AP Alternative Assets, L.P. Announces Completion of Strategic Review Resulting in Significant Corporate Transaction

--AAA Announces Tender for up to $100 million at $15.00- $16.00 per Unit—
--AAA Agrees to Transformative Transaction with Athene—
--Strategic Plan Intended to Accelerate Delivery of Value to AAA Unitholders --

Guernsey, Channel Islands, October 30, 2012: AP Alternative Assets, L.P. ("AAA"; Euronext Amsterdam: AAA) announced today that as a result of the strategic review requested by the Board of Directors of AAA Guernsey Limited (the "Board"), in its capacity as general partner of AAA, it has agreed upon a strategic plan intended to accelerate the ultimate delivery of value to its unitholders.

As part of this strategic plan, AAA has entered into a definitive agreement to contribute substantially all of its investments to Athene Holding Ltd. ("Athene") in exchange for Class A common shares of Athene, cash and a short term promissory note (the "Transaction").

The cash and the proceeds from the repayment of the promissory note received by AAA in the Transaction, together with the existing cash on AAA's balance sheet, will be used to (i) repay all of AAA's outstanding borrowings and (ii) tender for AAA units. AAA plans to launch a "Dutch auction" tender in connection with the consummation of the Transaction, in which AAA will tender for up to $100 million worth of its own units at a price between $15.00 and $16.00 per unit(the "Cash Tender Offer").

Upon completion of the Transaction, which is expected to close by October 31, 2012, Athene will be AAA's only material asset and, in the aggregate, AAA will remain the largest shareholder of Athene with a 77% ownership stake (based on capital invested to date).

Following the consummation of the Transaction, Apollo Alternative Assets, L.P., a subsidiary of Apollo Global Management, LLC ("AGM" and collectively with its subsidiaries, "Apollo") and the manager of AAA (the "Manager"), intends to pursue actively one or more strategies to dispose of the Athene shares held by AAA, including by selling such shares, distributing such shares to AAA unitholders through the Share Tender Offer (described below) or other alternatives.

Athene, which as of August 31, 2012 was 59% indirectly owned by AAA based on invested capital, is a life insurance holding company focused principally on the retirement market and whose business, through its subsidiaries, is focused primarily on issuing or reinsuring fixed and equity indexed annuities. Currently, Athene's principal subsidiaries are Athene Annuity & Life Assurance Company, a Delaware domiciled insurance company, Athene Life Re Ltd., a Bermuda reinsurer, Athene Life Insurance Company, an Indiana domiciled insurance company, and Investors Insurance Corp, a Delaware domiciled insurance company. Following the Transaction, on a consolidated GAAP basis, Athene will have over $11 billion of assets under management and over $1.5 billion of capital, estimated as of September 30, 2012 and pro forma for the Transaction. Apollo and Athene's senior management team created Athene in 2009, and Apollo provides investment management and other services to Athene.

Marc Rowan, Senior Managing Director of AGM, said "Given that AAA's units have been trading at a discount and have not been actively trading at all, we believe this transaction is an important first step in fulfilling the Board's objective to accelerate the ultimate delivery of value to AAA's unitholders. Athene is a high growth, high return operating business with a very attractive investment profile. Should Athene become publicly-listed, it will create a number of paths to enhanced liquidity for AAA's unitholders. Additionally, while the transaction price represents a discount to AAA's NAV as of August 31st, AAA's unitholders, through their majority ownership in Athene, should be able to recapture the majority of that discount and have the opportunity to share in the future economics of Athene."

Rupert Dorey, independent director of AAA, said "The independent directors of AAA are pleased with the Manager's timely response to the Board's request for a strategic review. We believe that Athene's prospects, the ultimately enhanced liquidity for AAA's unitholders and the potential reduction in future management fees and carry paid by AAA,create a highly attractive and value enhancing transaction."

James Belardi, Chief Executive Officer of Athene, said "We are excited about this transaction, which provides Athene with an additional $641 million of capital to take advantage of the attractive opportunities that we are seeing in the retirement space. Since launching Athene in 2009, we have been creating a leading retirement services company, and we see many attractive opportunities for continued growth."

The Process

The Board had requested that the Manager consider a range of strategic alternatives for AAA. After careful review of the strategic alternatives available, the Manager presented the Transaction to the Board.

The Board established a special committee of independent directors to analyze and review the Transaction and to provide advice and recommendations to the Board. The special committee retained Perella Weinberg Partners as independent financial adviser, Herbert Smith Freehills LLP as independent legal counsel with respect to English law and Ogier as independent legal counsel with respect to Guernsey law, to assist in its review of the Transaction, prior to recommending that the Board approve the Transaction.

Following receipt of the views of the special committee and careful consideration of the Transaction, the Board unanimously voted in favour of the Transaction, having agreed it was in the best interests of AAA and its unitholders.

In addition, a special committee of independent directors of the conflicts committee of the board of directors of Athene was formed to consider the transaction. Athene's special committee was advised by Greenhill & Co., LLC, as financial advisor, and Davis Polk & Wardwell LLP, as independent legal counsel, and unanimously approved the transaction.

Transaction Details

In exchange for substantially all of its investments (other than its existing investment in Athene), AAA will receive approximately 48.3 million Class A Common Shares of Athene (which are non-voting shares), $82.9 million in cash, and a promissory note with a principal amount of approximately $115 million, which is payable upon demand by AAA and which Athene may prepay at its option at any time, without penalty. AAA currently expects to demand repayment of the promissory note upon completion of the Cash Tender Offer.

As of October 19, 2012, AAA's cash balance was approximately $247 million. Together with the $82.9 million in cash to be received upon the consummation of the Transaction and the $115 million of cash available from the short term promissory note, AAA is expected to have liquidity of $445 million. AAA will use this liquidity to (i) eliminate its existing borrowings of approximately $305 million by repaying all of its outstanding bank debt and (ii) launch the Cash Tender Offer for up to $100 million of its own units at a price of between $15.00 and $16.00 per unit, with any remaining cash balance to be used for future expenses and general cash management purposes. Additionally, AAA, at its option, may elect to have the promissory note repaid by delivery of additional Class A Common Shares of Athene, valued at the price attributed to such shares in the Transaction, to the extent that it does not have a need for the additional cash.

The shares of Athene to be issued to AAA in the Transaction are valued at $13.46 per share, which equals AAA's carrying value as of August 31, 2012 (other than approximately 3.8 million of the shares to be issued to AAA which will be purchased at $11.16 per share pursuant to a pre-existing capital commitment obligation of AAA). The AAA investments to be contributed to Athene in the Transaction are valued at 77.5% of AAA's carrying value for those investments as of August 31, 2012. The following chart demonstrates the effect of the Transaction on AAA's asset base.

AP Alternative Assets: Asset Base

($ in millions)

Before the Transaction		After Asset Contribution[1]		After BuyBack and Debt Paydown[2]	
Cash	$247	Cash	$330	Cash	$25
		Promissory Note	115	Promissory Note	15
Debt	($305)	Debt	($305)	Debt	$0
NAV of Private Equity assets	$836	*Contribution to Athene @ 77.5% of NAV*			
NAV of Capital Markets assets	242				
NAV of Opportunistic assets	4				
NAV of Athene (59% owned by AAA)	**$458**	**NAV of Athene** (77% owned by AAA)	**$1,122**	**NAV of Athene** (77% owned by AAA)	**$1,122**

Note: current Athene valuation shown is as of latest disclosure (June 30, 2012). Athene share issuance valuation is as of August 31, 2012, and is reflected in pro-forma $1,122 million of Athene value.

(1) Asset Contribution step assumes that: (i) cash increases by $82.9 million, and (ii) Athene value represents AAA's pro-forma ownership of Athene post-contribution.

(2) Buyback and Debt Paydown step assumes that: (i) $305 million of cash is used to fully repay existing indebtedness, and (ii) $100 million of Promissory Note is used to fund $100 million tender offer.

Following the Transaction, Athene will be AAA's only material asset other than cash and the promissory note, and AAA's ownership in Athene, based on capital invested to date, will increase from approximately 59% to approximately 77% (in each case, without regard to dilution from management incentive equity).

Cash Tender Offer for up to $100 million of AAA Units

In connection with the Transaction, AAA announces that it will use up to $100 million of the cash proceeds of the Transaction and/or existing cash to conduct the Cash Tender Offer. Under the terms of the Cash Tender Offer, which is expected to launch in connection with the consummation of the Transaction, AAA will repurchase units at prices between $15.00 and $16.00 per unit.

The Cash Tender Offer is intended to provide liquidity for certain AAA unitholders who elect to participate and is expected to be accretive to AAA. AGM, together with its subsidiaries and the members of its Executive Committee have agreed that they will not participate in the Cash Tender Offer with respect to their AAA units. Likewise, a significant unitholder of AAA has also agreed that it and its affiliates will not participate in the Cash Tender Offer.

Eligible unitholders and restricted depositary unitholders will be able to apply to tender none, any or all of their units in the Cash Tender Offer. All AAA units will be repurchased at the same price, which will be the lowest price level at which up to $100 million of units can be repurchased ("Clearing Price"). The Cash Tender Offer will be filled in the order of tender elections from the lowest price tendered to the highest, but not to exceed the Clearing Price. AAA will not acquire units which have been tendered above the Clearing Price.

Future Liquidity

In order to provide future liquidity options for AAA unitholders, the limited partnership agreement of AAA will be amended in connection with the consummation of the Transaction to require AAA to exercise its right to cause Athene to consummate an initial public offering of its common shares by November 30, 2015.

In addition, if there has not been a liquidity event at AAA prior to an initial public offering of Athene, AAA will commit to make a tender offer to all AAA unitholders in which AAA offers to purchase all of its outstanding AAA units and pay the consideration for such repurchase with shares of Athene (the "Share Tender Offer"). The Share Tender Offer would occur immediately following the end of any lock-up agreement that AAA or any of its subsidiaries enters into in connection with any such initial public offering of Athene. In connection with the Share Tender Offer, AAA's unitholders will be entitled to receive, in the aggregate (assuming all AAA units are tendered), a number of shares of Athene equal to the number of shares of Athene held by AAA at the time of the announcement of the Share Tender Offer less a number of shares of Athene with an aggregate value sufficient to enable AAA, taking into account any cash or other assets of AAA, to satisfy all of its remaining liabilities and obligations, as reasonably determined by the Board at the time of the announcement of the Share Tender Offer.

AAA understands that, in connection with the Transaction, Athene and AGM, the parent of the Manager, having regard to the significant indirect stake that one of AAA's unitholders will have in Athene, are discussing with such holder the provision of certain rights to such holder and imposing certain obligations on such holder to better align the objectives of Athene and such holder. The Board considers this unitholder's further involvement and alignment with Athene to be in the best interests of AAA and unitholders as a whole.

Timing of the Transaction

It is anticipated that the Transaction will close on or before October 31, 2012. However, as part of the Transaction, the transfer of certain of AAA's investments (which investments have a value in the Transaction of approximately $20 million) to Athene will be delayed pending the receipt of required regulatory consents, and the appropriate portion of the consideration to be paid to AAA in Athene shares will not be paid by Athene until the time of such transfer.

The Cash Tender Offer itself and the full details thereof will be provided in an offering document that will be available on AAA's website (www.apolloalternativeassets.com) at the time of launch and a further announcement will be made on or before the day prior to such launch date.

Unitholders are reminded that AAA will be releasing its financial results for the third quarter ended September 30, 2012 on Friday, November 9, 2012. AAA will host an earnings call on that date (please refer to AAA's website for additional details regarding the call) and AAA's management plans to discuss the Transaction in further detail on such earnings call.

Fees Payable to the Manager and its Affiliates

Following the Transaction, the Manager will continue to manage the assets contributed by AAA to Athene on substantially the same terms with respect to management fees and carried interest as the existing agreements between AAA and the Manager and its affiliates. However, the Manager and its affiliates have agreed that AAA's cost basis (rather than Athene's cost basis) will be used to determine the payment of any carried interest, such that the Manager and its affiliates will not benefit in terms of carried interest from the 22.5% discount applied to the net asset value of the contributed assets.

In addition, there will be no management fees payable by AAA with respect to the Athene shares that are newly acquired by AAA in the Transaction, which are those shares in excess of the Athene shares AAA currently owns or has committed to purchase (the "Excluded Shares"). Likewise, affiliates of the Manager will not be entitled to receive any carried interest in respect of the Excluded Shares. AAA will continue to pay to the Manager the same management fee on AAA's investment in Athene (other than the Excluded Shares), except that the Manager has agreed that AAA's obligation to pay the existing management fee shall terminate on December31, 2014 (other than the unwind fee described below). If the Athene shares held by AAA are sold for cash at any time, then the Manager will receive the economics it would otherwise be entitled to under the existing terms of its agreement with AAA. If the Manager elects to have the Athene shares held by AAA distributed to the AAA unitholders at any time (in the Share Tender Offer or otherwise), the value of AAA's investment in Athene would crystallize prematurely, resulting in the curtailment of future management fees and carried interest paid by AAA to the Manager. In exchange for the Manager electing to have the Athene shares held by AAA distributed to the AAA unitholders (in the Share Tender Offer or otherwise) and forgoing these potential future payments of management fees and carried interest on the Athene shares held by AAA, the Manager has agreed to receive a formulaic unwind of its management fee up to a cap of $30 million if the realization event commences in 2013, $25 million if the realization event commences in 2014, $20 million if the realization event commences in 2015 and zero if the realization event commences in 2016 or thereafter. The Manager has further agreed that all such management fees payable by AAA will be payable in Athene shares valued at the then fair market value (or equivalent derivatives). Any carried interest payable to affiliates of the Manager resulting from a distribution in kind of Athene shares shall also be payable in Athene shares valued at the then fair market value.

As an alternative to incurring the unwind fee and carried interest at a liquidity event as described in the paragraph above, at the time of a realization event, AAA's unitholders will have the ability to elect to keep their Athene shares in AAA (or, at the Manager's option, a new vehicle managed by the Manager). At such time, AAA unitholders electing this option will be subject to additional liquidity restrictions and the obligation to pay carried interest on the growth in value on such shares; however, they will benefit from an 8% hurdle rate in the carried interest calculation and the ability to recover certain management fees on the Athene investment through the mechanics of the carried interest calculation and by the Manager forgoing a commensurate percentage of the unwind fee described above. However, if AAA unitholders were to elect this option for fewer than 25% in the aggregate of the Athene shares available for tender, it would not be implemented and instead the entire unwind fee and all carried interest would be realized at the time of such liquidity event.

Changes to AAA's Investment Policies and Procedures

The diversification requirements within AAA's Investment Policies and Procedures shall be removed (having received the requisite approval of the independent directors to do so) so that AAA can have Athene as its only investment.

This announcement does not constitute or form part of an offer to sell or solicitation of an offer to purchase or subscribe for securities in the United States or in any other jurisdiction. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or under the securities laws of any other jurisdiction, and may not be offered or sold in the United States or in any other jurisdiction absent registration or pursuant to an applicable exemption from the registration requirements of the Securities Act or from the registration requirements in any such other jurisdiction. No public offering of securities has been or is being made in the United States or in any other jurisdiction.

About AP Alternative Assets, L.P.

AAA was established by Apollo and is a closed-end limited partnership established under the laws of Guernsey. Apollo is a leading global alternative investment manager with 22 years of experience investing across the capital structure of leveraged companies. AAA is managed by Apollo Alternative Assets, L.P., a subsidiary of AGM. For more information about AAA, please visit www.apolloalternativeassets.com.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements involve risks and uncertainties because they relate to future events and circumstances. Such statements are based on currently available operating, financial and competitive information and are subject to various risks and uncertainties that could cause actual results and developments to differ materially from the historical experience and expressed or implied expectations of AAA. Undue reliance should not be placed on such forward-looking statements. Forward-looking statements speak only as of the date on which they are made and AAA does not undertake to update its forward-looking statements unless required by law.

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