

AP Alternative Assets, L.P. Q2 Results Presentation – August 2, 2017



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

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As of June 30, 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.

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- 1. Summary of Q2 2017 Financial Results**

2. Investment Overview

AP Alternative Assets, L.P. – Q2 2017 Highlights

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NAV per common unit at June 30, 2017 was \$28.83 compared to \$35.36 as of March 31, 2017, reflecting a net decrease for the quarter of \$6.53 per common unit.

On June 6, 2017, AAA made a distribution of 10,767,217 Athene shares to AAA unitholders and AAA Investments made a distribution of 849,581 Athene shares to its General Partner (the “AAA Distribution”) in connection with the Athene unitholder distribution.

The Investment Partnership had \$0.6 million of cash and cash equivalents at June 30, 2017.

The \$4 million drawdown on the line of credit in Q4’16 remains outstanding. No additional drawdowns occurred in Q2’17.

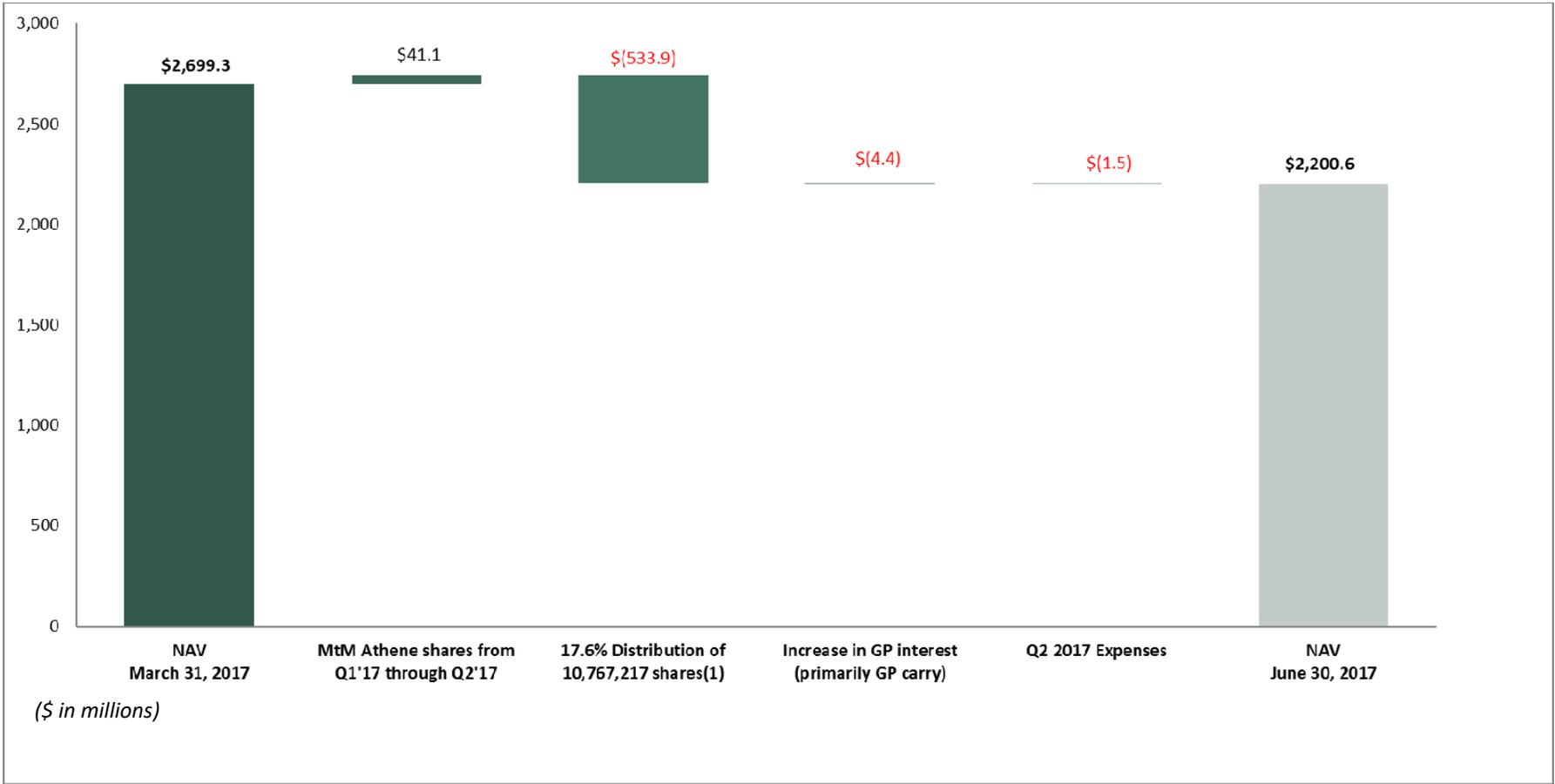
The Investment Partnership had a net gain from investments of \$41.1 million for the quarter ended June 30, 2017, driven by \$392.5 million of realized gains partially offset by the reversal of previously recognized unrealized gains of \$351.4 million associated with the AAA Distribution. Although the fair value of the Athene price/share increased \$0.29 from Q1’17, the decrease in the number of Athene shares held due to the AAA Distribution resulted in a lower total fair value of the Athene investment for the quarter ended June 30, 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”) in order to reflect the post-IPO sales restriction on such shares.

Net Asset Value Roll Q1'17 through Q2'17



The decrease in AAA's Net Asset Value during the quarter ended June 30, 2017 was driven by capital distributions partially offset by an increase in the value of AAA's investment in Athene.



(1) In accordance with U.S. GAAP, the value of the 17.6% distribution-in-kind by AAA, as shown above, is based on Athene's closing market price on June 6, 2017, the record date of the distribution. Pursuant to the AAA Investments' LPA, for purposes of calculating GP carry, the fair value of the distribution-in-kind is based on the average of the daily volume weighted average price of the Athene shares on the 30 trading days immediately prior to, and including, May 22, 2017, the date the distribution was approved by AAA Associates.

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 vs AAA Share Price

The following table provides a reconciliation of the Athene closing share price to the AAA NAV per share as of June 30, 2017.

		Actual 30-Jun-17
Athene Share Price (June 30, 2017 closing)		\$ 49.61
adj: ① Athene shares vs AAA shares (49.6m Athene shares owned vs 76.3m AAA shares outstanding)	35.01%	\$ (17.37)
adj: ② DLOM (Discount due to Lack of Marketability) at 6/30/17	4.10%	\$ (1.32)
adj: ③ GP Carried interest	7.06%	\$ (2.18)
adj: ④ other (other assets less other liabilities, and GP 0.055% interest)	0.19%	\$ 0.09
AAA NAV		\$ 28.83

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

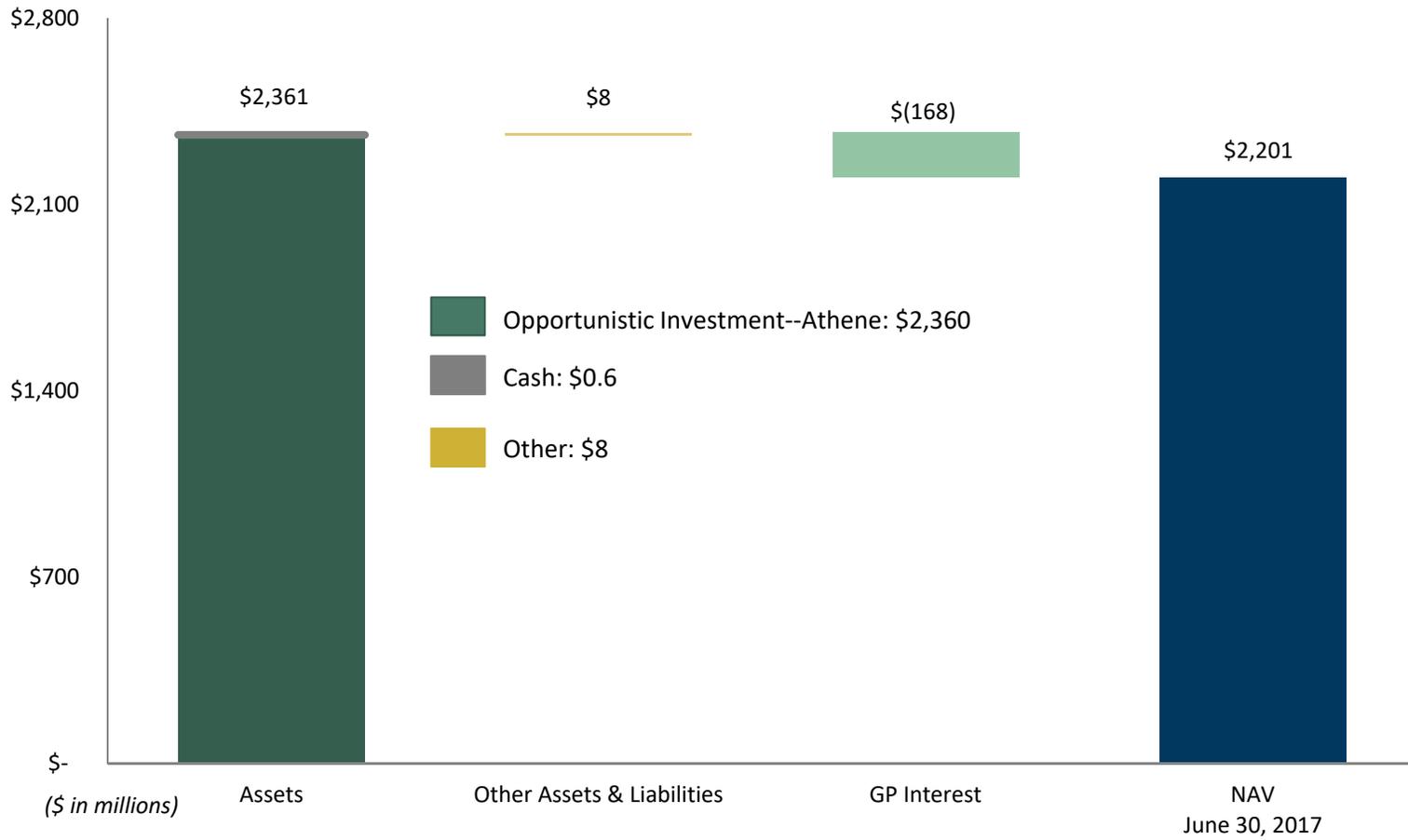
- ① AAA has more units outstanding than the number of Athene shares owned
- ② Unlike a publicly traded share of Athene, AAA's Athene shares are subject to sales restrictions
- ③ A portion of AAA's shares of Athene are subject to a carried interest obligation to AAA's general partner (carry-eligible shares). The carry formula is: $(20\% \times 45.23\% \text{ carry eligible shares}) \times (\text{FV share less cost basis per carry eligible share of } \$10.43)$, adjusted for the 35.01% conversion rate from note ① above.
- ④ AAA has other assets and obligations in addition to its investment in Athene shares

Net Asset Value as of June 30, 2017



6/30/17 - Market Cap
\$2,233 million
(1% premium to NAV)

3/31/17 - Market Cap
\$2,743 million
(1% premium to NAV)



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AAA Investments, L.P. Q2 2017 Highlights

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Description (\$ in millions)	June 30, 2017		March 31, 2017		Q2 '17 QTD Unrealized MTM	Q2'17 QTD Realized P&L
	Cost	Fair Value	Cost	Fair Value		
Opportunistic Investment - Athene	\$ 784.0	\$ 2,360.4	\$ 967.5	\$ 2,895.3	\$ (351.4)	\$ 392.5
	\$ 784.0	\$ 2,360.4	\$ 967.5	\$ 2,895.3	\$ (351.4)	\$ 392.5

Key items during the Quarter

- The Athene investment was valued utilizing Athene's closing market price, adjusted for a DLOM and resulted in a price per Athene share of \$47.58 as of June 30, 2017
- The decrease in unrealized P&L is related to the \$576 million distribution to the Investment Partnership's GP and LPs at the Athene Follow-on Offering, which was partially offset by the increase in the Athene share price from \$47.29 at March 31, 2017 to \$47.58 as of June 30, 2017
- The increase in realized P&L resulted from the distribution of Athene Shares to AAA unitholders and AAA Investments' General Partner in connection with Athene's Follow-On Offering.

Athene Holding Ltd. – Adjusted Closing Market Price

Consistent with Q1'17, Management valued its investment in Athene using Athene's closing market price, adjusted for a DLOM at June 30, 2017

Q2'17 Athene Valuation Summary	
	AAA
ATH closing price/share at 6/30/17	\$ 49.61
Adj: DLOM	4.1%
Share price (post-DLOM)	\$ 47.58
Total Athene shares owned 6/30/17	49.6
Fair value of opportunistic investment in Athene	\$ 2,360

- At June 30, 2017, the fair value of Athene was estimated using the closing market price of Athene public shares less a DLOM of 4.1%.
 - The DLOM was derived based on the average remaining lock up restrictions of Athene shares (6.8 months) and the estimated volatility in such shares.
- The fair value of AAA Investments' interest in Athene after the application of DLOM was estimated at a price of \$47.58 per share, an increase of \$0.29, or 0.6%, from the Q1'17 price of \$47.29 per share (using a DLOM of 5.4% from the \$49.99 ATH closing price).

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