



## **AP Alternative Assets Releases Financial Results for the Three and Nine Months Ended September 30, 2012**

*-- Announces Offer to Purchase Up To 6,666,666 Units in AP Alternative Assets for Up To a Maximum Value of \$100 Million --*

**Guernsey, Channel Islands, November 9, 2012:** AP Alternative Assets, L.P. (“AAA”, Euronext Amsterdam: AAA) today released its financial results for the three and nine months ended September 30, 2012. AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P., which is referred to as the “Investment Partnership.”

### **Highlights**

#### *Strategic & Capital Management Initiatives*

- On October 31, 2012, AAA consummated a significant transaction in which AAA contributed 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.
- On November 1, 2012, AAA repaid the remaining balance of \$305.2 million on its term loan outstanding.
- AAA announces a tender offer to purchase for cash up to 6,666,666 of its outstanding units at a range of \$15.00 to \$16.00 per unit for a maximum aggregate payment amount of up to \$100 million.

#### *Net Asset Value for AAA*

- Net asset value at September 30, 2012 was \$1,531.8 million, or \$19.10 per unit, representing a net increase in net assets of \$17.2 million, or \$0.22 per common unit, during the quarter.

#### *Operating Results for the Investment Partnership*

- The net gain from investments was \$29.9 million and \$173.8 million for the three and nine months ended September 30, 2012.

### **Management Commentary**

Marc Rowan, Senior Managing Director of AAA’s investment manager, said “Since initiating a strategic review of AAA, we have made meaningful progress towards delivering value to AAA’s unitholders. The unit price of AAA has increased by more than 55%, we completed two tender offers for a total of \$100 million and are currently launching another tender offer for up to \$100 million, eliminated AAA’s outstanding debt and, most importantly, completed a significant transaction with Athene, which is a high growth, high return 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.”

## **Significant Corporate Transaction**

On October 30, 2012 AAA announced that as a result of a strategic review requested by the Board of Directors of AAA Guernsey Limited (the “Board”), in its capacity as general partner of AAA, it agreed upon a strategic plan intended to accelerate the ultimate delivery of value to its unitholders. As part of this strategic plan, AAA entered into a definitive agreement to contribute substantially all of its investments to Athene (see “About Athene” below) in exchange for Class A common shares of Athene, cash and a short term promissory note (the “Transaction”).

As part of the Transaction, which was consummated on October 31, 2012, the transfer of certain of AAA’s investments (which investments have transaction value 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. Upon final completion of the Transaction, AAA will receive in total 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 \$115.0 million, which is payable upon demand by AAA and which Athene may prepay at its option at any time, without penalty. The shares of Athene 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 at \$11.16 per share pursuant to a pre-existing capital commitment obligation of AAA). The impact of the contribution would have resulted in a recognized loss of approximately \$73.0 million if the transaction had happened as of September 30, 2012.

Following the completion of the Transaction, Athene is AAA’s only material portfolio asset and AAA is the largest shareholder of Athene with an ownership stake of approximately 77% (based on capital invested to date). The Board also has approved the removal of the diversification requirements within AAA’s Investment Policies and Procedures (having received the requisite approval of the independent directors to do so) so that AAA can have Athene as its only investment.

Apollo Alternative Assets, L.P., a subsidiary of Apollo Global Management, LLC (collectively with its subsidiaries, “Apollo”) and the manager of AAA, 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 a share tender offer or other alternatives.

### *About Athene*

Athene 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.

For the first six months of 2012, Athene had GAAP earnings of \$92 million, which implies an annualized GAAP return on equity of 25%. 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.

On July 13, 2012, Athene announced that it had entered into an agreement to acquire Presidential Life Corporation (“Presidential Life”), which has approximately \$3 billion of assets under management, for approximately \$415 million in cash. Presidential Life, through its wholly owned subsidiary Presidential Life Insurance Company, markets and sells a variety of fixed annuity, life insurance, and accident and health insurance.

Apollo and Athene’s senior management team created Athene in 2009, and Apollo provides investment management and other services to Athene.

## **Capital Management**

### *Term Loan & Cash*

In connection with the Transaction, on November 1, 2012 AAA repaid the remaining balance of \$305.2 million on its term loan and currently has no debt outstanding. As of November 5, 2012, the Investment Partnership had \$141.7 million of cash and cash equivalents (including the short term promissory note issued in connection with the Transaction) which will be used for the Tender Offer (described below), future operating expenses and general cash management purposes. In conjunction with the Transaction, AAA has withdrawn its credit rating from S&P, effective November 9, 2011

### *Tender Offer*

AAA intends to undertake a Tender Offer (the “Tender Offer”) to purchase a portion of its outstanding units for a maximum aggregate payment of up to \$100 million of cash. The Tender Offer will be conducted as a modified “Dutch Auction” with investors able to tender their units at prices ranging from \$15.00 to \$16.00 per unit. The Tender Offer will be launched on November 12, 2012.

Eligible unitholders and restricted depositary unitholders will be able to apply to tender none, any or all of their units. All 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 (“Tender Clearing Price”). The Tender Offer will be filled in the order of tender elections from the lowest price tendered to the highest, but not to exceed the Tender Clearing Price. AAA will not acquire units which have been tendered above the Tender Clearing Price.

The Tender Offer is expected to be open to unitholders and restricted depositary unitholders that (i) do not reside in and are not citizens of Italy, Japan, Australia or South Africa and (ii) are, in the case of unitholders that reside in or are citizens of the United Kingdom, persons (i) who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act (Financial Promotion ) Order 2005 (the “Order”), or (ii) who are high net worth companies falling within Article 49(2)(a) of the Order, or (iii) who are other persons to whom the Tender Offer may be lawfully communicated.

The Tender Offer itself and the full details thereof are provided in a Tender Offer document available on AAA’s website ([www.apolloalternativeassets.com](http://www.apolloalternativeassets.com)). Details may be amended or supplemented from time to time on the basis set out therein.

## **Operating Results for AAA**

At September 30, 2012, AAA’s net asset value was \$1,531.8 million, or \$19.10 per unit, representing a net increase in net asset value of \$17.2 million, and a net increase in net asset value per unit of \$0.22 during the three months ended September 30, 2012, and representing an increase in net asset value after distributions, contributions and unit purchases of \$55.3 million, or \$2.69 per unit, during the nine months ended September 30, 2012.

The following table details the change in NAV per unit during the three and nine months ended September 30, 2012:

| <i>(values per unit)</i>                              | <b>For the Three<br/>Months Ended<br/>September 30, 2012</b> | <b>For the Nine<br/>Months Ended<br/>September 30, 2012</b> |
|---|--|---|
| <b>Net asset value at the beginning of the period</b> | <b>\$ 18.88</b>  | <b>\$ 16.41</b>   |
| Income from investment operations:                    |  |   |
| Net investment (loss)                                 | (0.10)   | (0.09)  |
| Net gain from investments                             | 0.33   | 1.92  |
| <b>Total from investment operations</b>               | <b>0.23</b>  | <b>1.83</b>   |
| Capital distributions                                 | (0.01)   | (0.03)  |
| Unit purchases  | (0.02)   | (1.19)  |
| Accretion from unit purchases/effect of dilution      | 0.02   | 2.08  |
| <b>Net asset value at end of the period</b>           | <b>\$ 19.10</b>  | <b>\$ 19.10</b>   |

### **Operating Results for the Investment Partnership**

AAA derives the majority of its results from operations, except for direct expenses, from its interest in the Investment Partnership.

| <i>\$ in millions</i>  | <b>For the Three Months Ended</b> |                               | <b>For the Nine Months Ended</b> |                               |
|--|-----------------------------------|-------------------------------|----------------------------------|-------------------------------|
|  | <b>September 30,<br/>2012</b>     | <b>September 30,<br/>2011</b> | <b>September 30,<br/>2012</b>    | <b>September 30,<br/>2011</b> |
| Net realized (losses) gains from sales/dispositions on investments     | \$(171.5)                         | \$(0.4)                       | \$(131.8)                        | \$21.9                        |
| Net change in unrealized depreciation/appreciation on investments      | 201.4                             | (343.8)                       | 305.6                            | (152.9)                       |
| Net gain (loss) from investments                                       | 29.9                              | (344.2)                       | 173.8                            | (131.0)                       |
| Investment income  | 4.1                               | 10.1                          | 25.3                             | 23.3                          |
| Expenses   | (11.8)                            | (7.4)                         | (30.9)                           | (23.6)                        |
| <b>Net (Decrease) Increase in Net Assets Resulting from Operations</b> | <b>\$22.2</b>                     | <b>\$(341.5)</b>              | <b>\$168.2</b>                   | <b>\$(131.3)</b>              |

The net increase in net assets resulting from operations was approximately \$22.2 million and \$168.2 million for the three and nine months ended September 30, 2012, which was primarily due to the net gain from investments driven by unrealized changes in mark-to-market valuations in the investment portfolio, partially offset by realized losses on investments.

The table below details the net (loss) gain from investments by sector for private equity co-investments, by capital markets fund and by opportunistic investment:

| <i>\$ in millions</i>                      | <b>For the Three Months Ended</b> |                               | <b>For the Nine months Ended</b> |                               |
|--|-----------------------------------|-------------------------------|----------------------------------|-------------------------------|
|  | <b>September 30,<br/>2012</b>     | <b>September 30,<br/>2011</b> | <b>September 30,<br/>2012</b>    | <b>September 30,<br/>2011</b> |
| Private Equity:                            |                                   |                               |                                  |                               |
| Chemicals                                  | \$ (6.1)                          | \$ (33.1)                     | \$ (33.0)                        | \$ 13.2                       |
| Consumer and Retail                        | 45.2                              | 0.0                           | 63.0                             | 25.0                          |
| Debt Investment Vehicles                   | (5.6)                             | (83.9)                        | 24.9                             | (67.6)                        |
| Distribution and Transportation            | (39.7)                            | (49.4)                        | (29.4)                           | (21.8)                        |
| Financial and Business Services            | 2.4                               | 0.0                           | 4.8                              | (0.5)                         |
| Manufacturing and Industrial               | (14.3)                            | (45.4)                        | 3.1                              | (40.7)                        |
| Media, Cable & Leisure                     | 1.7                               | (64.7)                        | 22.2                             | (38.2)                        |
| Packaging and Materials                    | 20.6                              | (34.5)                        | 59.8                             | (32.2)                        |
| Total Private Equity                       | <b>4.2</b>                        | <b>(311.0)</b>                | <b>115.4</b>                     | <b>(162.8)</b>                |
| Capital Markets Funds:                     |                                   |                               |                                  |                               |
| Apollo Strategic Value Offshore Fund, Ltd. | (2.5)                             | (12.7)                        | 6.6                              | (0.7)                         |
| Other Apollo Capital Markets Funds         | 5.5                               | (14.4)                        | 1.7                              | 10.0                          |
| Apollo Life Re Ltd.                        | 22.6                              | (5.8)                         | 49.7                             | 23.0                          |
| Other                                      | 0.1                               | (0.4)                         | 0.4                              | (0.5)                         |
| <b>Net (Loss) Gain from Investments</b>    | <b>\$ 29.9</b>                    | <b>\$ (344.3)</b>             | <b>\$ 173.8</b>                  | <b>\$ (131.0)</b>             |

For the three months ended September 30, 2012, net realized losses from sales/dispositions were \$171.5 million, which primarily resulted from the recognition of a loss from Apollo Investment Europe of \$176.0 million. The realized losses were partially offset by \$6.2 million of realized gains from the proceeds from redemptions of the Apollo Strategic Value Fund, and the sale of the investment in Charter Communications Inc. which resulted in a realized gain of \$1.0 million.

For the three months ended September 30, 2012 there was a net change in unrealized appreciation/depreciation of \$201.4 million, primarily due to the recognition of a loss from Apollo Investment Europe of \$176.0 million and volatility in the capital markets which contributed to changes in valuations of the underlying co-investments in private equity portfolio companies, capital markets investments and opportunistic investments.

For the three months ended September 30, 2012, the net gain from investments of \$29.9 million was driven by investments in the consumer and retail and packaging and materials sectors and gains from Apollo Life Re Ltd. These gains were partially offset by losses from investments in the distribution and transportation and manufacturing and industrial sectors.

For the nine months ended September 30, 2012 net realized losses from sales/dispositions were primarily related to \$131.8 million in losses from other capital markets funds, driven by the recognition of a loss from Apollo Investment Europe of \$176.0 million. The realized losses were partially offset by gains of \$27.0 million from the sale of the investment in Charter Communications, \$12.3 million from the partial sale of the investment in Noranda Aluminum, and \$8.1 million of realized gains from the proceeds from redemptions of the Apollo Strategic Value Fund.

For the nine months ended September 30, 2012 there was a net change in unrealized appreciation/depreciation \$305.6 million, which was primarily due to the recognition of a loss from Apollo Investment Europe of \$176.0 million and volatility in the capital markets which contributed to changes in valuations of the underlying co-investments in private equity portfolio companies, capital markets investments and opportunistic investments.

During the nine months ended September 30, 2012, the net gain from investments was driven primarily by gains across the majority of the private equity co-investments, specifically those in the consumer and retail, packaging and materials and media, cable and leisure sectors, and debt investment vehicles. Also contributing to the net gain from investments during the nine months ended September 30, 2012 was the investment in Apollo Life Re Ltd.

### **Net Asset Value**

At September 30, 2012, AAA had net assets of \$1,531.8 million, including its share of the net assets of the Investment Partnership, as follows:

|  | <b><u>Net Asset Value as of</u></b>              |                          |                              |
|--|--|--------------------------|------------------------------|
|  | <i>(in \$ millions, except per unit amounts)</i> |                          |                              |
|  | <b>September 30,<br/>2012</b>                    | <b>June 30,<br/>2012</b> | <b>December 31,<br/>2011</b> |
| Gross Asset Value:                         |  |                          |                              |
| Cash                                       | \$247.5  | \$219.5                  | \$229.9                      |
| Private Equity Co-investments              | 883.6  | 947.1                    | 903.7                        |
| Capital Markets Funds:                     |  |                          |                              |
| Apollo Strategic Value Offshore Fund, Ltd. | 150.4  | 164.9                    | 164.8                        |
| Other Apollo Capital Markets Funds         | 99.9   | 107.0                    | 167.0                        |
| Apollo Life Re Ltd.                        | 480.5  | 457.9                    | 430.8                        |
| Other <sup>1</sup>                         | (21.8)   | (21.9)                   | (14.2)                       |
| Debt                                       | (305.3)  | (359.9)                  | (402.5)                      |
| Net Asset Value                            | <u>\$1,534.8</u>                                 | <u>\$1,514.6</u>         | <u>\$1,479.5</u>             |
| Net Asset Value per Unit                   | \$19.10  | \$18.88                  | \$16.41                      |
| Net Common Units Outstanding               | 80,215,738                                       | 80,215,738               | 90,183,200                   |

### **Interim Report**

AAA's interim financial report, which includes its unaudited financial statements and the unaudited financial statements of the Investment Partnership, is available on its website at [www.apolloalternativeassets.com](http://www.apolloalternativeassets.com).

### **Contacts**

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<sup>1</sup> Includes Other Opportunistic Investment, Other Assets & Liabilities and General Partner Interest. General Partner Interest is primarily comprised of unrealized carry receivable of \$23.4 million at September 30, 2012, \$21.4 million at June 30, 2012 and \$22.1 million at December 31, 2011 related to private equity co-investments and Apollo Life Re Ltd.

## **Conference Call**

AAA will host a conference call on Friday, November 9<sup>th</sup>, 2012, at 2:00 p.m. CET (Amsterdam) / 1:00 p.m. GMT (London) / 8:00 a.m. ET (New York). During the call Marc Rowan, Senior Managing Director of Apollo Global Management, LLC; Barry Giarraputo, Chief Financial Officer; Gernot Lohr, Strategic Development Officer; and Gary Stein, Head of Corporate Communications, will discuss AAA and review the company's financial results for the second quarter of 2012. All interested parties are welcome to participate. You can access this call by dialing 20-718-8506 within The Netherlands or +31-20-718-8506 outside of The Netherlands. Please dial in approximately 5 to 10 minutes prior to the call. When prompted, callers should reference "AAA Earnings".

A presentation will be referenced during the call and will be available on the company's website at <http://www.apolloalternativeassets.com> prior to the conference call.

The company will take questions (i) in advance via email at [inquiries@apolloalternativeassets.com](mailto:inquiries@apolloalternativeassets.com); and (ii) live via phone during the question and answer period of the conference call (the operator will provide instructions regarding how to ask a question during the call).

An archived replay of the conference call will be available through December 10, 2012, via the company's website at [www.apolloalternativeassets.com](http://www.apolloalternativeassets.com).

## **About AAA**

AAA was established by Apollo Global Management, LLC and its affiliates ("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. For more information about AAA, please visit [www.apolloalternativeassets.com](http://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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**Financial Schedules Follow**

## Financial Schedule I

| <b>AP ALTERNATIVE ASSETS, L.P.</b>  |                            |                     |                           |                     |
|---|----------------------------|---------------------|---------------------------|---------------------|
| <b>STATEMENT OF OPERATIONS (UNAUDITED)</b>  |                            |                     |                           |                     |
| <b>(in thousands)</b>   |                            |                     |                           |                     |
|   | For the Three Months Ended |                     | For the Nine Months Ended |                     |
|   | September 30,              |                     | September 30,             |                     |
|   | 2012                       | 2011                | 2012                      | 2011                |
| <b>INVESTMENT (LOSS) INCOME (ALLOCATED FROM AAA INVESTMENTS, L.P.)</b>                                |                            |                     |                           |                     |
| Interest, dividends and gains from short-term investments   | \$ 4,120                   | \$ 10,102           | \$ 25,324                 | \$ 23,303           |
| Expenses  | (11,748)                   | (7,393)             | (30,936)                  | (23,622)            |
|   | <u>(7,628)</u>             | <u>2,709</u>        | <u>(5,612)</u>            | <u>(319)</u>        |
| <b>EXPENSES</b>   |                            |                     |                           |                     |
| General and administrative expenses   | (673)                      | (586)               | (2,007)                   | (1,803)             |
|   | <u>(673)</u>               | <u>(586)</u>        | <u>(2,007)</u>            | <u>(1,803)</u>      |
| <b>NET INVESTMENT (LOSS) INCOME</b>   | <u>(8,301)</u>             | <u>2,123</u>        | <u>(7,619)</u>            | <u>(2,122)</u>      |
| <b>REALIZED AND UNREALIZED (LOSSES) GAINS FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)</b> |                            |                     |                           |                     |
| Net realized (losses) gains from sales/dispositions on investments                                    | (171,440)                  | (425)               | (131,745)                 | 21,925              |
| Net change in unrealized depreciation of investment   | 197,020                    | (339,335)           | 293,851                   | (157,478)           |
|   | <u>25,580</u>              | <u>(339,760)</u>    | <u>162,106</u>            | <u>(135,553)</u>    |
| <b>NET GAIN (LOSS) FROM INVESTMENTS</b>   | <u>25,580</u>              | <u>(339,760)</u>    | <u>162,106</u>            | <u>(135,553)</u>    |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b>                                | <u>\$ 17,279</u>           | <u>\$ (337,637)</u> | <u>\$ 154,487</u>         | <u>\$ (137,675)</u> |

## Financial Schedule II

| <b>AP ALTERNATIVE ASSETS, L.P.</b>  |  |                               |
|---|--|-------------------------------|
| <b>STATEMENT OF ASSETS AND LIABILITIES</b>  |  |                               |
| <b>(in thousands, except per unit amounts)</b>  |  |                               |
|   | As of<br>September 30, 2012<br>(unaudited) | As of<br>December 31,<br>2011 |
| <b>ASSETS</b>   |  |                               |
| Investment in AAA Investments, L.P. (cost of \$1,561,154 and \$1,662,999 at September 30, 2012 and December 31, 2011, respectively)               | \$ 1,534,801                               | \$ 1,480,152                  |
| Other assets  | 474  | 327                           |
| <b>TOTAL ASSETS</b>   | <b>1,535,275</b>                           | <b>1,480,479</b>              |
| <b>LIABILITIES</b>  |  |                               |
| Accounts payable and accrued liabilities  | 723  | 727                           |
| Due to affiliates   | 2,758                                      | 229                           |
| <b>NET ASSETS</b>   | <b>\$ 1,531,794</b>                        | <b>\$ 1,479,523</b>           |
| <b>NET ASSETS CONSIST OF:</b>   |  |                               |
| Partners' capital contribution, 80,215,738 and 90,183,200 net common units outstanding at September 30, 2012 and December 31, 2011, respectively) | \$ 1,683,764                               | \$ 1,783,810                  |
| Partners' capital distributions   | (112,309)                                  | (110,139)                     |
| Accumulated decrease in assets resulting from operations  | (39,661)                                   | (194,148)                     |
|   | <b>\$ 1,531,794</b>                        | <b>\$ 1,479,523</b>           |
| <b>Net asset value per common unit</b>  | <b>\$ 19.10</b>                            | <b>\$ 16.41</b>               |
| <b>Market price per common unit</b>   | <b>\$ 12.75</b>                            | <b>\$ 8.45</b>                |

**Financial Schedule III**

**AAA INVESTMENTS, L.P.  
STATEMENT OF OPERATIONS (unaudited)  
(in thousands)**

|  | For the Three<br>Months Ended<br>September 30, |                    | For the Nine<br>Months Ended<br>September 30, |                    |
|--|--|--------------------|---|--------------------|
|  | 2012   | 2011               | 2012  | 2011               |
| <b>INVESTMENT INCOME—</b>  |  |                    |   |                    |
| Interest, dividends and gains from short-term investments              | \$ 4,122                                       | \$ 10,107          | \$ 25,338                                     | \$ 23,316          |
| <b>EXPENSES:</b>   |  |                    |   |                    |
| Management fees  | (4,255)  | (4,144)            | (13,109)                                      | (13,400)           |
| General and administrative expenses                                    | (7,497)  | (3,250)            | (17,837)                                      | (10,228)           |
| <b>NET INVESTMENT (LOSS) INCOME</b>                                    | <u>(7,630)</u>                                 | <u>2,713</u>       | <u>(5,608)</u>                                | <u>(312)</u>       |
| <b>REALIZED AND UNREALIZED (LOSSES) GAINS FROM INVESTMENTS:</b>        |  |                    |   |                    |
| Net realized (losses) gains from sales/dispositions on investments     | (171,535)                                      | (425)              | (131,818)                                     | 21,937             |
| Net change in unrealized appreciation/depreciation on investments      | 201,400  | (343,833)          | 305,596                                       | (152,935)          |
| <b>NET GAIN (LOSS) FROM INVESTMENTS</b>                                | <u>29,865</u>                                  | <u>(344,258)</u>   | <u>173,778</u>                                | <u>(130,998)</u>   |
| <b>NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS</b> | <u>\$ 22,235</u>                               | <u>\$(341,545)</u> | <u>\$ 168,170</u>                             | <u>\$(131,310)</u> |

**Financial Schedule IV**

**AAA INVESTMENTS, L.P.  
STATEMENT OF ASSETS AND LIABILITIES  
(in thousands)**

|   | As of<br>September 30, 2012<br>(unaudited) | As of<br>December 31, 2011 |
|---|--|----------------------------|
| <b>ASSETS</b>   |  |                            |
| <b>Investments:</b>   |  |                            |
| Co-investments – Apollo Investment Fund VI and Apollo Investment Fund VII at fair value (cost of \$929,639 in 2012 and \$1,026,471 in 2011) | \$ 883,598                                 | \$ 903,745                 |
| Investment in Apollo Strategic Value Offshore Fund, Ltd. at fair value (cost of \$93,000 in 2012 and \$105,889 in 2011)                     | 150,382                                    | 164,811                    |
| Investment in Other Apollo Capital Markets Funds at fair value (cost of \$85,699 in 2012 and \$332,776 in 2011)                             | 99,943                                     | 166,959                    |
| Investment in Opportunistic Investment at fair value (cost of \$358,241 in 2012 and \$358,241 in 2011)                                      | 480,500                                    | 430,800                    |
| Investment in Other Opportunistic Investment at fair value (cost of \$4,155 in 2012 and \$12,953 in 2011)                                   | 4,106                                      | 12,214                     |
| <b>Total Investments</b>  | <b>1,618,529</b>                           | <b>1,678,529</b>           |
| Cash and cash equivalents   | 247,529                                    | 229,892                    |
| Other assets  | 3,127                                      | 2,349                      |
| Due from affiliates   | 2,758                                      | 3,002                      |
| <b>TOTAL ASSETS</b>   | <b>1,871,943</b>                           | <b>1,913,772</b>           |
| <b>LIABILITIES</b>  |  |                            |
| Borrowings under credit facility  | 305,255                                    | 402,500                    |
| Accounts payable and accrued liabilities  | 2,557                                      | 1,228                      |
| Due to affiliates   | 4,982                                      | 6,944                      |
| <b>NET ASSETS</b>   | <b>\$ 1,559,149</b>                        | <b>\$ 1,503,100</b>        |
| <b>NET ASSETS CONSIST OF</b>  |  |                            |
| Partners' capital   | \$ 1,539,673                               | \$ 1,651,794               |
| Accumulated increase (decrease) in net assets resulting from operations   | 19,476                                     | (148,694)                  |
|   | <b>\$ 1,559,149</b>                        | <b>\$ 1,503,100</b>        |