

AP Alternative Assets, L.P. Q1 Results Presentation – April 28, 2017

APOLLO

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As of December 31, 2016, 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 Q1 2017 Financial Results

2. Investment Overview

NAV per common unit at March 31, 2017 was \$35.36 compared to \$40.58 as of December 31, 2016, reflecting a net decrease for the quarter of \$5.22 per common unit.

On March 28, 2017, AAA made a distribution of 12,391,703 Athene shares to AAA unitholders and AAA Investments made a distribution of 969,506 Athene shares to its General Partner (the “AAA Distribution”) in connection with the Athene unitholder distribution.

The Investment Partnership had \$2.1 million of cash and cash equivalents at March 31, 2017.

The \$4 million drawdown on the line of credit in Q4’16 remains outstanding. No additional drawdowns occurred in Q1’17.

The Investment Partnership had a net gain from investments of \$242.6 million for the quarter ended March 31, 2017, driven by \$454.5 million of realized gains partially offset by the reversal of previously recognized unrealized gains of \$211.9 million associated with the AAA Distribution. Although the fair value of the Athene price/share increased \$2.80 from Q4’16, 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 March 31, 2017.

As of Q1’17 and following the IPO of Athene in Q4’16, AAA changed the valuation method from the GAAP book value multiple approach to use of 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 Q4'16 through Q1'17

The decrease in AAA's Net Asset Value during the quarter ended March 31, 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 16.2% distribution-in-kind by AAA, as shown above, is based on Athene's closing market price on March 28, 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, March 16, 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.

The following table provides a reconciliation of the Athene closing share price to the AAA NAV per share as of March 31, 2017.

	Actual 31-Mar-17
Athene Share Price (Mar 31, 2017 closing)	\$ 49.99
adj: ① Athene shares vs AAA shares (61.2m Athene shares owned vs 76.3m AAA shares outstanding)	19.79% \$ (9.89)
adj: ② DLOM (Discount due to Lack of Marketability) at 3/31/17	5.40% \$ (2.17)
adj: ③ GP Carried interest	7.05% \$ (2.67)
adj: ④ other (other assets less other liabilities, and GP 0.06% interest)	0.20% \$ 0.10
AAA NAV	\$ 35.36

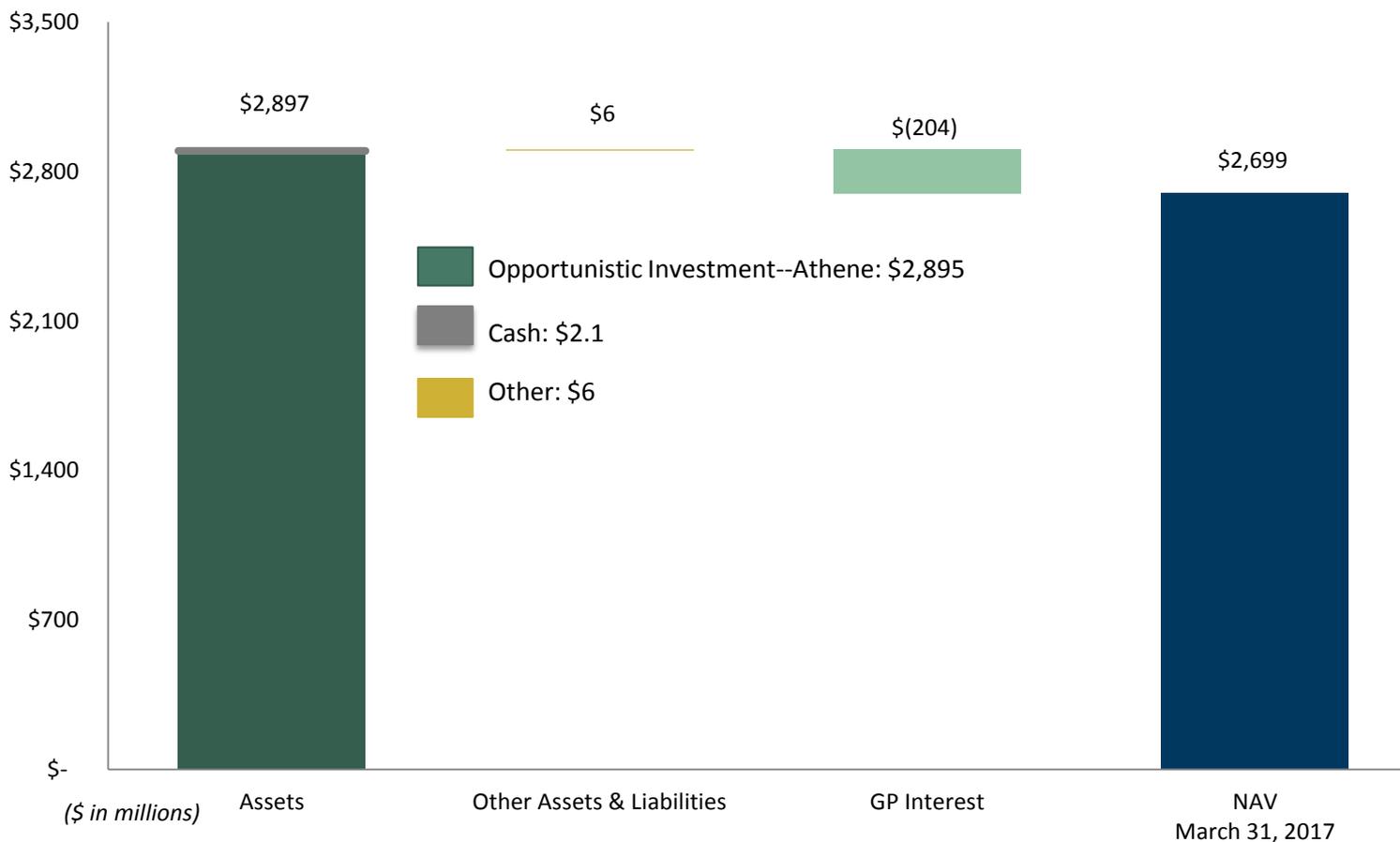
The value per publicly traded share of Athene does not equal the net asset value per unit of AAA due to the following:

- 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 19.79% 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 March 31, 2017

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

12/31/16 - Market Cap
\$3,007 million
(3% discount to NAV)

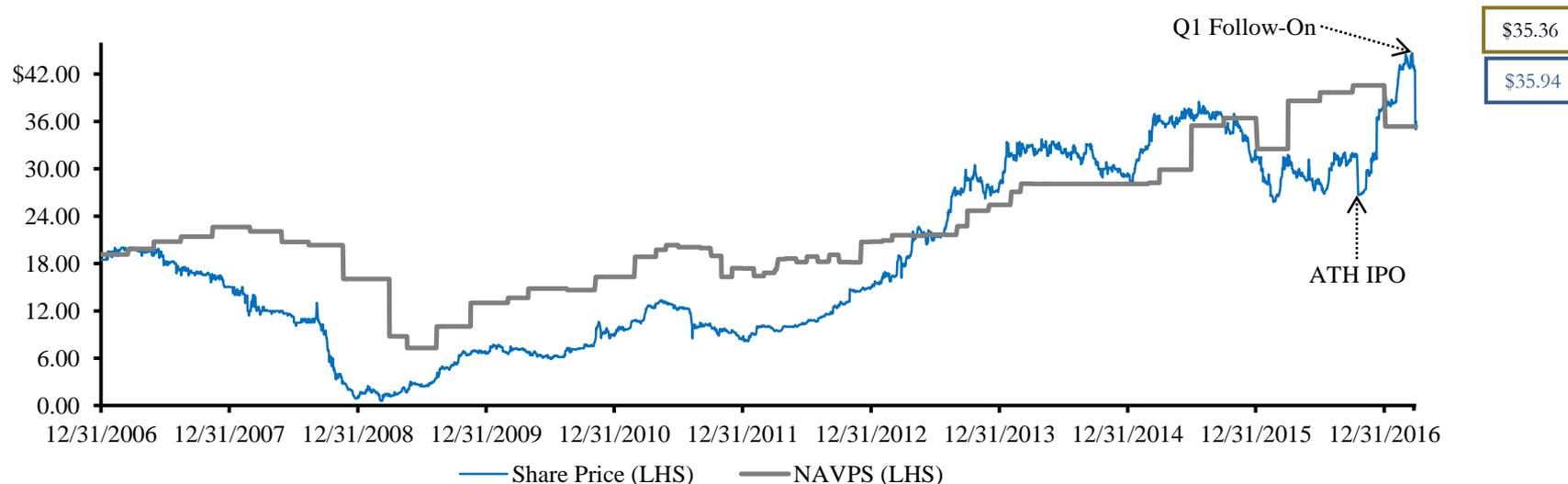


Note: The past performance of Apollo's funds is intended to be illustrative of Apollo's investing experience and not indicative of future results.

AAA traded at \$35.94 or 1.02x P / NAV as of March 31, 2017

- AAA closed at \$35.94 as of March 31, 2017, down \$3.46 from the December 31, 2016 close at \$39.40, reflecting the \$600.1m distribution to AAA unitholders during the quarter.
- Investment performance over the 1, 3, and 5 year horizon has been strong, driven by the increase in fair value of the investment in Athene.
- AAA unit price movements have historically generally tracked its NAV movements. AAA had been trading at a discount to NAV in 2016, but is now trading at approximately a 1:1 multiple at March 31, 2017.

<u>(Decrease)/ Increase in AAA share price over the following periods: ⁽¹⁾</u>					
	<u>6-month</u>	<u>1-year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>Life</u>
Per share	\$3.94	\$4.15	\$3.04	\$26.49	\$15.94
Cumulative change	12%	13%	9%	280%	80%



(1) As of March 31, 2017.

NOTE: Graph reflects daily market price as of March 31, 2017, while NAV through March 31, 2017 is only reported monthly based on most recent monthly investment valuation updates.

1. Summary of Q1 2017 Financial Results

2. Investment Overview

Description (\$ in millions)	March 31, 2017		December 31, 2016		Q1 '17 QTD Unrealized MTM	Q1'17 QTD Realized P&L
	Cost	Fair Value	Cost	Fair Value		
Opportunistic Investment - Athene	\$ 967.5	\$ 2,895.3	\$ 1,178.7	\$ 3,318.3	\$ (211.9)	\$ 454.5
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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 \$47.29 as of March 31, 2017
- The decrease in unrealized P&L is related to the \$667 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 \$44.49 at December 31, 2016 to \$47.29 as of March 31, 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.

Consistent with Q4'16, Management valued its investment in Athene using Athene's closing market price, adjusted for a DLOM at March 31, 2017

Q1'17 Athene Valuation Summary	
	AAA
ATH closing price/share at 3/31/17	\$ 49.99
Adj: DLOM	5.4%
Share price (post-DLOM)	\$ 47.29
Total Athene shares owned 3/31/17	61.2
Fair value of opportunistic investment in Athene	\$ 2,895

- At March 31, 2017, the fair value of Athene was estimated using the closing market price of Athene public shares less a DLOM of 5.4%.
 - The DLOM was derived based on the average remaining lock up restrictions of Athene shares (8.7 months) and the estimated volatility in such shares.
- The fair value of the AAA Investments' interest in Athene after the application of DLOM was estimated at a price of \$47.29 per share, an increase of \$2.80, or 6.3%, from the Q4'16 price of \$44.49 per share (using a DLOM of 7.3% from the \$47.99 ATH closing price).



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