

A P O L L O

AP Alternative Assets, L.P. Q2 2010 Results Presentation – August 18, 2010

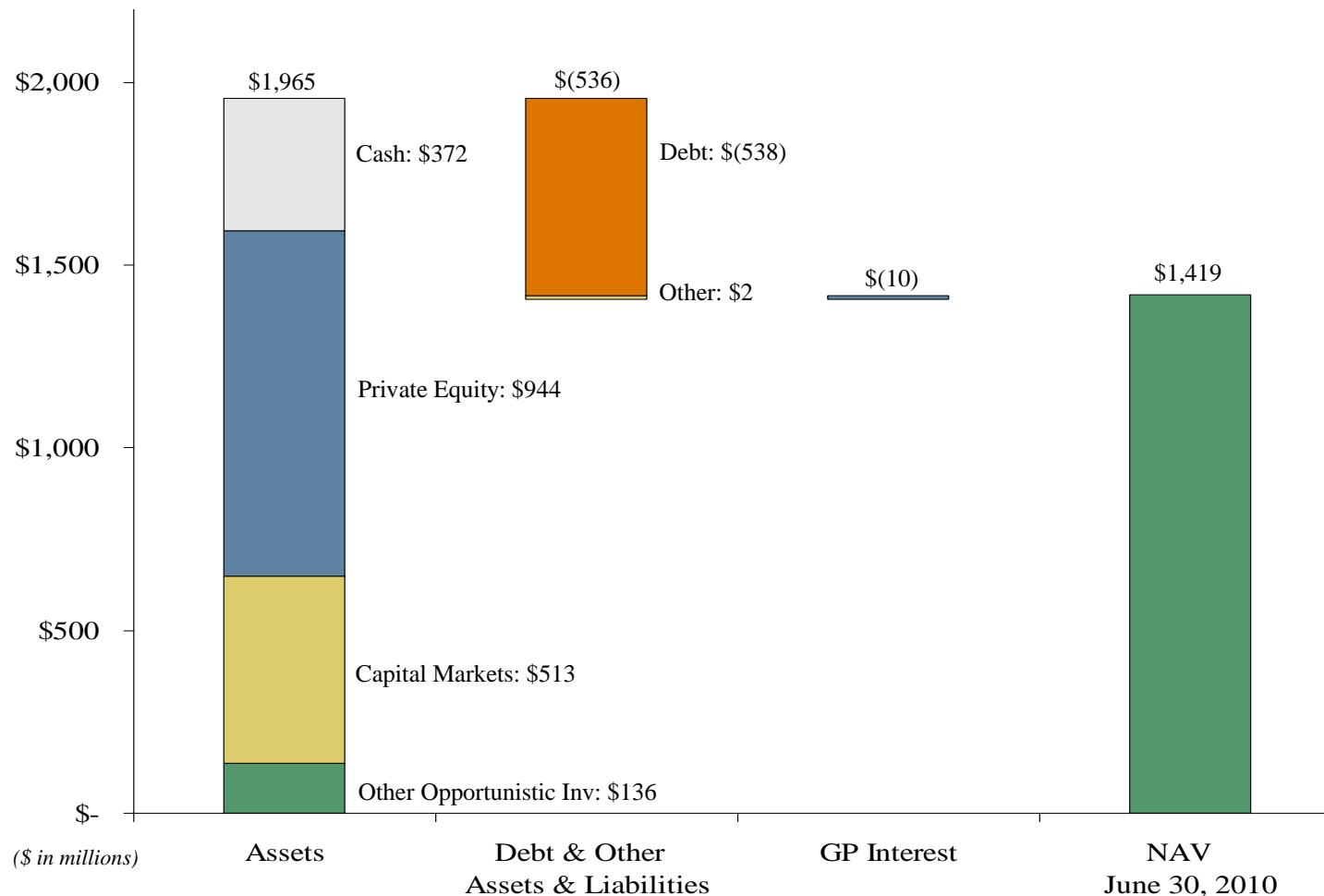
It should not be assumed that investments made in the future will be profitable or will equal the performance of investments in this document.

Agenda

- 1. Net Asset Value as of June 30, 2010**
2. Private Equity Portfolio Update
3. Capital Markets Portfolio Update
4. Other Opportunistic Investment Update
5. Summary of Q2 2010 Financial Results

Net Asset Value as of June 30, 2010

NAV per unit at June 30, 2010 was \$14.64 (or approximately \$15.20 per unit after giving effect to the tender offer completed in August¹)



Note: Past performance is not indicative of future results.

1. NAV of \$15.20 per unit is net of estimated transaction expenses and calculated based on cancellation of 6,777,308 units acquired by AAA through the tender offer completed on August 16, 2010.

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Recent AAA Portfolio Company Highlights



•April 2010 – Emerged from Chapter 11 bankruptcy protection; eliminated \$20bn of indebtedness and raised exit financing including \$3.3bn of debt and a \$2.8bn rights offering



•April 2010 – Issued \$1.6bn of new senior notes to de-risk the capital structure by extending maturities

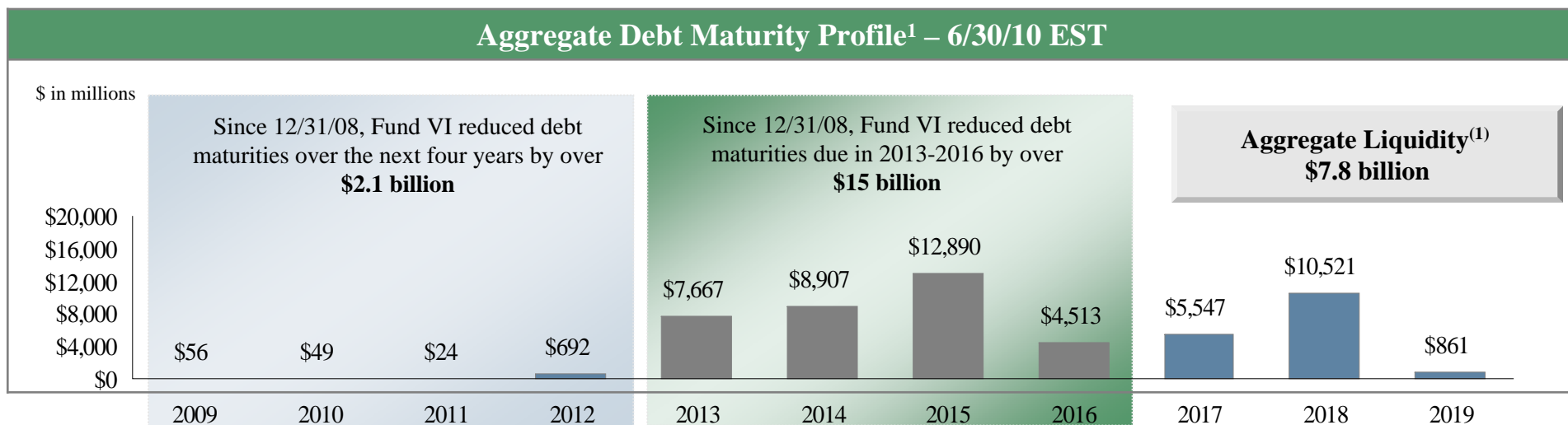
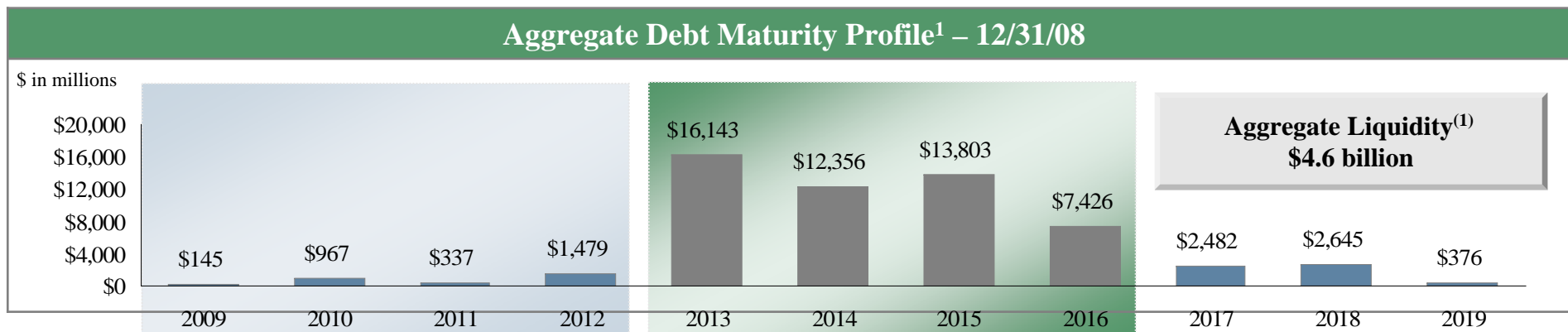


•May 2010 – Completed initial public offering on the New York Stock Exchange, and raised \$92mm of gross proceeds



•June 2010 - \$1.1bn debt for equity exchange, and over \$550 mm of cash proceeds raised from Apollo, TPG and Paulson & Co.

Optimizing Maturities

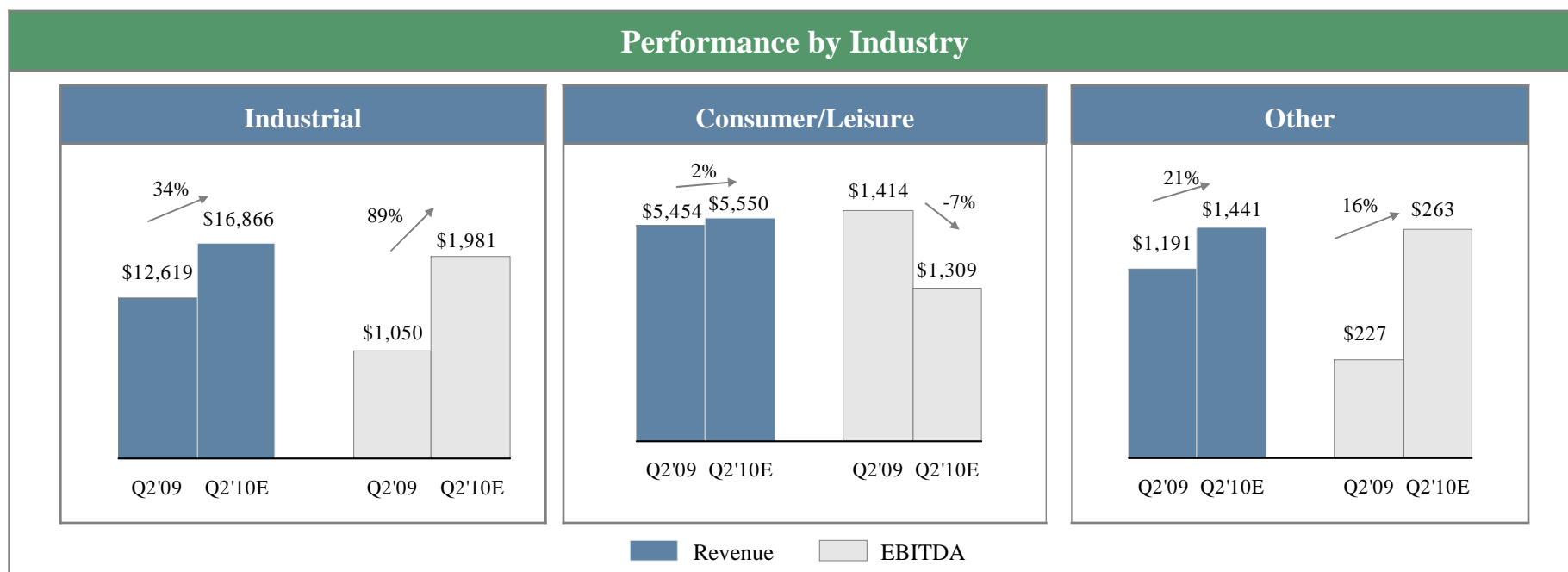
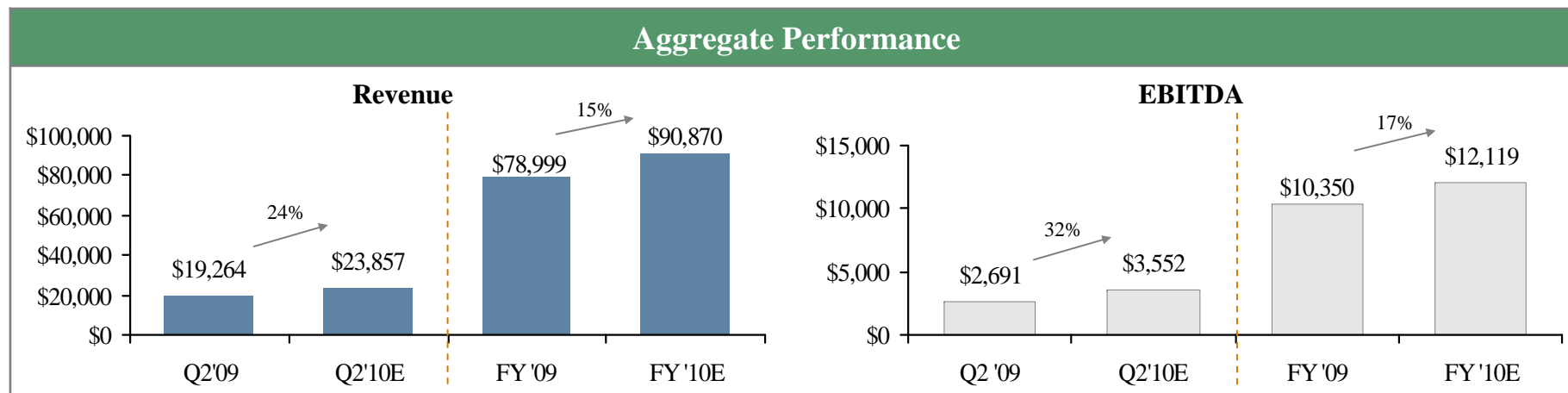


Since 12/31/08, total maturities due through 2016 have been reduced by over \$17 billion

(1) Refers to the portfolio investments that AAA has made alongside Fund VI.

AAA's Private Equity Portfolio Performance

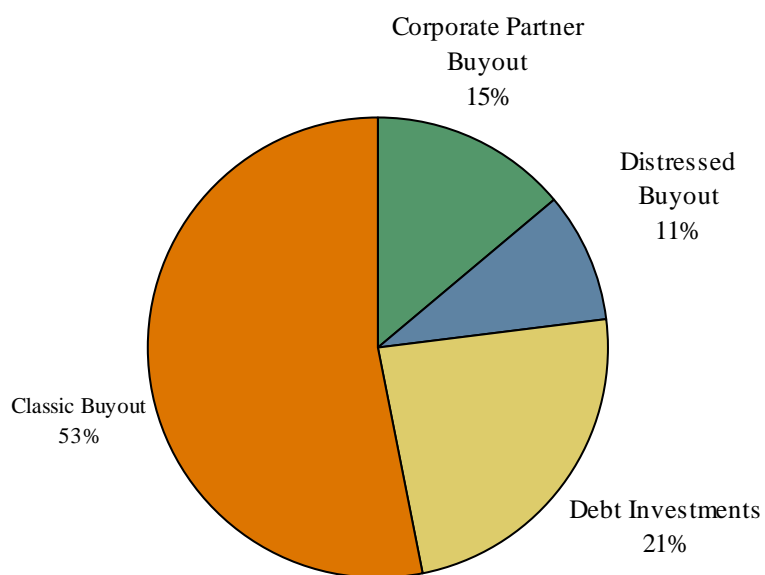
➤ Although revenue has stabilized and is upward trending, EBITDA has recovered at a faster pace



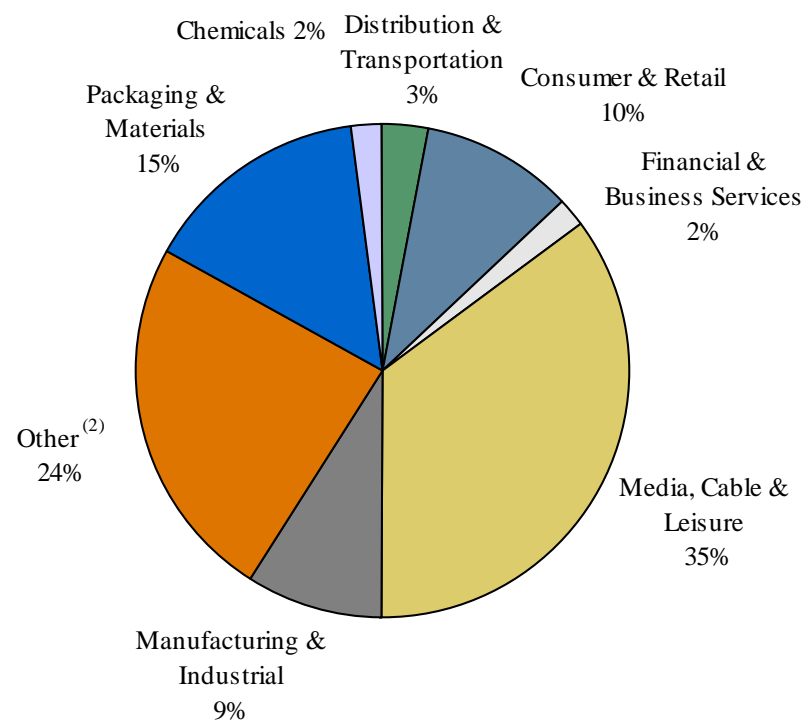
Note: Aggregate performance for AAA's co-investment portfolio companies. Source: Apollo.

Overview of AAA's Private Equity Portfolio

AAA Private Equity Portfolio by Strategy Type ⁽¹⁾



AAA Private Equity Portfolio by Industry Sector ⁽¹⁾



(1) Based on fair value as of June 30, 2010.

(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 ⁽¹⁾					
(\$ in millions)	As of 6/30/10				As of 3/31/10
	Original Cost ⁽²⁾	Net Invested Capital ⁽³⁾	GAAP Cost ⁽⁴⁾	Fair Value	Adjusted Fair Value ⁽⁵⁾
Debt Investment Vehicles	\$467.3	\$257.3	\$300.4	\$225.4	\$235.0
Harrah's Entertainment	177.8	177.8	177.8	113.0	134.2
AP Charter Holdings L.P.	45.1	44.5	44.5	82.0	80.2
Rexnord Corporation	89.2	37.5	37.5	87.6	87.8
Momentive Perf. Materials	56.6	56.6	56.6	71.0	54.0
NCL Corporation	98.9	98.9	98.9	71.0	66.1
All Others	<u>552.3</u>	<u>432.2</u>	<u>388.9</u>	<u>293.5</u>	<u>302.0</u>
Total	\$1,487.2	\$1,104.8	\$1,104.6	\$943.5	\$959.3

(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, 2010. "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, realized gains/losses, dividend income, interest income, and capitalized interest.

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

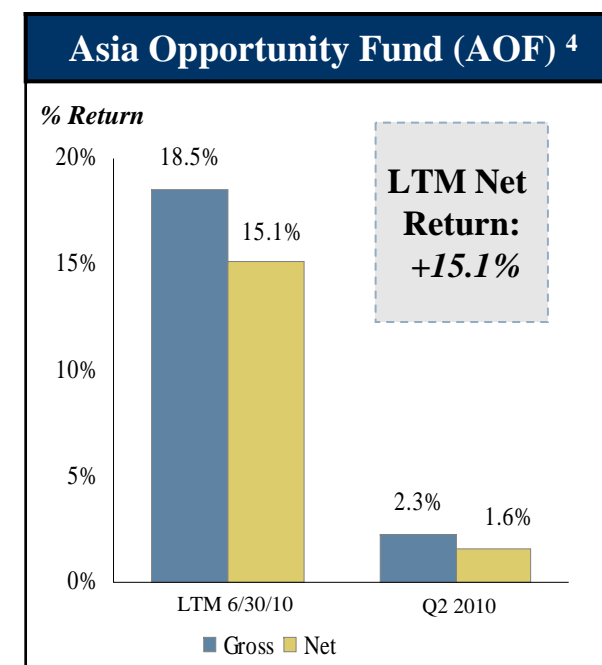
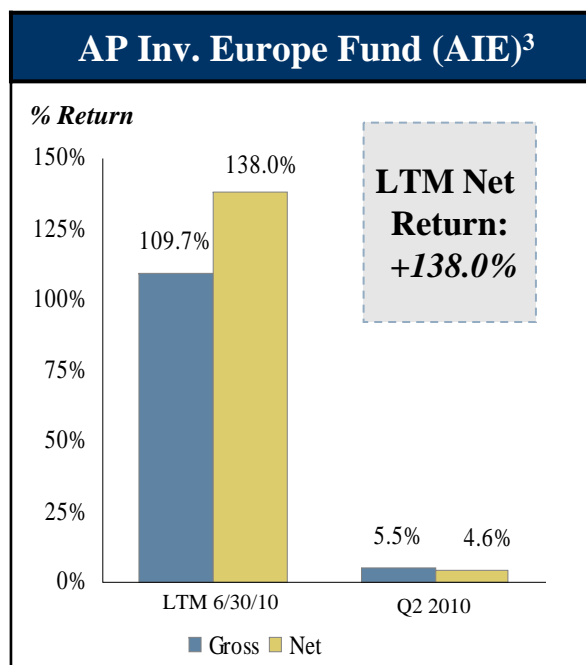
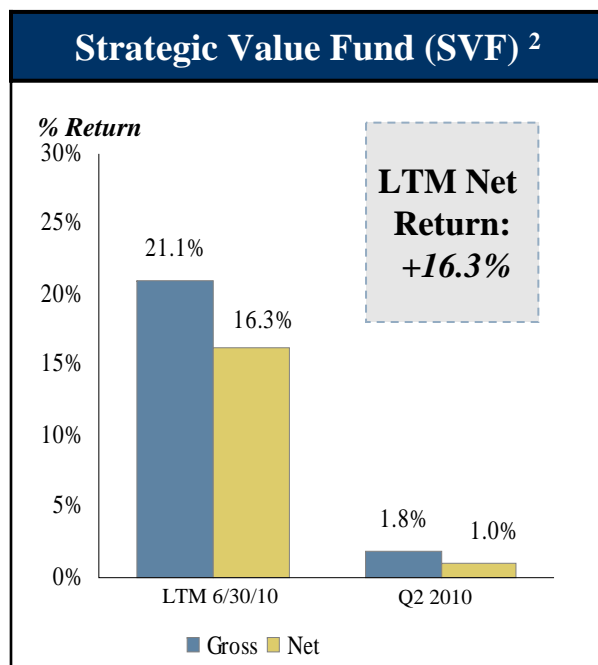
(5) Adjusted to facilitate comparability for purchases, realized losses and returns of capital during the quarter ended June 30, 2010. The adjustments were \$27.1mm for the debt investment vehicles and \$12.2mm for Harrah's Entertainment. In addition, \$54.0mm and \$66.1mm were reclassified from All Others to Momentive Performance Materials and NCL Corporation, respectively.

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Returns for AAA's Capital Markets Portfolio ⁽¹⁾

➤ Solid performance across all funds over the last twelve months



(1) Returns for the three and twelve months ended June 30, 2010. 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 Fund as a whole; does not include impact of AAA Investments' foreign exchange exposure.

(4) Reflects a blended return for AOF for the entire portfolio due to holdings in liquidating shares and primary fund.

Note: Past performance is not indicative of future results.

Overview of AAA's Capital Markets Portfolio

Capital Markets Investments					
(\$ in millions)	As of 6/30/10				As of 3/31/10
	Original Cost ⁽¹⁾	Net Invested Capital ⁽²⁾	GAAP Cost ⁽³⁾	Fair Value	Adjusted Fair Value ⁽⁴⁾
Apollo Strategic Value Fund	\$550.0	\$166.4	\$124.8	\$164.2	\$164.5
Apollo Asia Opportunity Fund	218.0	123.6	118.2	116.1	114.6
Apollo European Principal Finance Fund ⁽⁵⁾	150.2	146.1	146.1	143.9	150.6
AP Investment Europe Limited	<u>339.5</u>	<u>276.9</u>	<u>284.1</u>	<u>88.5</u>	<u>94.7</u>
Total	\$1,257.7	\$713.0	\$673.2	\$512.7	\$524.4

(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, realized losses on redemptions, and capitalized interest.

(4) Adjusted to facilitate comparability for returns of capital, realized losses and purchases during the quarter ended June 30, 2010. The adjustments were \$(8.0)mm for Apollo Strategic Value Fund, \$(2.0)mm for Apollo Asia Opportunity Fund, \$33.5mm for Apollo European Principal Finance Fund, and \$(30.3) for AP Investment Europe Limited.

(5) The Apollo European Principal Finance Fund is reflected net of any proceeds received from the fund that are recallable.

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Overview of Athene Life Re Ltd.

- Positive results for Athene in Q2 2010 driven by:
 - Continued growth in Athene's annuity policies
 - Continued outperformance on investment yield in Athene's asset portfolio

Other Opportunistic Investment					
(\$ in millions)	As of 6/30/10			As of 3/31/10	
	Original Cost ⁽¹⁾	Net Invested Capital ⁽²⁾	GAAP Cost ⁽³⁾	Fair Value	Fair Value
Other Opportunistic Investments – Apollo Life Re Ltd.	\$98.0	\$98.0	\$98.0	\$135.9	\$125.4

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(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.

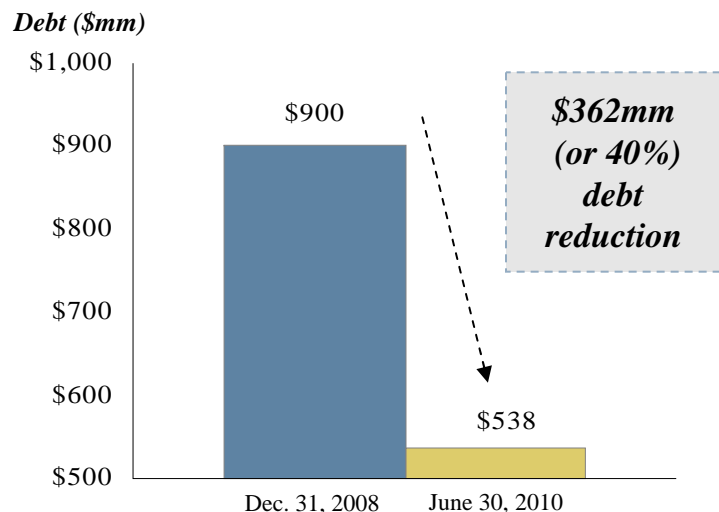
(3) Represents original cost of the investment less returns of capital, realized losses on redemptions, and capitalized interest.

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Ongoing Management of AAA's Capital Structure & Liquidity

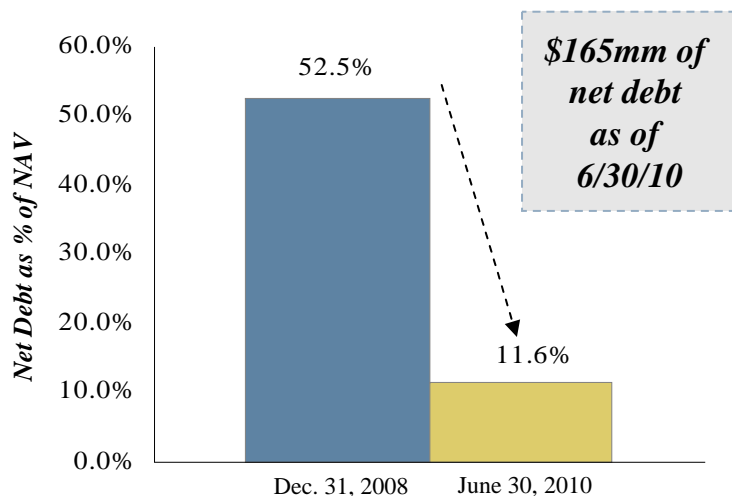
\$362mm Permanent Reduction in Debt Outstanding



On-Market Unit Buyback Program

- Board of directors of AAA's managing general partner previously approved an on-market unit buyback program
 - Allowed AAA to purchase units for a maximum aggregate consideration of up to \$25 million
- Through June 30, 2010, AAA purchased 117,715 units at an average price of \$6.29 through this program
- Program suspended on July 12, 2010 due to initiation of AAA's tender offer; \$24.2 million remains outstanding

Significant Improvement in Net Debt as % of NAV¹



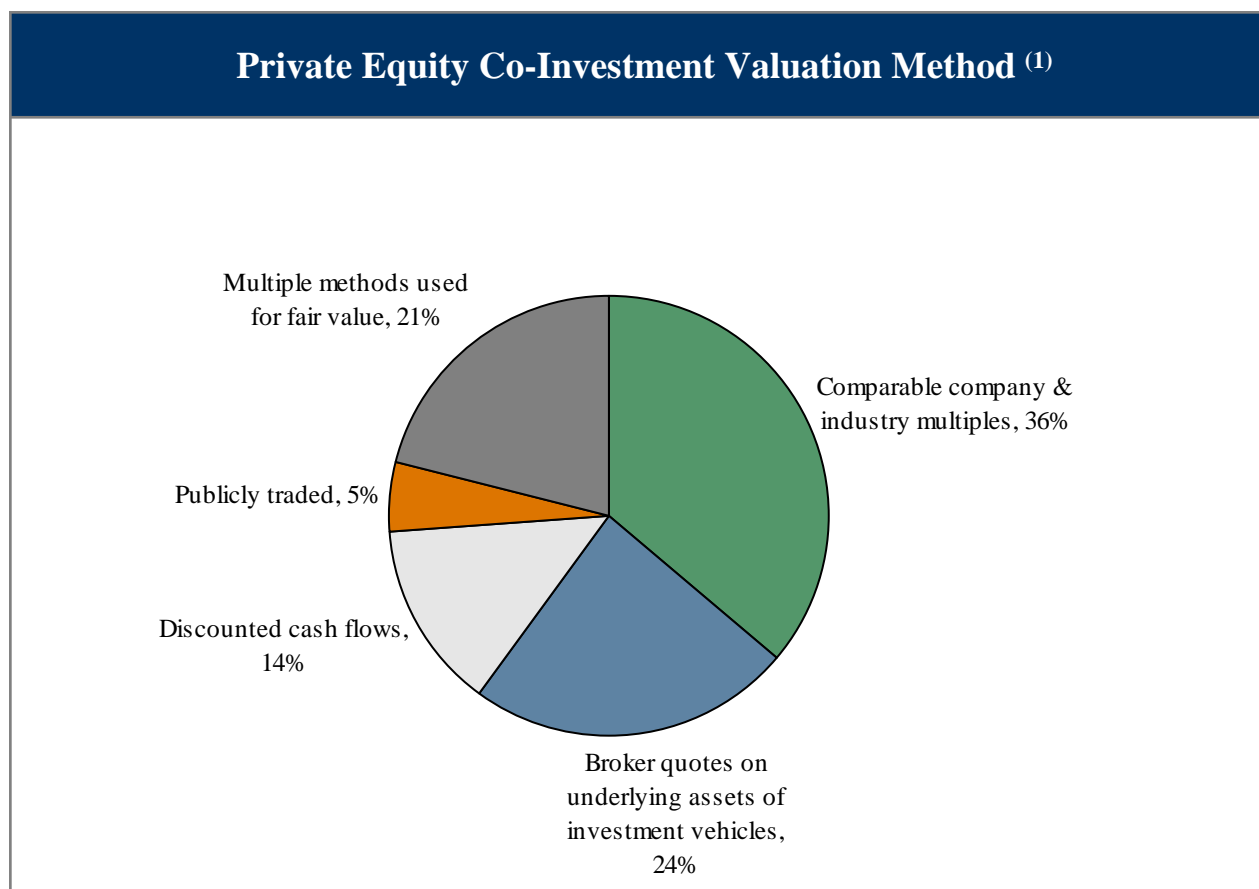
Accretive Tender Offer

- AAA commenced a \$25 million cash tender offer for up to 4.5 million AAA shares on July 12, 2010
 - Board approved an increase in the maximum amount of the tender to accept all units tendered
- Closed tender offer on August 16, 2010 to purchase 6.8 million units at \$7.00 per unit
- If the tender offer had closed at June 30th, 2010, AAA's NAV per unit would increase from \$14.64 to approximately \$15.20 per unit²

1. Net debt defined as AAA Investments, L.P.'s total debt outstanding less cash; net asset value of AP Alternative Assets, L.P.
 2. Revised NAV is net of estimated transaction expenses and calculated based on cancellation of units acquired by AAA through the tender offer.

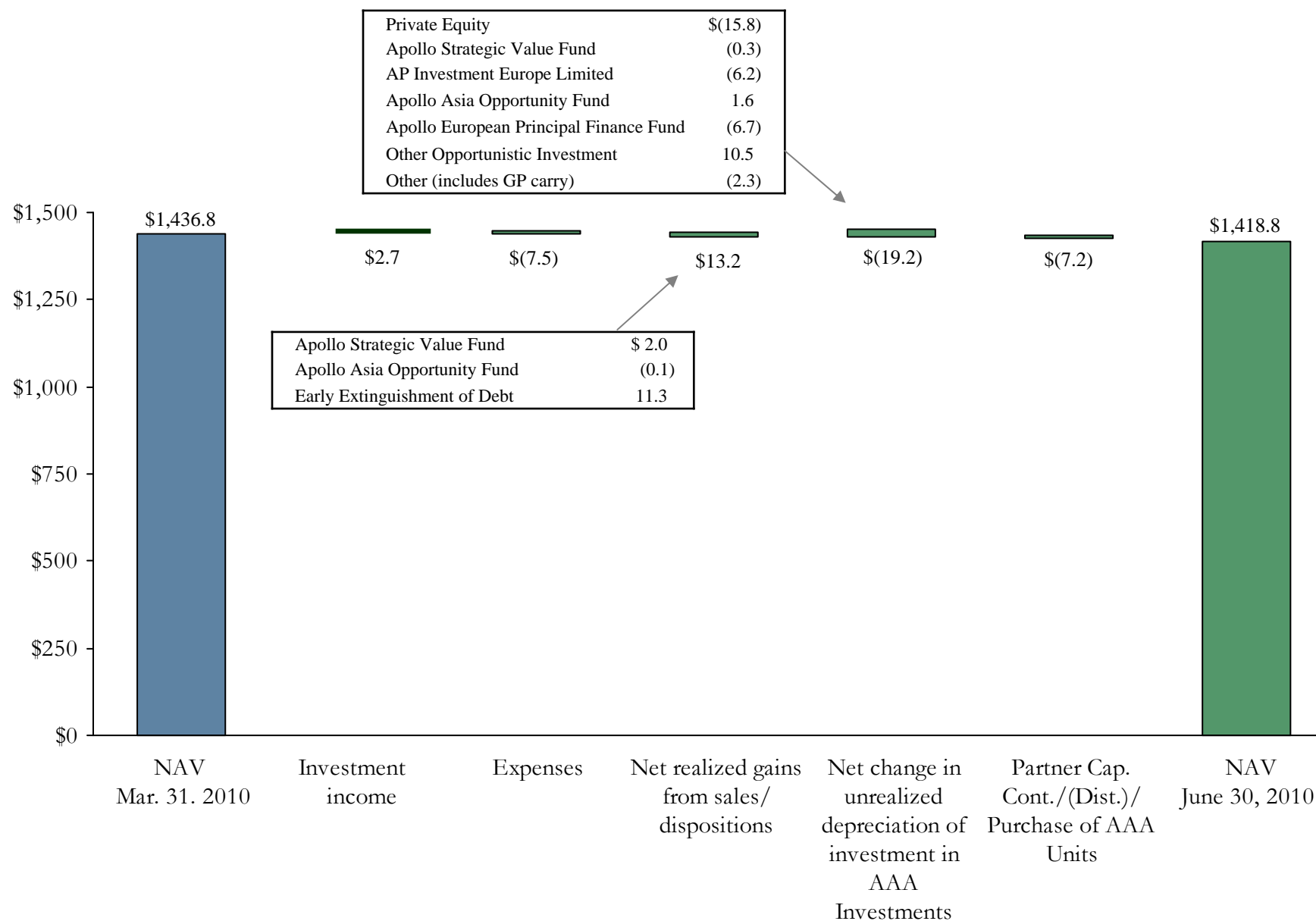
Private Equity Valuation Methodology

- At June 30, 2010 AAA's portfolio of private equity investments was valued based on the methodologies below



(1) Based on fair value as of June 30, 2010.

Q2 2010 NAV Performance



\$ in millions.

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

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