

# A P O L L O

*AP Alternative Assets, L.P. Q2 2011 Results Presentation – August 9, 2011*

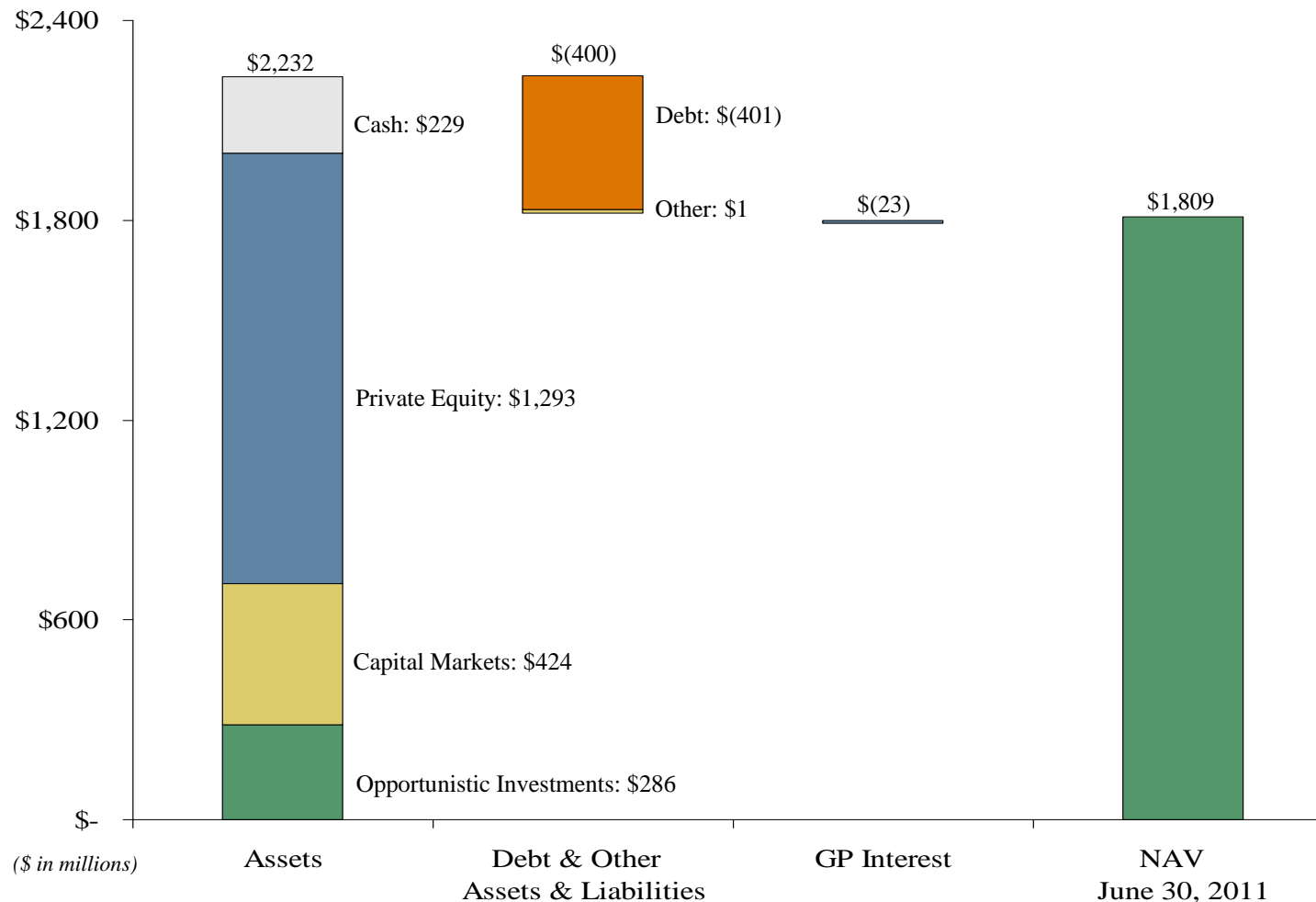
*It should not be assumed that investments made in the future will be profitable or will equal the performance of investments in this document.*

# Agenda

- 1. Net Asset Value as of June 30, 2011**
2. Private Equity Portfolio Update
3. Capital Markets Portfolio Update
4. Opportunistic Investment Update
5. Summary of Q2 2011 Financial Results

# Net Asset Value as of June 30, 2011

NAV per unit at June 30, 2011 was \$20.06, up from \$19.70 at March 31, 2011  
 • June 30, 2011 NAV includes \$0.31 per unit distribution



Note: Past performance is not indicative of future results.

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## Selected Recent AAA Portfolio Company Highlights



- Filed an S-1 with the SEC (**April 2011**)



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- Completed the merger of Henry's Farmers Market and Sprouts Farmers Market to create one of the largest operators in the farmers market specialty segment of the retail food industry (**April 2011**)



- Sold \$1.5 billion of senior unsecured notes due 2021 (**May 2011**)



- Completed amendment to its senior secured credit agreement (**May 2011**)
  - extended the maturity date of approximately \$800 million in loans from 2015 to 2018
  - converted approximately \$425 million of revolving credit facility to term loan due 2018



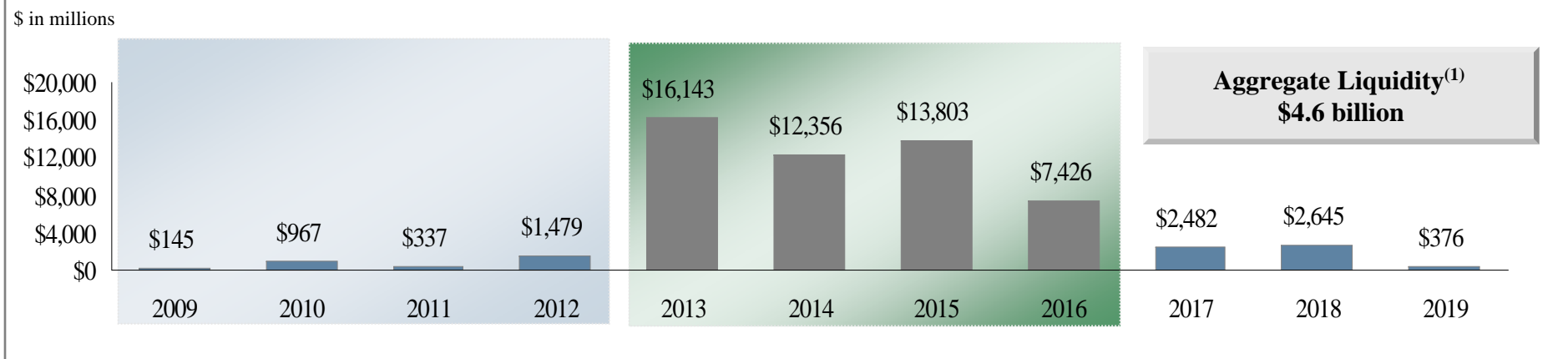
- Filed an S-1 with the SEC (**May 2011**)



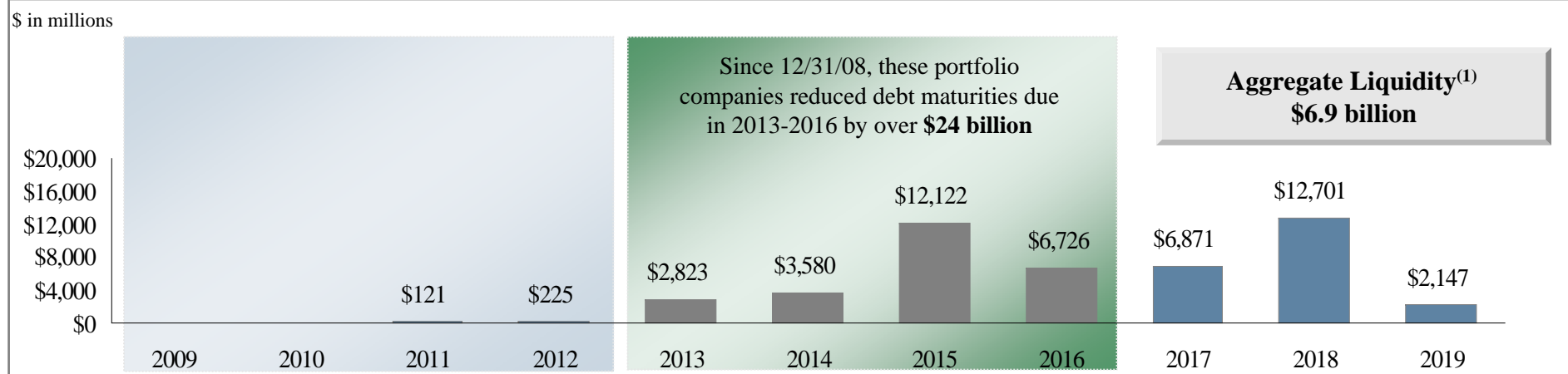
- Announced the acquisition of the Rexam specialty and beverage closures business for approximately \$360mm (**June 2011**)

# Portfolio Company Debt Maturities

## Aggregate Debt Maturity Profile – 12/31/08

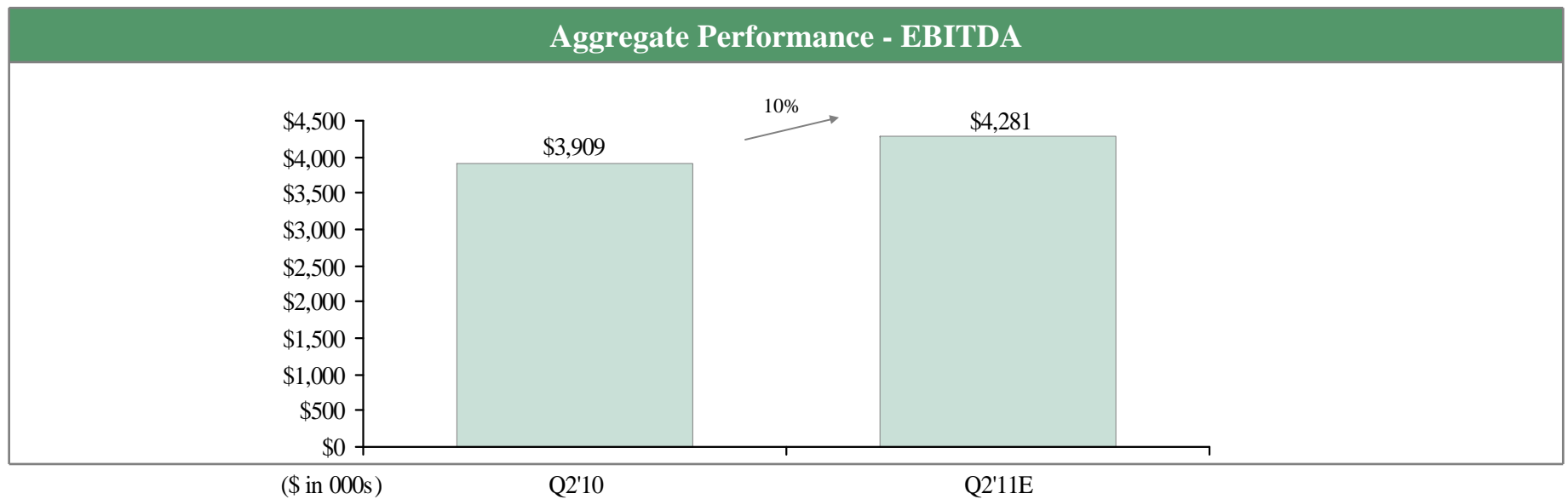
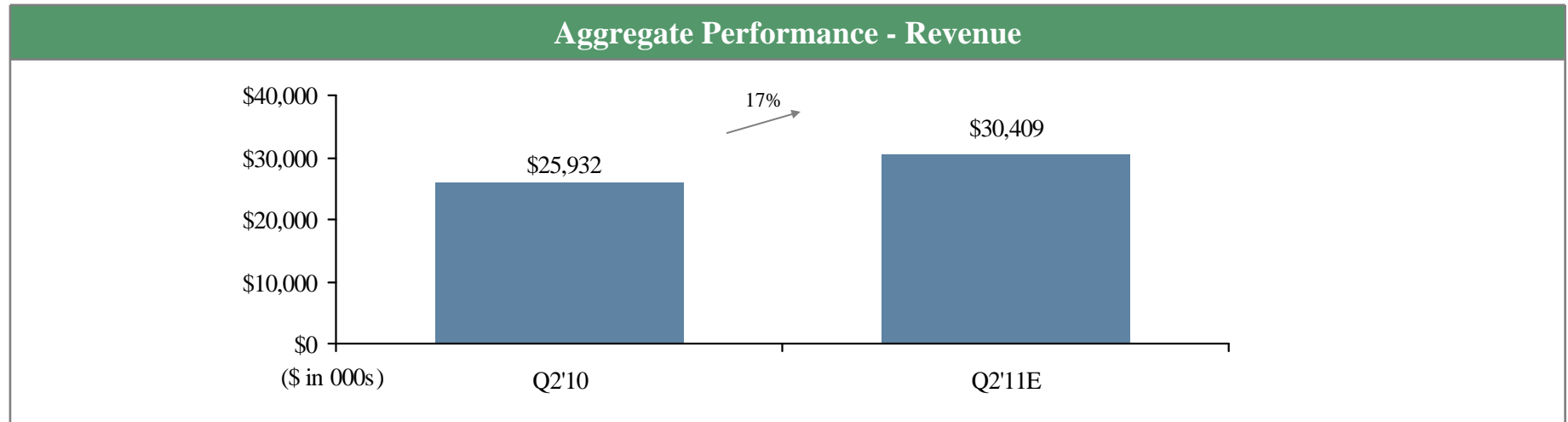


## Aggregate Debt Maturity Profile – 6/30/11 EST



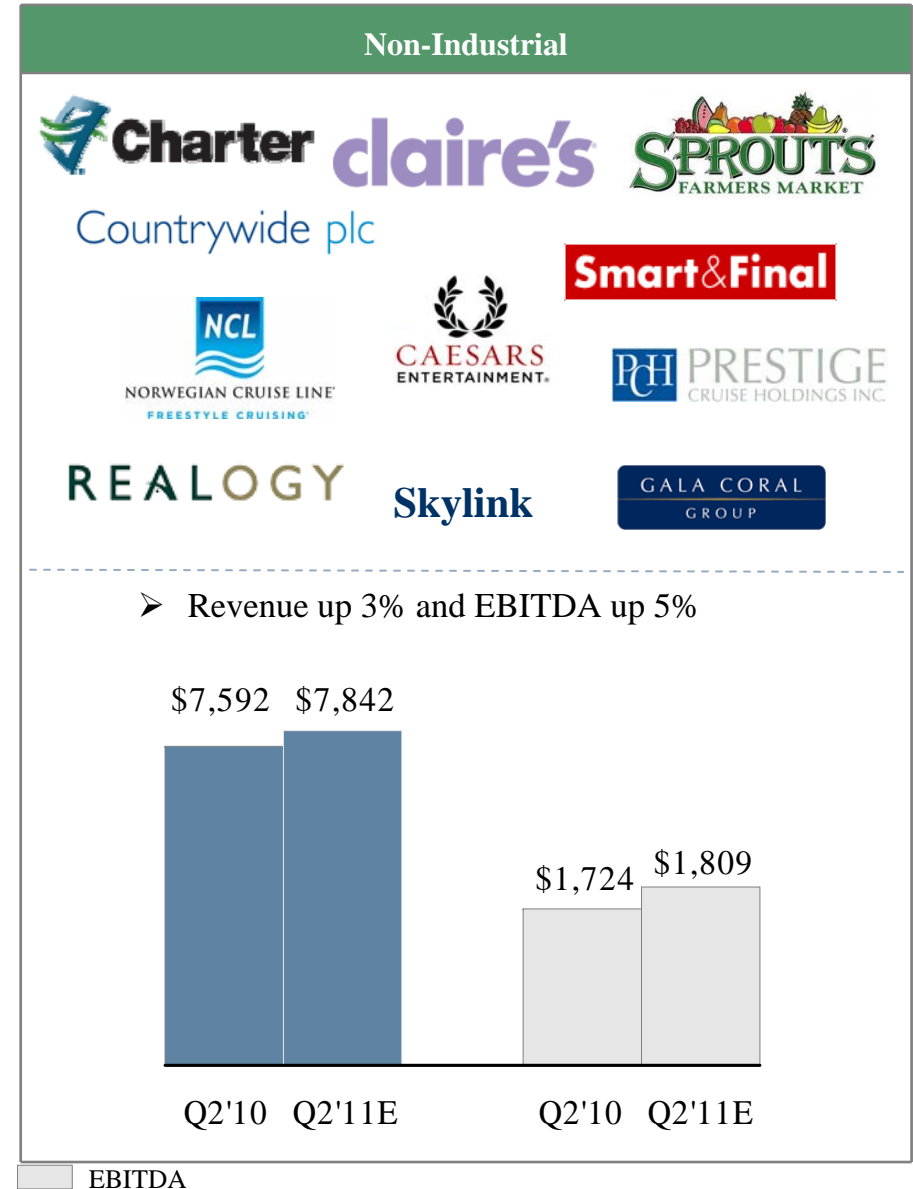
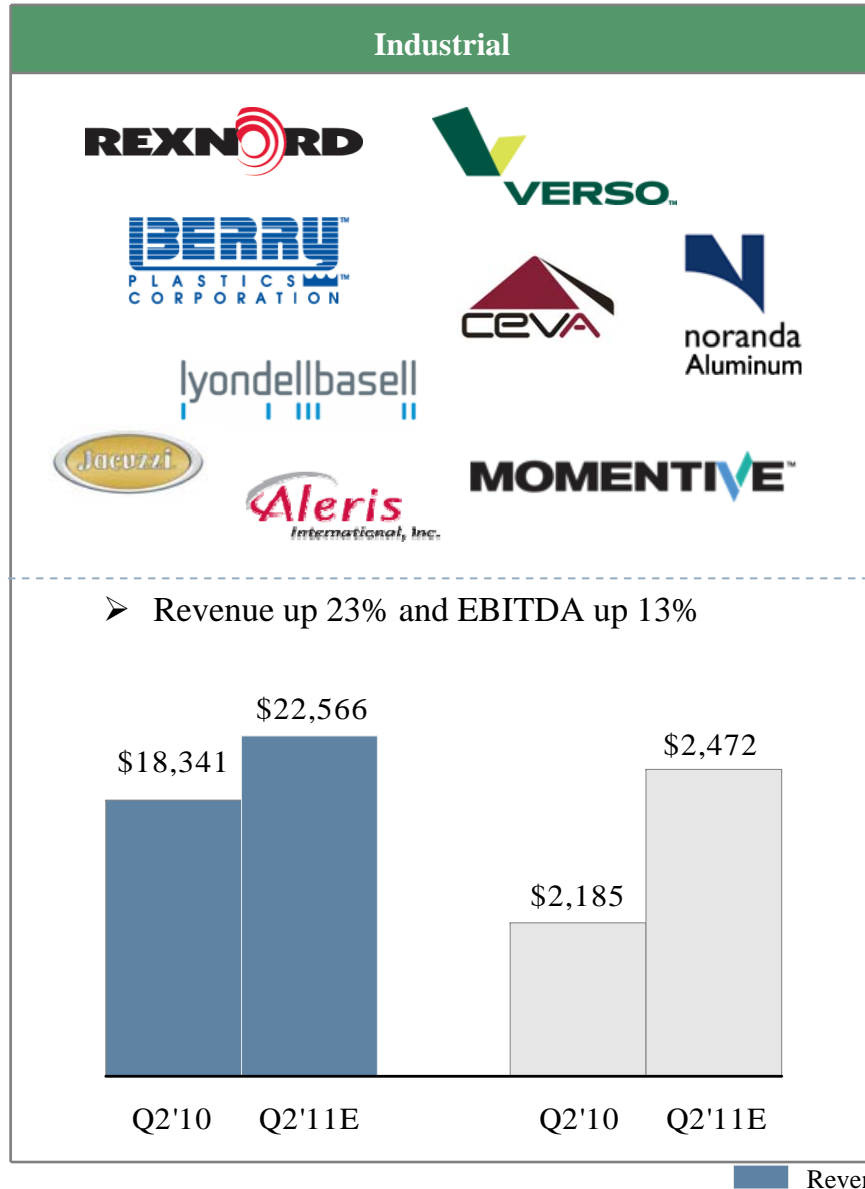
(1) Combined total of liquidity for each of AAA co-investments alongside Fund VI portfolio companies.

# AAA Portfolio Company Performance



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

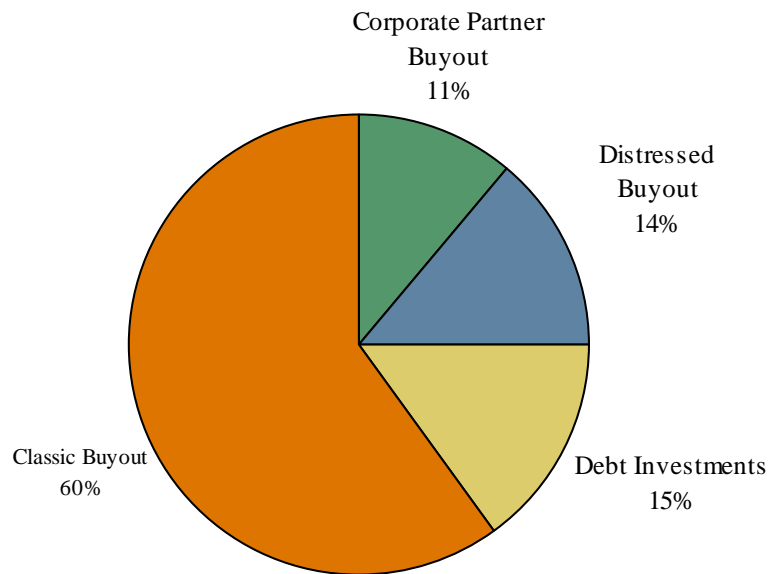
# Portfolio Performance: Industrial vs. Non-Industrial



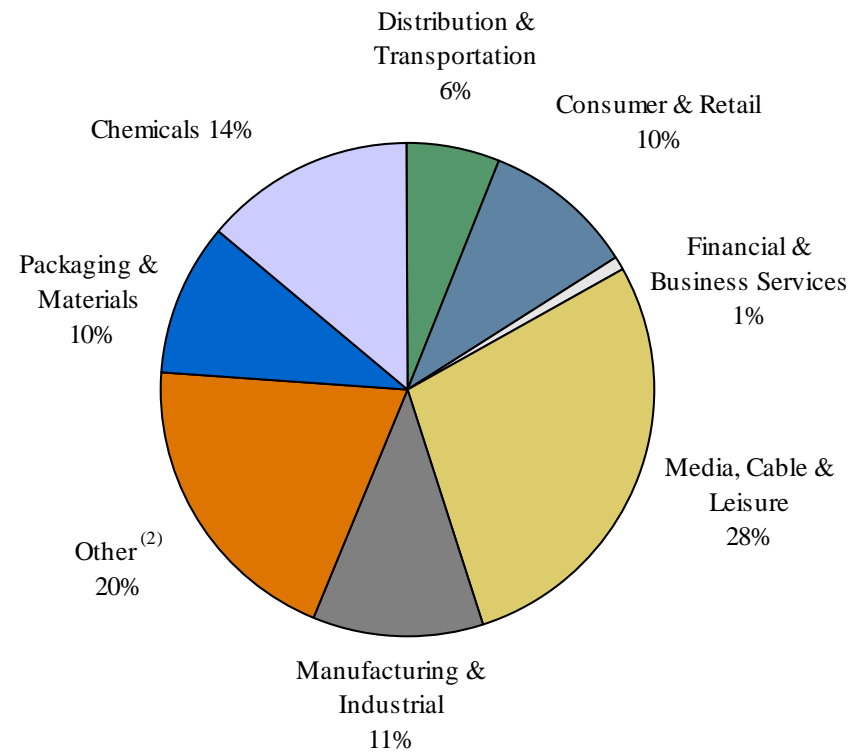


# Overview of AAA's Private Equity Portfolio

AAA Private Equity Portfolio by Strategy Type <sup>(1)</sup>



AAA Private Equity Portfolio by Industry Sector <sup>(1)</sup>



(1) Based on fair value as of June 30, 2011.

(2) Primarily represents Debt Investment Vehicles, which includes investments in Apollo Fund VI BC, L.P., Apollo ALS Holdings, L.P., Autumnleaf, L.P., Leverage Source, L.P., Lily, L.P., and RCIV Holdings, L.P.

# AAA's Largest Private Equity Investments

Co-investments alongside Apollo Investment Funds VI & VII <sup>(1)</sup>					
(\$ in millions)	As of 6/30/11				As of 3/31/11
	Original Cost <sup>(2)</sup>	Net Invested Capital <sup>(3)</sup>	GAAP Cost <sup>(4)</sup>	Remaining Fair Value	Adjusted Fair Value <sup>(5)</sup>
Debt Investment Vehicles	\$478.5	\$176.5	\$286.1	<b>\$255.3</b>	\$251.7
Caesars Entertainment	177.8	176.6	176.7	<b>95.1</b>	97.4
Charter Communications	45.2	43.6	44.6	<b>124.1</b>	115.8
Rexnord Corporation	89.2	37.5	37.5	<b>138.7</b>	141.8
Momentive Performance Materials Holdings Inc.	76.0	76.0	76.0	<b>184.3</b>	163.7
All Others	<u>657.7</u>	<u>518.5</u>	<u>488.1</u>	<u><b>495.4</b></u>	<u>491.0</u>
Total	\$1,524.4	\$1,028.7	\$1,109.0	<b>\$1,292.9</b>	\$1,261.4

(1) AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P. (the "Investment Partnership"), which has made co-investments alongside Apollo Investment Fund VI, L.P. and its parallel investment vehicles (collectively, "Apollo Investment Fund VI") and Apollo Investment Fund VII, L.P. and its parallel investment vehicles (collectively, "Apollo Investment Fund VII"). The table above includes details on each of the Investment Partnership's investments that represent more than 5% of the Investment Partnership's net asset value as of June 30, 2011. "All Others" represents the combined cost and fair value of all other private equity co-investments made by the Investment Partnership alongside Apollo Investment Funds VI and VII.

(2) Represents original cost paid for the investment.

(3) Represents original cost of the investment less all cash payments received from the investment including returns of capital, dividend income, realized gains/losses, interest income, and capitalized interest.

(4) Represents original cost of the investment less returns of capital, sales of holdings, permanent impairments, and capitalized interest.

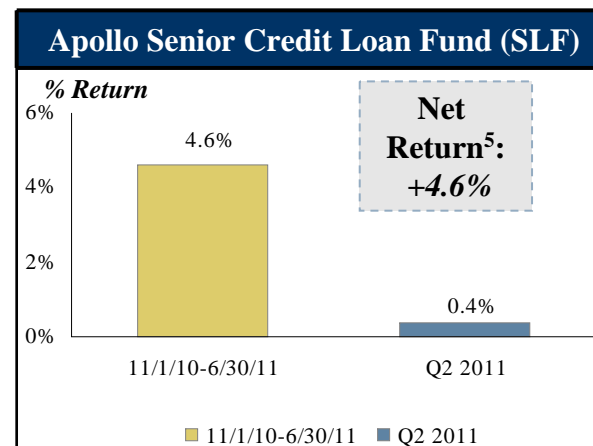
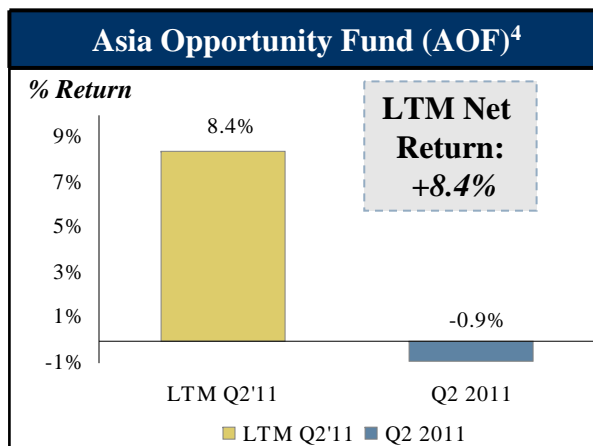
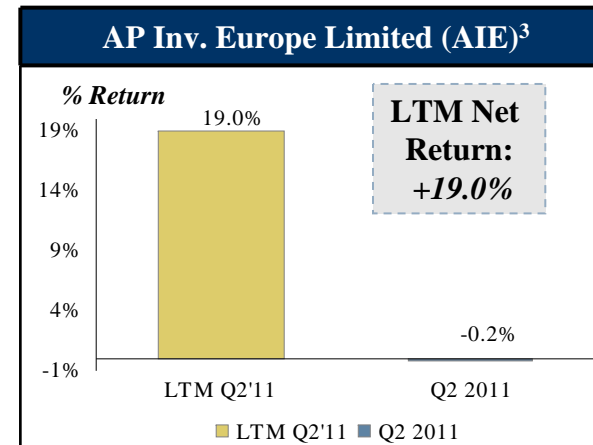
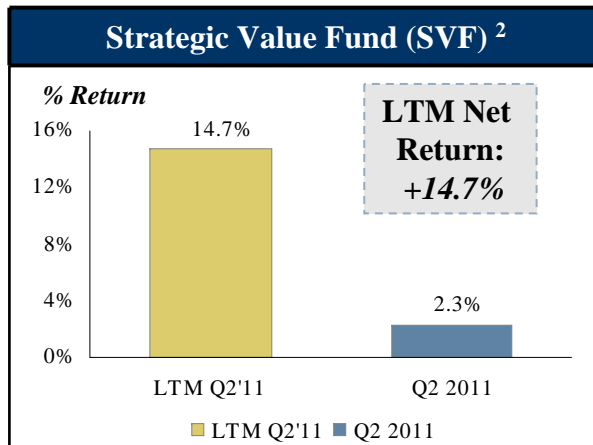
(5) Adjusted to facilitate comparability for purchases and returns of capital during the quarter ended June 30, 2011. The adjustments were \$9.0mm for the debt investment vehicles and \$20.8mm for all other investments.

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# Returns for AAA's Capital Markets Portfolio <sup>(1)</sup>

➤ Strong performance for SVF, AIE, AOF and SLF over the last twelve months



(1) Returns for the three and twelve months ended June 30, 2011. Does not include AAA's investment in Apollo European Principal Finance Fund, L.P. (EPF) due to private equity type structure of the fund.

(2) Returns for liquidating shares of SVF.

(3) Reflects the return of AP Investment Europe Limited as a whole; does not include impact of AAA Investments' foreign exchange exposure.

(4) Reflects the returns for AAA Investments' share of both liquidating shares and ongoing interest in AOF.

(5) Net return is for the period of 11/1/10 through 6/30/11; Apollo Senior Credit Loan Fund was launched on 10/18/10.

# Overview of AAA's Capital Markets Portfolio

Capital Markets Investments					
(\$ in millions)	As of 6/30/11			As of 3/31/11	
	Original Cost <sup>(1)</sup>	Net Invested Capital <sup>(2)</sup>	GAAP Cost <sup>(3)</sup>	Remaining Fair Value	Adjusted Fair Value <sup>(4)</sup>
Apollo Strategic Value Fund	\$550.0	\$151.4	\$113.8	<b>\$172.3</b>	\$168.5
Apollo Asia Opportunity Fund	218.0	99.7	96.4	<b>101.3</b>	102.5
Other Apollo Capital Markets Funds:					
Apollo Investment Europe	339.5	211.7	218.8	<b>52.0</b>	49.9
European Principal Finance Fund	155.7	56.9	56.9	<b>72.3</b>	68.4
Apollo Credit Senior Loan Fund	<u>25.0</u>	<u>25.0</u>	<u>25.0</u>	<u><b>25.9</b></u>	<u>25.9</u>
Total	\$1,288.2	\$544.7	\$510.9	<b>\$423.8</b>	\$415.2

(1) Represents original cost paid for the investment.

(2) Represents original cost paid for the investment, less all cash payments received from the investment including returns of capital, dividend income, interest income, foreign currency gains/losses, and capitalized interest.

(3) Represents original cost of the investment less returns of capital and capitalized interest.

(4) Adjusted to facilitate comparability for returns of capital and purchases during the quarter ended June 30, 2011. The adjustments were \$(1.9)mm for Apollo Asia Opportunity Fund and \$(28.8)mm for Apollo Investment Europe.

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## Update on Athene<sup>(1)</sup>

- Positive results for Athene in Q2 2011 driven by:
  - Acquisition of Liberty Life Insurance Company
  - Continued growth in Athene’s annuity policies
  - Continued strong performance on investment yield in Athene’s asset portfolio
- Valuation at June 30, 2011 is based on a discounted cash flow analysis which we believe represents the embedded value of existing business

Opportunistic Investment					
(\$ in millions)	As of 6/30/11			As of 3/31/11	
	Original Cost <sup>(2)</sup>	Net Invested Capital <sup>(3)</sup>	GAAP Cost <sup>(4)</sup>	Remaining Fair Value	Adjusted Fair Value
Opportunistic Investments – Apollo Life Re Ltd.	\$201.1	\$201.1	\$201.1	<b>\$278.7</b>	\$252.4

(1) Apollo Life Re Ltd. is an Apollo-sponsored vehicle that owns the majority of the equity of Athene Holding Ltd., the parent of Athene Life Re Ltd. (“Athene”), a Bermuda-based reinsurance company focused on the life reinsurance sector, Liberty Life Insurance Company, a recently acquired South Carolina-domiciled stock life insurance company focused on retail sales and reinsurance in the retirement services market, and Athene Life Insurance Company, a recently organized Indiana-domiciled stock life insurance company.

(2) Represents original cost paid for the investment.

(3) Represents original cost paid for the investment, less all cash payments received from the investment including returns of capital, dividend income, interest income, foreign currency gains/losses, and capitalized interest.

(4) Represents original cost of the investment less returns of capital and capitalized interest.

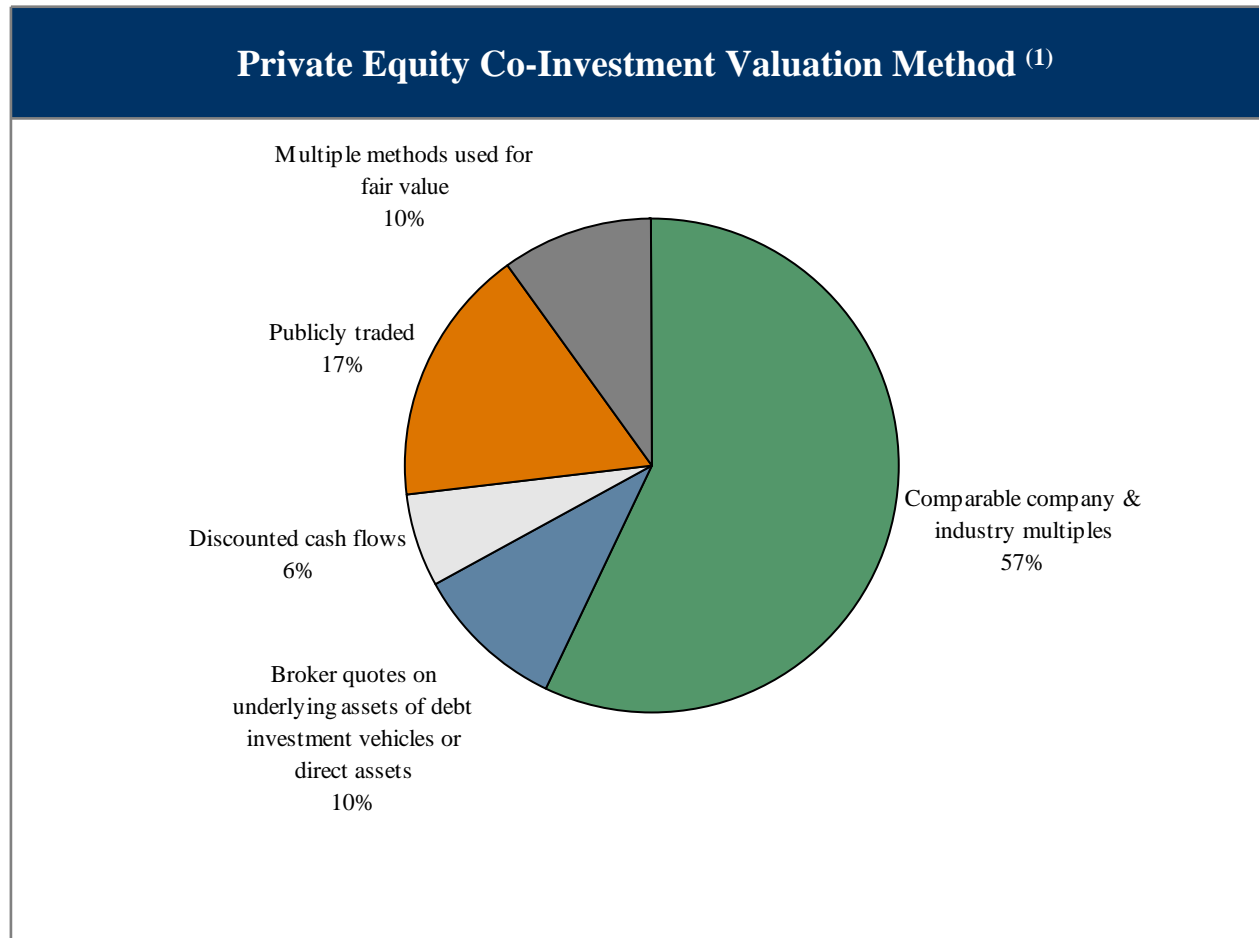
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# Private Equity Valuation Methodology

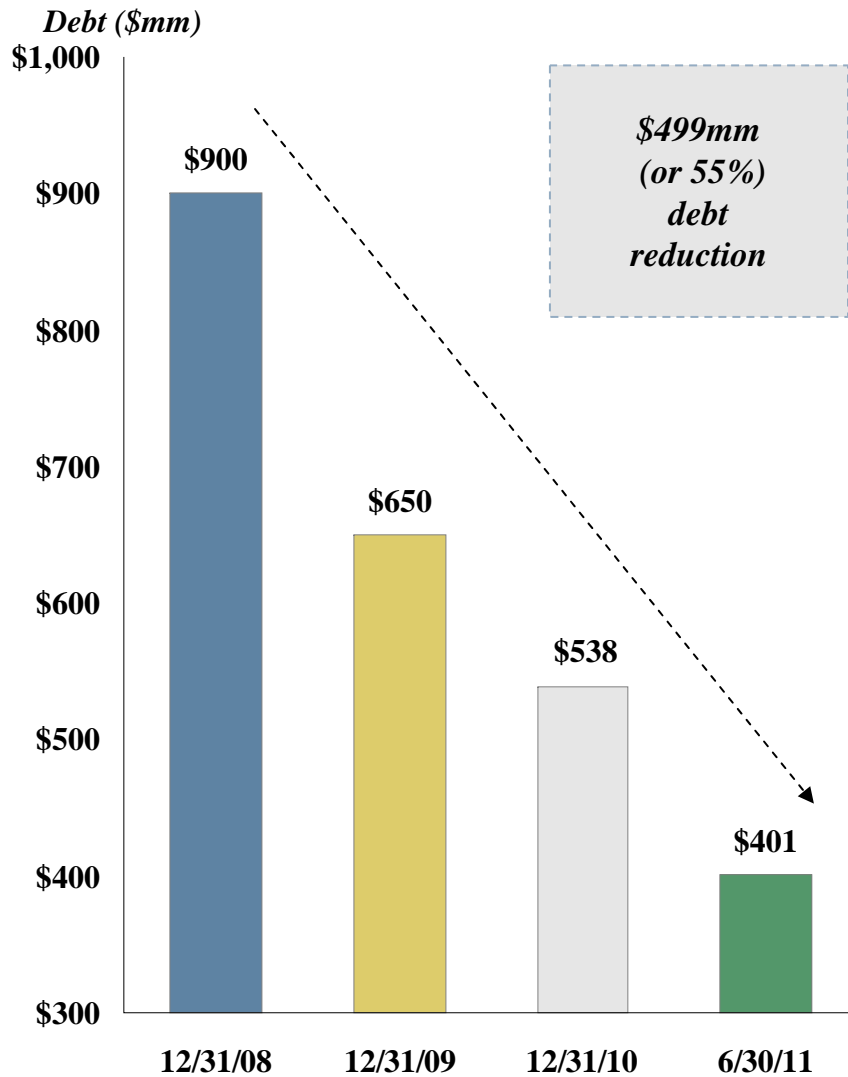
- At June 30, 2011 AAA's portfolio of private equity co-investments was valued based on the methodologies below



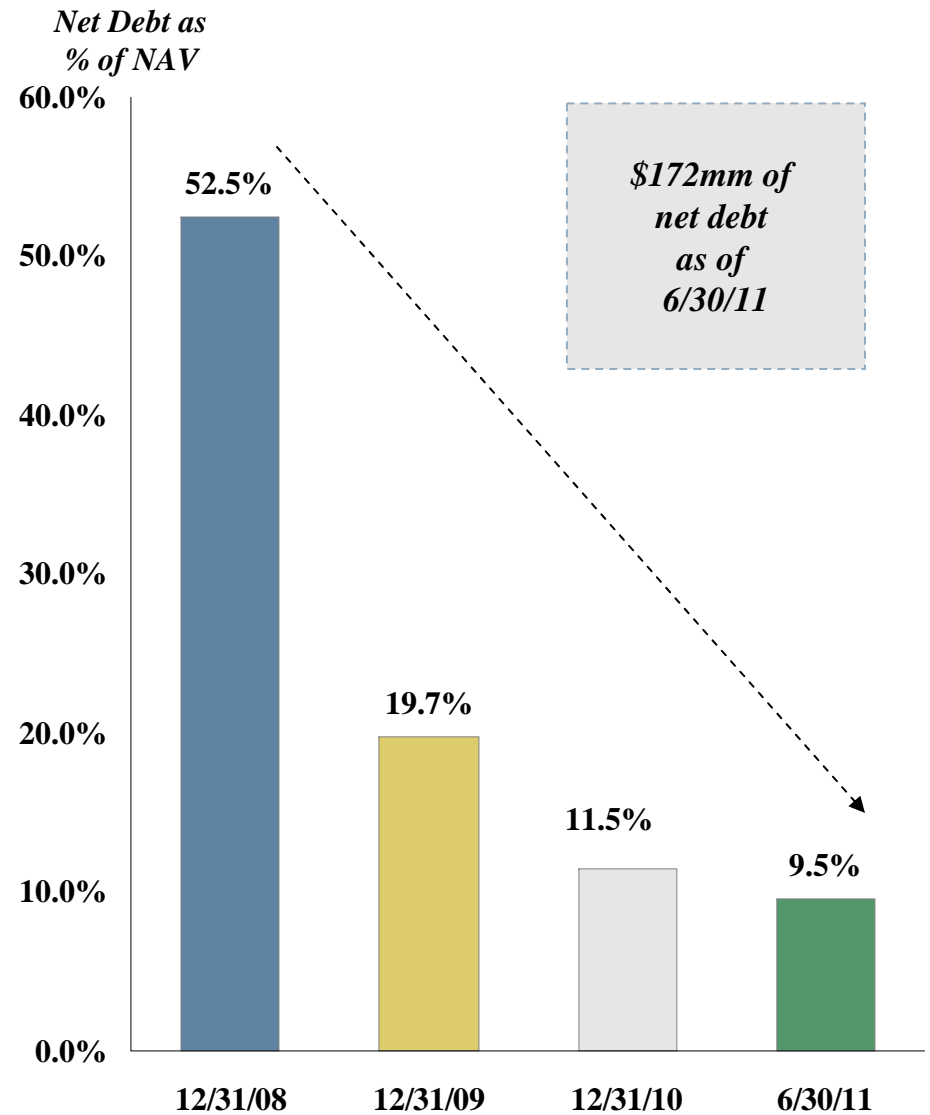
*(1) Based on fair value as of June 30, 2011.*

# Ongoing Management of AAA's Capital Structure & Liquidity

## \$499mm Reduction in Debt Outstanding

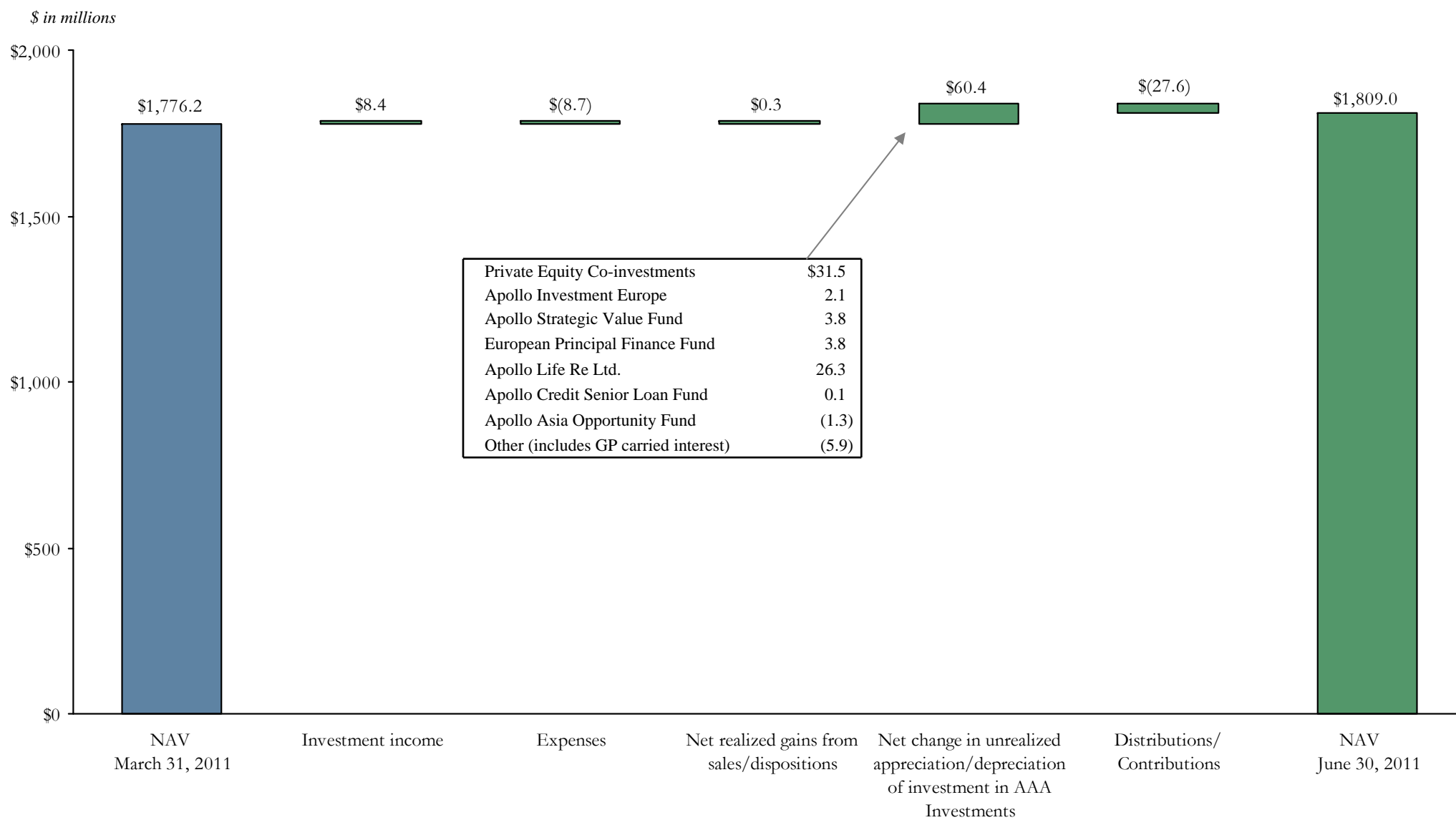


## Significant Improvement in Net Debt as % of NAV<sup>1</sup>



(1) Net debt defined as AAA Investments, L.P.'s total debt outstanding less cash; net asset value of AP Alternative Assets, L.P.

# Q2 2011 NAV Performance



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

A P O L L O

ALTERNATIVE ASSETS

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

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