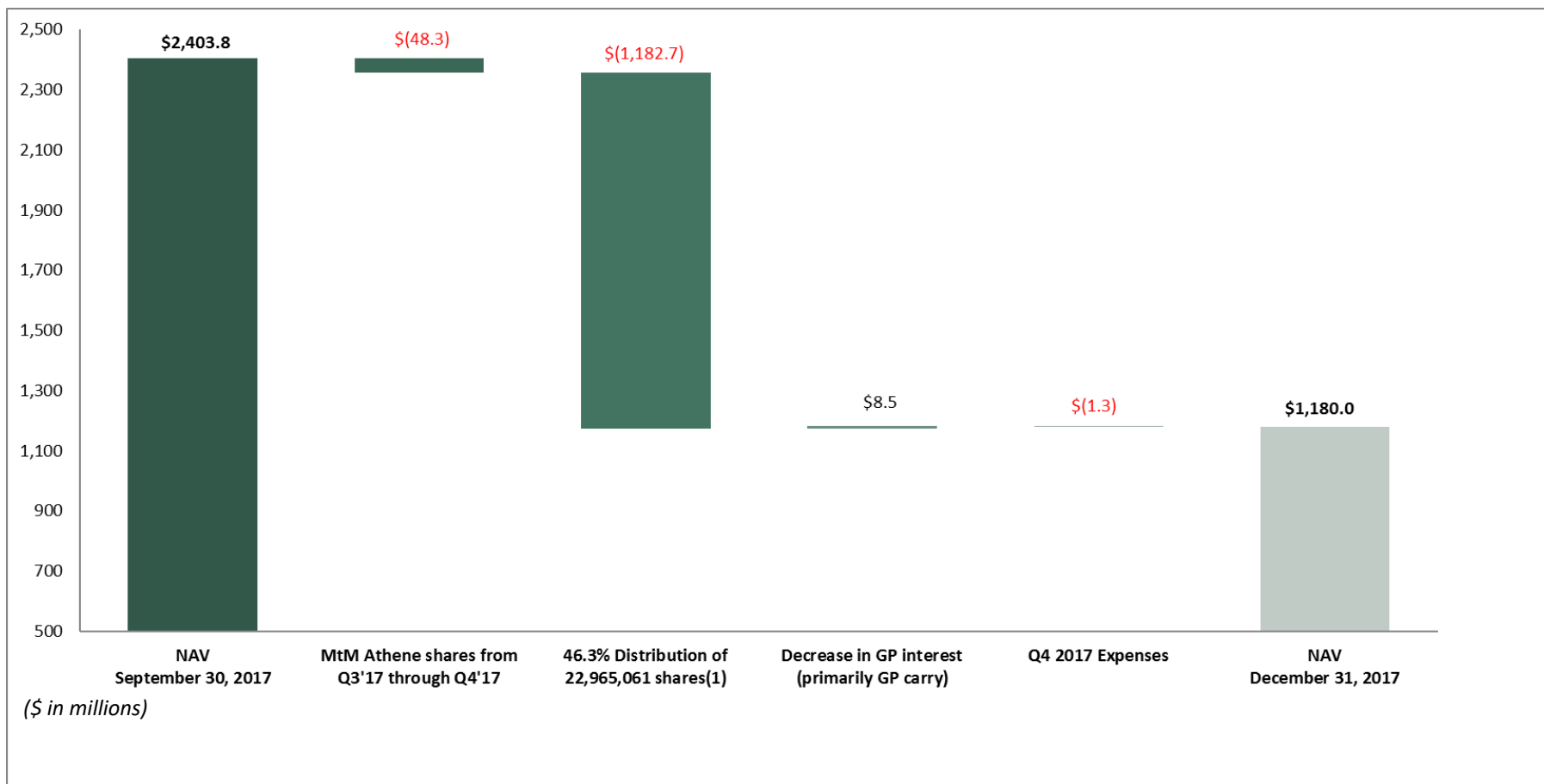
The Investment Partnership had \$0.2 million of cash and cash equivalents at December 31, 2017.

The Investment Partnership had a net loss from investments of \$48.3 million for the quarter ended December 31, 2017, driven by realized gains of \$828.3 million offset by the reversal of previously recognized unrealized gains of \$876.6 million associated with the AAA Distribution. Further, the fair value of the Athene price/share decreased \$1.28 from Q3’17 and the number of Athene shares held by the Investment Partnership decreased 46% since Q3’17, which resulted in a lower total fair value of the Athene investment for the quarter ended December 31, 2017.

Following Athene’s IPO in Q4’16, AAA values its investment in Athene using Athene’s closing market price, adjusted for a discount due to lack of marketability (“DLOM”), as applicable, in order to reflect the post-IPO sales restriction on such shares.

Net Asset Value Roll Q3'17 through Q4'17

The decrease in AAA's Net Asset Value during the quarter ended December 31, 2017 was driven by capital distributions and a decrease in the value of AAA's investment in Athene.



(1) In accordance with U.S. GAAP, the value of the 46.3% distribution-in-kind by AAA, as shown above, is based on Athene's closing market price on December 8, 2017, the date of the distribution.

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

Look Through: Athene Share Price vs AAA NAV

The following table provides a reconciliation of the Athene closing share price to the AAA NAV per share as of December 31, 2017.

	Actual 31-Dec-17
Athene Share Price (December 31, 2017 closing)	\$ 51.71
adj: ① Athene shares vs AAA shares (26.6m Athene shares owned vs 76.3m AAA shares outstanding)	65.11% \$ (33.67)
adj: ② Primarily DLOM (Discount due to Lack of Marketability) at 12/31/17	1.68% \$ (0.30)
adj: ③ GP Carried interest	13.20% \$ (2.34)
adj: ④ other (other assets less other liabilities, and GP 0.055% interest)	0.12% \$ 0.06
AAA NAV	\$ 15.46

The value per publicly traded share of Athene does not equal the net asset value per unit of AAA due to the following:

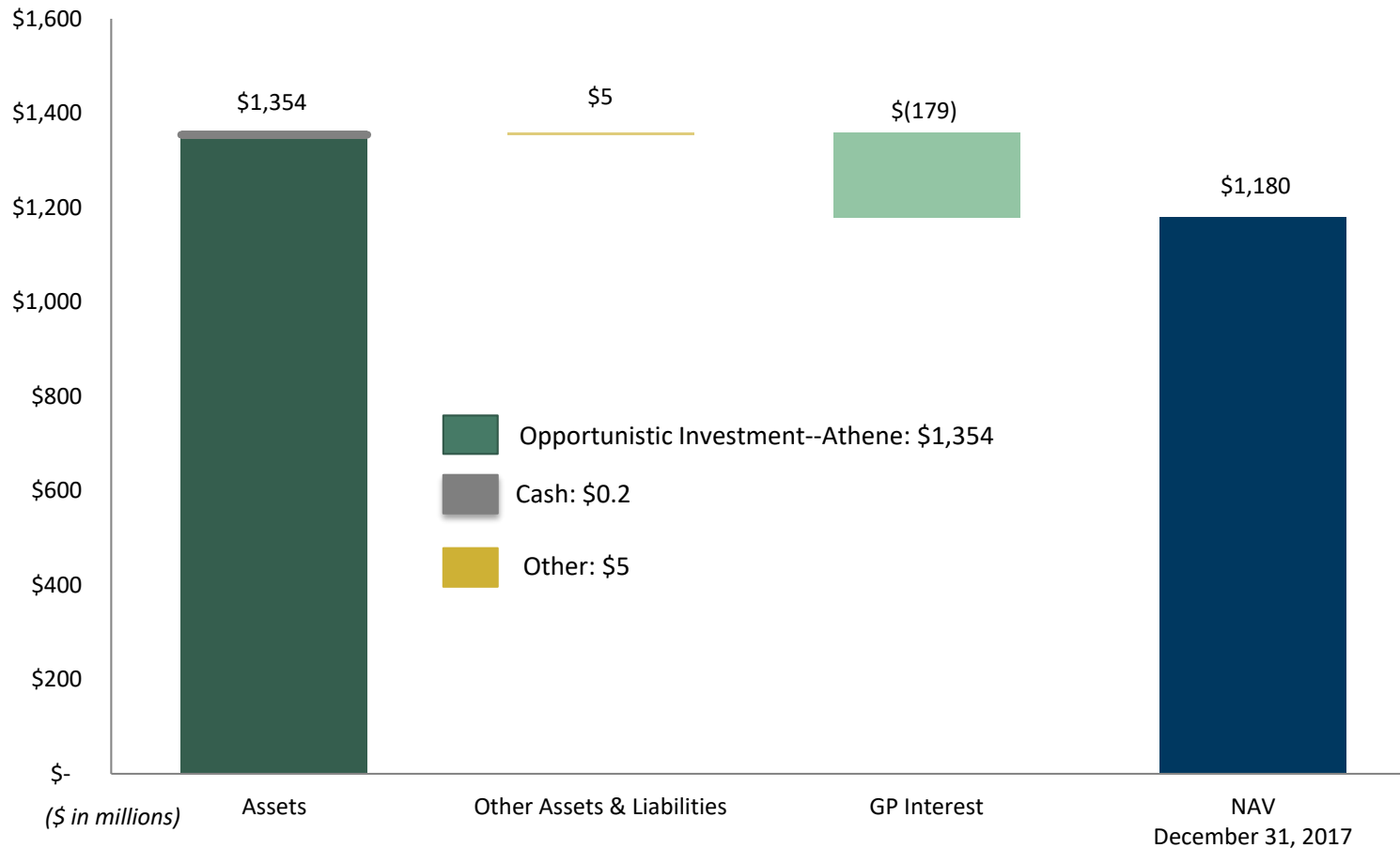
- ① AAA has more units outstanding than the number of Athene shares owned
- ② Unlike a publicly traded share of Athene, substantially all of AAA's Athene shares are subject to sales restrictions. At 12/31/17 the DLOM was 1.8% on the shares that will unlock at the 15-Month distribution. The total discount is approximately 1.7% including the shares that are unrestricted.
- ③ A portion of AAA's shares of Athene are subject to a carried interest obligation to AAA's general partner (carry-eligible shares). The carry formula is: $(20\% \times 45.23\% \text{ carry eligible shares}^1) \times (\text{FV share less cost basis per carry eligible share of } \$10.43)$, adjusted for the 65.11% conversion rate from note ① above.
- ④ AAA has other assets and obligations in addition to its investment in Athene shares

(1) As of December 31, 2017 and after the 12-Month Unlock Distribution on December 8, 2017 ("AAA Distribution"), the number of carry-eligible shares are defined as the total number of Athene shares held by AAA less the carry reserve estimate of 1,768,635 Athene shares that may be earned in connection with the AAA Distribution, multiplied by 45.23%. A portion of the carry receivable includes the carry reserve, which was unrealized at 12/31/17.

Net Asset Value as of December 31, 2017

12/31/17 - Market Cap
\$1,187 million
(0.6% premium to NAV)

9/30/17 - Market Cap
\$2,404 million
(on par with 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. Summary of Q4 2017 Financial Results

2. Investment Overview

Description (\$ in millions)	December 31, 2017		September 30, 2017		Q4 '17 QTD Unrealized MTM	Q4'17 QTD Realized P&L
	Cost	Fair Value	Cost	Fair Value		
Opportunistic Investment - Athene	\$ 428.9	\$ 1,354.0	\$ 784.0	\$ 2,585.6	\$ (876.6)	\$ 828.3
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Key items during the Quarter

- The Athene investment was valued utilizing Athene's closing market price, adjusted for a DLOM, as applicable, and resulted in an estimated price per Athene share of \$50.84 as of December 31, 2017.
- The decrease in unrealized P&L is related to the \$1,183 million distribution to the Investment Partnership's general partner and limited partner at the 12-Month Unlock Distribution and decrease in AAA's Athene share price from \$52.12 at September 30, 2017 to \$50.84 as of December 31, 2017, or \$1.28/share.
- The increase in realized P&L resulted from the distribution of Athene shares to AAA unitholders and AAA Investments' General Partner in connection with the 12-Month Unlock Distribution.

Consistent with Q3'17, Management valued its investment in Athene using Athene's closing market price, adjusted for a DLOM at December 31, 2017

Q4'17 Athene Valuation Summary	
	AAA
ATH closing price/share at 12/31/17	\$ 51.71
Adj: DLOM	1.8%
Share price (post-DLOM)	\$ 50.78
Total Restricted Shares owned	24.9
Total Freely Tradeable Shares owned ⁽¹⁾	1.8
Fair value of opportunistic investment in Athene	\$ 1,354

- At December 31, 2017, the fair value of Athene was estimated using the closing market price of Athene public shares less a DLOM of 1.8%, as applicable.
 - The DLOM was derived based on the average remaining lock up restrictions of Athene shares (2.3 months) and the estimated volatility in such shares.
- The fair value of AAA Investments' interest in Athene after the application of DLOM, as applicable, was estimated at a price of \$50.84 per share, a decrease of \$1.28, or 2.5%, from the Q3'17 price per share of \$52.12 (using 3.2% from the \$53.84 ATH closing price).

(1) As part of the 12 month share unlock distribution in December '17, AAA Investments retained 1,768,635 Athene Shares as an estimate of AAA Associates' carried interest in connection with the distribution. There is no longer a restriction on these unlocked shares, and therefore no associated DLOM.



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