UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014 OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM ________ TO ________

Commission File Number: 001-35107

APOLLO GLOBAL MANAGEMENT, LLC
(Exact name of Registrant as specified in its charter)

Delaware	**20-8880053**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

9 West 57th Street, 43rd Floor
New York, New York 10019
(Address of principal executive offices) (Zip Code)
(212) 515-3200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A shares representing limited liability company interests	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: None

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Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities. Yes ☒ No ☐
Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒
Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	T	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No T

The aggregate market value of the Class A shares of the Registrant held by non-affiliates as of June 30, 2014 was approximately $4,303.2 million, which includes non-voting Class A shares with a value of approximately $1,246.5 million.

As of February 26, 2015 there were 167,899,419 Class A shares and 1 Class B share outstanding.

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Forward-Looking Statements

This report may contain forward-looking statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements include, but are not limited to, discussions related to Apollo's expectations regarding the performance of its business, liquidity and capital resources and the other non-historical statements in the discussion and analysis. These forward-looking statements are based on management's beliefs, as well as assumptions made by, and information currently available to, management. When used in this report, the words "believe," "anticipate," "estimate," "expect," "intend" and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are subject to certain risks, uncertainties and assumptions, including risks relating to our dependence on certain key personnel, our ability to raise new private equity, credit or real estate funds, market conditions generally, our ability to manage our growth, fund performance, changes in our regulatory environment and tax status, the variability of our revenues, net income and cash flow, our use of leverage to finance our businesses and investments by our funds and litigation risks, among others. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in this report; as such factors may be updated from time to time in our periodic filings with the United States Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other filings. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Terms Used in This Report

In this report, references to "Apollo," "we," "us," "our" and the "Company" refer collectively to Apollo Global Management, LLC, a Delaware limited liability company, and its subsidiaries, including the Apollo Operating Group and all of its subsidiaries, or as the context may otherwise require;

"AMH" refers to Apollo Management Holdings, L.P., a Delaware limited partnership, that is an indirect subsidiary of Apollo Global Management, LLC;

"Apollo funds", "our funds" and references to the "funds" we manage, refer to the funds, partnerships, accounts, including strategic investment accounts or "SIAs," alternative asset companies and other entities for which subsidiaries of the Apollo Operating Group provide investment management services;

"Apollo Operating Group" refers to (i) the limited partnerships through which our Managing Partners currently operate our businesses and (ii) one or more limited partnerships formed for the purpose of, among other activities, holding certain of our gains or losses on our principal investments in the funds, which we refer to as our "principal investments";

"Assets Under Management," or "AUM," refers to the assets we manage for the funds, partnerships and accounts for which we provide investment management services, including, without limitation, capital which such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our AUM equals the sum of:

(i) the fair value of the investments of the private equity funds, partnerships and accounts we manage plus the capital which such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;

(ii) the net asset value, or "NAV," of the credit funds, partnerships and accounts for which we provide investment management services, other than certain collateralized loan obligations ("CLOs") and collateralized debt obligations ("CDOs"), which have a fee generating basis other than the mark-to-market value of the underlying assets, plus used or available leverage and/or capital which such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;

(iii) the gross asset value or net asset value of the real estate funds, partnerships and accounts we manage, and the structured portfolio company investments of the funds, partnerships and accounts we manage, which includes the leverage used by such structured portfolio company investments;

(iv) the incremental value associated with the reinsurance investments of the portfolio company assets that we manage; and

(v) the fair value of any other assets that we manage for the funds, partnerships and accounts for which we provide investment management services, plus unused credit facilities,

including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above.

Our AUM measure includes Assets Under Management for which we charge either no or nominal fees. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our Apollo fund management agreements. We consider multiple factors for determining what should be included in our definition of AUM. Such factors include but are not limited to (1) our ability to influence the investment decisions for existing and available assets; (2) our ability to generate income from the underlying assets in our funds; and (3) the AUM measures that we use internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers;

"Fee-Generating AUM" consists of assets we manage for the funds, partnerships and accounts for which we provide investment management services and on which we earn management fees or, monitoring fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts we manage. Management fees are normally based on “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” “adjusted assets,” “stockholders’ equity,” “invested capital” or “capital contributions,” each as defined in the applicable management agreement. Monitoring fees, also referred to as advisory fees, with respect to investments of the funds, partnerships and accounts we manage are generally based on the total value of such structured portfolio investments, which normally include leverage, less any portion of such total value that is already considered in Fee-Generating AUM.

"Non-Fee Generating AUM" consists of assets that do not produce management fees or monitoring fees. These assets generally consist of the following:

(i) fair value above invested capital for those funds that earn management fees based on invested capital;

(ii) net asset values related to general partner and co-investment ownership;

(iii) unused credit facilities;

(iv) available commitments on those funds that generate management fees on invested capital;

(v) structured portfolio company investments that do not generate monitoring fees; and

(vi) the difference between gross asset and net asset value for those funds that earn management fees based on net asset value.

"Carry Eligible AUM" refers to the AUM that may eventually produce carried interest income. All funds for which we are entitled to receive a carried interest income allocation are included in Carry Eligible AUM, which consists of the following:

(i) "Carry Generating AUM," which refers to funds' invested capital that is currently above its hurdle rate or preferred return, and the funds' profit is allocated to the general partner in accordance with the applicable limited partnership agreements or other governing agreements;

(ii) "AUM Not Currently Generating Carry," which refers to funds' invested capital that is currently below its hurdle rate or preferred return; and

(iii) "Uninvested Carry Eligible AUM," which refers to available capital for investment or reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements that are not currently part of the NAV or fair value of investments that may eventually produce carried interest income, which would be allocated to the general partner.

"AUM with Future Management Fee Potential" refers to the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund.

We use Non-Fee Generating AUM combined with Fee-Generating AUM as a performance measure of our funds' investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs. Non-Fee Generating AUM includes assets on which we could earn carried interest income;

“carried interest,” “carried interest income,” and “incentive income” refer to interests granted to Apollo by an Apollo fund that entitle Apollo to receive allocations, distributions or fees which are based on the performance of such fund or its underlying investments;

“Contributing Partners” refer to those of our partners and their related parties (other than our Managing Partners) who indirectly beneficially own (through Holdings) Apollo Operating Group units;

“feeder funds” refer to funds that operate by placing substantially all of their assets in, and conducting substantially all of their investment and trading activities through, a master fund, which is designed to facilitate collective investment by the participating feeder funds. With respect to certain of our funds that are organized in a master-feeder structure, the feeder funds are permitted to make investments outside the master fund when deemed appropriate by the fund’s investment manager;

“gross IRR” of a private equity fund represents the cumulative investment-related cash flows in the fund itself (and not the investors in the fund) on the basis of the actual timing of investment inflows and outflows (for unrealized investments assuming disposition on December 31, 2014 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the fund’s investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund’s investors;

“Holdings” means AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership through which our Managing Partners and Contributing Partners indirectly beneficially own their interests in the Apollo Operating Group units;

"IRS" refers to the Internal Revenue Service;

“Managing Partners” refer to Messrs. Leon Black, Joshua Harris and Marc Rowan collectively and, when used in reference to holdings of interests in Apollo or Holdings, includes certain related parties of such individuals;

“net IRR” of a private equity fund means the cumulative investment-related cash flows to the fund itself (and not to the investors in the fund) on the basis of the actual timing of cash inflows and outflows aggregated on a quarterly basis, less expenses (management fees, carried interest and certain other fund expenses). For the calculation of Net IRR the realized and estimated unrealized value is adjusted such that a percentage generally of up to 20.0% of the unrealized gain is allocated to the general partner, thereby reducing the balance attributable to fund investors' carried interest all offset to the extent of interest income, and measures returns based on amounts that, if distributed, would be paid to investors of the fund, to the extent that a private equity fund exceeds all requirements detailed within the applicable fund agreement;

“net return” represents the calculated return that is based on month-to-month changes in net assets and is calculated using the returns that have been geometrically linked based on capital contributions, distributions and dividend reinvestments, as applicable;

“our manager” means AGM Management, LLC, a Delaware limited liability company that is controlled by our Managing Partners;

“permanent capital” means (a) assets that are owned by or related to Athene Holding Ltd. ("Athene Holding") and its subsidiaries (collectively, "Athene") and managed by Athene Asset Management, L.P. and (b) assets of publicly traded vehicles managed by Apollo (such as AP Alternative Assets, L.P. ("AAA"), Apollo Investment Corporation ("AINV"), Apollo Commercial Real Estate Finance, Inc. ("ARI"), Apollo Residential Mortgage, Inc. ("AMTG"), Apollo Tactical Income Fund Inc. ("AIF"), and Apollo Senior Floating Rate Fund Inc. ("AFT"), in each case that do not have redemption provisions or a requirement to return capital to investors upon exiting the investments made with such capital, except as required by applicable law.

“private equity investments” refer to (i) direct or indirect investments in existing and future private equity funds managed or sponsored by Apollo, (ii) direct or indirect co-investments with existing and future private equity funds managed or sponsored by Apollo, (iii) direct or indirect investments in securities which are not immediately capable of resale in a public market that Apollo identifies but does not pursue through its private equity funds, and (iv) investments of the type described in (i) through (iii) above made by Apollo funds; and

“Strategic Investors” refer to the California Public Employees’ Retirement System, or “CalPERS,” and an affiliate of the Abu Dhabi Investment Authority, or “ADIA.”

PART I.

ITEM 1. BUSINESS

Overview

Founded in 1990, Apollo is a leading global alternative investment manager. We are a contrarian, value-oriented investment manager in private equity, credit and real estate, with significant distressed investment expertise. We have a flexible mandate in many of the funds we manage which enables our funds to invest opportunistically across a company's capital structure. We raise, invest and manage funds on behalf of some of the world's most prominent pension, endowment and sovereign wealth funds, as well as other institutional and individual investors. As of December 31, 2014, we had total AUM of $160 billion, including approximately $41 billion in private equity, $108 billion in credit and $10 billion in real estate. We have consistently produced attractive long-term investment returns in our private equity funds, generating a 39% gross IRR and a 25% net IRR on a compound annual basis from inception through December 31, 2014.

Apollo is led by our Managing Partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 24 years and lead a team of 845 employees, including 320 investment professionals, as of December 31, 2014. This team possesses a broad range of transaction, financial, managerial and investment skills. We have offices in New York, Los Angeles, Houston, Bethesda, Chicago, Toronto, London, Singapore, Frankfurt, Mumbai, Hong Kong and Luxembourg. We operate our private equity, credit and real estate investment management businesses in a highly integrated manner, which we believe distinguishes us from other alternative investment managers. Our investment professionals frequently collaborate across disciplines. We believe that this collaboration, including market insight, management, banking and consultant contacts, and investment opportunities, enables the funds we manage to more successfully invest across a company's capital structure. This platform and the depth and experience of our investment team have enabled us to deliver strong long-term investment performance for our funds throughout a range of economic cycles.

Our objective is to achieve superior long-term risk-adjusted returns for our fund investors. The majority of the investment funds we manage are designed to invest capital over periods of seven or more years from inception, thereby allowing us to generate attractive long-term returns throughout economic cycles. Our investment approach is value-oriented, focusing on nine core industries in which we have considerable knowledge and experience, and emphasizing downside protection and the preservation of capital. Our core industry sectors include chemicals, natural resources, consumer and retail, distribution and transportation, financial and business services, manufacturing and industrial, media and cable and leisure, packaging and materials and the satellite and wireless industries. Our contrarian investment management approach is reflected in a number of ways, including:

- our willingness to pursue investments in industries that our competitors typically avoid;
- the often complex structures employed in some of the investments of our funds, including our willingness to pursue difficult corporate carve-out transactions;
- our experience investing during periods of uncertainty or distress in the economy or financial markets when many of our competitors simply reduce their investment activity;
- our orientation towards sole sponsored transactions when other firms have opted to partner with others; and
- our willingness to undertake transactions that have substantial business, regulatory or legal complexity.

We have applied this investment philosophy to identify what we believe are attractive investment opportunities, deploy capital across the balance sheet of industry leading, or "franchise," businesses and create value throughout economic cycles.

We rely on our deep industry, credit and financial structuring experience, coupled with our strengths as a value-oriented, distressed investment manager, to deploy significant amounts of new capital within challenging economic environments. Our approach towards investing in distressed situations often requires our funds to purchase particular debt securities as prices are declining, since this allows us both to reduce our funds' average cost and accumulate sizable positions which may enhance our ability to influence any restructuring plans and maximize the value of our funds' distressed investments. As a result, our investment approach may produce negative short-term unrealized returns in certain of the funds we manage. However, we concentrate on generating attractive, long-term, risk-adjusted realized returns for our fund investors, and we therefore do not overly depend on short-term results and quarterly fluctuations in the unrealized fair value of the holdings in our funds.

In addition to deploying capital in new investments, we seek to enhance value in the investment portfolios of the funds we manage. We have relied on our transaction, restructuring and credit experience to work proactively with our private equity funds' portfolio company management teams to identify and execute strategic acquisitions, joint ventures, and other transactions, generate cost and working capital savings, reduce capital expenditures, and optimize capital structures through several means such as debt exchange offers and the purchase of portfolio company debt at discounts to par value.

We have grown our total AUM at a 30% compound annual growth rate from December 31, 2004 to December 31, 2014. In addition, we benefit from mandates with long-term capital commitments in our private equity, credit and real estate businesses. Our long-lived capital base allows us to invest our funds' assets with a long-term focus, which is an important component in generating attractive returns for our investors. We believe the long-term capital we manage also leaves us well-positioned during economic downturns, when the fundraising environment for alternative assets has historically been more challenging than during periods of economic expansion. As of December 31, 2014, approximately 96% of our AUM was in funds with a contractual life at inception of seven years or more, and 45% of our AUM was considered permanent capital.

We expect our growth in AUM to continue over time by seeking to create value in our funds' existing private equity, credit and real estate investments, continuing to deploy our funds' available capital in what we believe are attractive investment opportunities, and raising new funds and investment vehicles as market opportunities present themselves. See "Item 1A. Risk Factors—Risks Related to Our Businesses—We may not be successful in raising new funds or in raising more capital for certain of our funds and may face pressure on fee arrangements of our future funds."

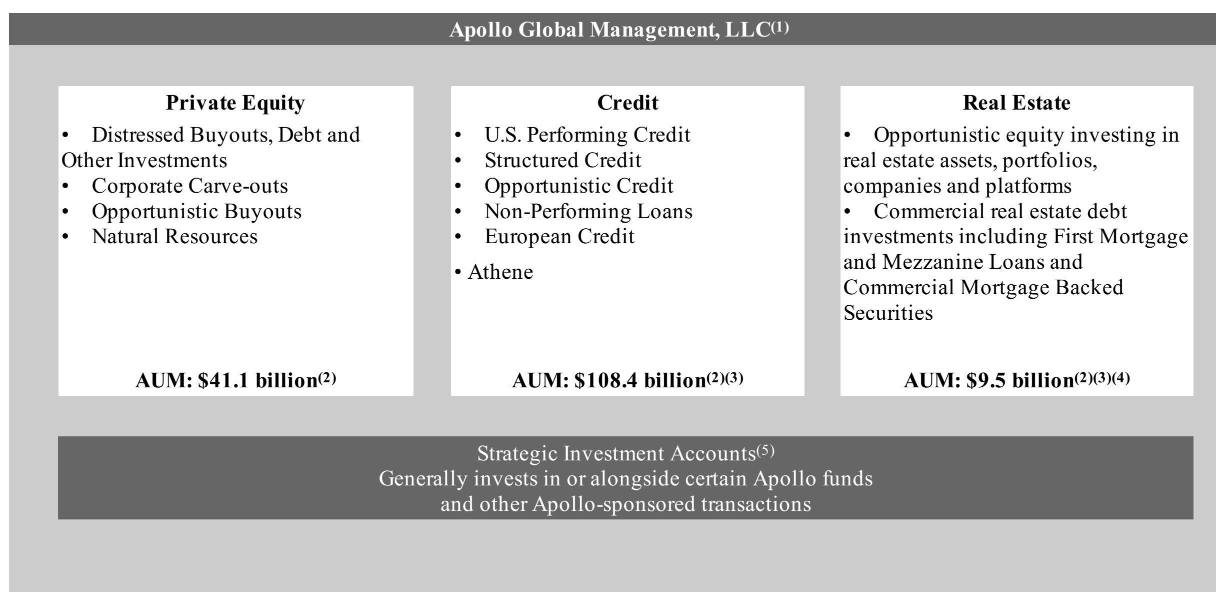
Our financial results are highly variable, since carried interest (which generally constitutes a large portion of the income that we receive from the funds we manage), and the transaction and advisory fees that we receive, can vary significantly from quarter to quarter and year to year. We manage our business and monitor our performance with a focus on long-term performance, an approach that is generally consistent with the investment horizons of the funds we manage and is driven by the investment returns of our funds.

Available Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed or furnished pursuant to Section 13(a) of the Exchange Act are made available free of charge on or through our website at www.agm.com as soon as reasonably practicable after such reports are filed with, or furnished to, the SEC. The information on our website is not, and shall not be deemed to be, part of this report or incorporated into any other filings we make with the SEC.

Our Businesses

We have three business segments: private equity, credit and real estate. The diagram below summarizes our current businesses:



(1) All data is as of December 31, 2014.
(2) See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information.

(3) Includes funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.21 as of December 31, 2014.
(4) Includes funds that are denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.56 as of December 31, 2014.
(5) As of December 31, 2014, there was $0.8 billion that had yet to be deployed to an Apollo fund within our three segments.

Private Equity

As a result of our long history of private equity investing across market cycles, we believe we have developed a unique set of skills on which we rely to make new investments and to maximize the value of our existing investments. As an example, through our experience with traditional private equity buyouts, which we also refer to herein as buyout equity, we apply a highly disciplined approach towards structuring and executing transactions, the key tenets of which include seeking to acquire companies at below industry average purchase price multiples, and establishing flexible capital structures with long-term debt maturities and few, if any, financial maintenance covenants.

We believe we have a demonstrated ability to adapt quickly to changing market environments and capitalize on market dislocations through our traditional, distressed and corporate buyout approach. In prior periods of strained financial liquidity and economic recession, our private equity funds have made attractive investments by buying the debt of quality businesses (which we refer to as "classic" distressed debt), converting that debt to equity, seeking to create value through active participation with management and ultimately monetizing the investment. This combination of traditional and corporate buyout investing with a "distressed option" has been deployed through prior economic cycles and has allowed our funds to achieve attractive long-term rates of return in different economic and market environments. In addition, during prior economic downturns we have relied on our restructuring experience and worked closely with our funds' portfolio companies to seek to maximize the value of our funds' investments.

We seek to focus on investment opportunities where competition is limited or non-existent. We believe we are often sought out early in the investment process because of our industry expertise, sizable amounts of available long-term capital, willingness to pursue investments in complicated situations and ability to provide value-added advice to portfolio companies regarding operational improvements, acquisitions and strategic direction. We generally prefer sole sponsored transactions and since inception through December 31, 2014, approximately 80% of the investments made by our private equity funds have been proprietary in nature. We believe that by emphasizing our proprietary sources of deal flow, our private equity funds will be able to acquire businesses at more compelling valuations which will ultimately create a more attractive risk/reward proposition.

Distressed Buyouts, Debt and Other Investments

During periods of market dislocation and volatility, we rely on our credit and capital markets expertise to build positions in distressed debt. We target assets with what we believe are high-quality operating businesses but low-quality balance sheets, consistent with our traditional buyout strategies. The distressed securities our funds purchase include bank debt, public high-yield debt and privately held instruments, often with significant downside protection in the form of a senior position in the capital structure, and in certain situations our funds also provide debtor-in-possession financing to companies in bankruptcy. Our investment professionals generate these distressed buyout and debt investment opportunities based on their many years of experience in the debt markets, and as such they are generally proprietary in nature.

We believe distressed buyouts and debt investments represent a highly attractive risk/reward profile. Our funds' investments in debt securities have generally resulted in two outcomes. The first and preferred potential outcome, which we refer to as a distressed for control investment, is when our funds are successful in taking control of a company through its investment in the distressed debt. By working proactively through the restructuring process, we are often able to equitize the debt position of our funds to create a well-financed buyout which would then typically be held by the fund for a three-to-five year period, similar to other traditional leveraged buyout transactions. The second potential outcome, which we refer to as a non-control distressed investment is when our funds do not gain control of the company. This typically occurs as a result of an increase in the price of the debt investments to levels which are higher than what we consider to be an attractive acquisition valuation. In these instances, we may forgo seeking control, and instead our funds may seek to sell the debt investments over time, typically generating a higher short-term IRR with a lower multiple of invested capital than in the case of a typical distressed for control transaction. We believe that we are a market leader in distressed investing and that this is one of the key areas that differentiates us from our peers.

In addition to our opportunistic, distressed and corporate partner buyout activities, we also maintain the flexibility to deploy capital of our private equity funds in other types of investments such as the creation of new companies, which allows us to leverage our deep industry and distressed expertise and collaborate with experienced management teams to seek to capitalize on market opportunities that we have identified, particularly in asset-intensive industries that are in distress. In these types of situations, we have the ability to establish new entities that can acquire distressed assets at what we believe are attractive valuations without the burden of managing an existing portfolio of legacy assets. Similar to our corporate partner buyout activities, other

investments, such as the creation of new companies, historically have not represented a large portion of our overall investment activities, although our private equity funds do make these types of investments selectively.

Corporate Carve-outs

Corporate Carve-outs are less market-dependent than distressed investing, but are equally complicated. In these transactions, Apollo funds seek to extract a business that is highly integrated within a larger corporate parent to create a stand-alone business. These are labor-intensive transactions, which we believe require deep industry knowledge, patience and creativity, to unlock value that has largely been overlooked or undermanaged. Importantly, because of the highly negotiated nature of many of these transactions, Apollo believes it is often difficult for the seller to run a competitive process, which ultimately allows Apollo funds to achieve compelling purchase prices.

Opportunistic Buyouts

We have extensive experience completing leveraged buyouts across various market cycles. We take an opportunistic and disciplined approach to these transactions, generally avoiding highly competitive situations in favor of proprietary transactions where there may be opportunities to purchase a company at a discount to prevailing market averages. Oftentimes, we will focus on complex situations such as out-of-favor industries or "broken" (or discontinued) sales processes where the inherent value may be less obvious to potential acquirers. To further alter the risk/reward profile in our funds' favor, we often focus on certain types of buyouts such as physical asset acquisitions and investments in non-correlated assets where underlying values tend to change in a manner that is independent of broader market movements.

In the case of physical asset acquisitions, our private equity funds seek to acquire physical assets at discounts to where those assets trade in the financial markets, and to lock in that value arbitrage through comprehensive hedging and structural enhancements.

We believe buyouts of non-correlated assets or businesses also represent attractive investments since they are generally less correlated to the broader economy and provide an element of diversification to our funds' overall portfolio of private equity investments.

In the case of more conventional buyouts, we seek investment opportunities where we believe our focus on complexity and sector expertise will provide us with a significant competitive advantage, whereby we can leverage our knowledge and experience from the nine core industries in which our investment professionals have historically invested private equity capital. We believe such knowledge and experience can result in our ability to find attractive opportunities for our funds to acquire portfolio company investments at lower purchase price multiples.

Natural Resources

In 2011, Apollo established Apollo Natural Resources Partners, L.P. (together with its alternative investment vehicles, "ANRP"), and has assembled a team of dedicated investment professionals to capitalize on private equity investment opportunities in the natural resources industry, principally in the metals and mining, energy and select other natural resources sectors.

AP Alternative Assets, L.P.

We also manage AAA, a publicly listed permanent capital vehicle. The sole investment held by AAA is its investment in AAA Investments, L.P. ("AAA Investments"). AAA Investments is the largest equity holder of Athene Holding.

AAA is a Guernsey limited partnership whose partners are comprised of (i) AAA Guernsey Limited ("AAA Guernsey"), which holds 100% of the general partner interests in AAA, and (ii) the holders of common units representing limited partner interests in AAA. The common units are non-voting and are listed on NYSE Euronext in Amsterdam under the symbol "AAA". AAA Guernsey is a Guernsey limited company and is owned 55% by an individual who is not an affiliate of Apollo and 45% by Apollo Principal Holdings III, L.P., an indirect subsidiary of Apollo. AAA Guernsey is responsible for managing the business and affairs of AAA. AAA generally makes all of its investments through AAA Investments, of which AAA is the sole limited partner.

Athene Holding is AAA's only material investment. As of December 31, 2014, the Company, through its consolidation of AAA, had an approximate 47.7% economic ownership interest in Athene through its investment in AAA Investments (calculated as if the commitments on the Athene Private Placement (as described in note 4 to the consolidated financial statements) closed through December 31, 2014 were fully drawn down but without giving effect to (i) restricted common shares issued under Athene's management equity plan, or (ii) common shares to be issued under the Amended Athene Services Agreement or the Amended AAA Services Agreement (each as described in note 17 to the consolidated financial statements) subsequent to December 31, 2014). Apollo owned approximately 2.5% of AAA as of December 31, 2014.

Building Value in Portfolio Companies

We are a "hands-on" investor organized around nine core industries where we believe we have significant knowledge and expertise, and we remain actively engaged with the management teams of the portfolio companies of our private equity funds. We have established relationships with operating executives that assist in the diligence review of new opportunities and provide strategic and operational oversight for portfolio investments. We actively work with the management of each of the portfolio companies of the funds we manage to maximize the underlying value of the business. To achieve this, we take a holistic approach to value-creation, concentrating on both the asset side and liability side of the balance sheet of a company. On the asset side of the balance sheet, Apollo works with management of the portfolio companies to enhance the operations of such companies. Our investment professionals assist portfolio companies in rationalizing non-core and underperforming assets, generating cost and working capital savings, and maximizing liquidity. On the liability side of the balance sheet, Apollo relies on its deep credit structuring experience and works with management of the portfolio companies to help optimize the capital structure of such companies through proactive restructuring of the balance sheet to address near-term debt maturities. The companies in which our private equity funds invest also seek to capture discounts on publicly traded debt securities through exchange offers and potential debt buybacks. In addition, we have established a group purchasing program to help our funds' portfolio companies leverage the combined corporate spending among Apollo and portfolio companies of the funds it manages in order to seek to reduce costs, optimize payment terms and improve service levels for all program participants.

Exiting Investments

The value of the investments that have been made by our funds are typically realized through either an initial public offering of common stock on a nationally recognized exchange or through the private sale of the companies in which our funds have invested. We believe the advantage of having long-lived funds and investment discretion is that we are able to time our funds' exit to maximize value.

Private Equity Fund Holdings

The following table presents a list of certain significant portfolio companies of our private equity funds as of December 31, 2014:

Company	Year of Initial Investment	Fund(s)	Buyout Type	Industry	Region
CEC Entertainment	2014	Fund VIII	Opportunistic Buyout	Media, Cable & Leisure	North America
Caelus Energy Alaska	2014	Fund VIII / ANRP	Corporate Carve-Out	Natural Resources	North America
Express Energy Services	2014	Fund VIII / ANRP	Opportunistic Buyout	Natural Resources	North America
Jupiter Resources	2014	Fund VIII / ANRP	Corporate Carve-out	Natural Resources	North America
American Gaming Systems	2013	Fund VIII	Distressed Buyout	Media, Cable & Leisure	North America
Aurum	2013	Fund VII	Opportunistic Buyout	Consumer & Retail	Western Europe
Hostess	2013	Fund VII	Corporate Carve-out	Consumer & Retail	North America
McGraw-Hill Education	2013	Fund VII	Corporate Carve-out	Media, Cable & Leisure	North America
Nine Entertainment	2013	Fund VII	Distressed Buyout	Media, Cable & Leisure	Australia
EP Energy	2012	Fund VII & ANRP	Corporate Carve-out	Natural Resources	North America
Great Wolf Resorts	2012	Fund VII	Opportunistic Buyout	Media, Cable & Leisure	North America
Pinnacle	2012	Fund VII & ANRP	Opportunistic Buyout	Natural Resources	North America
Talos	2012	Fund VII & ANRP	Opportunistic Buyout	Natural Resources	North America

Brit Insurance	2011	Fund VII	Opportunistic Buyout	Financial & Business Services	Western Europe
Endemol Shine Group	2011	Fund VII	Distressed Buyout	Media, Cable & Leisure	Global
Sprouts Farmers Markets	2011	Fund VI	Opportunistic Buyout	Consumer & Retail	North America
Welspun	2011	Fund VII & ANRP	Opportunistic Buyout	Natural Resources	India
Gala Coral Group	2010	Fund VII & VI	Distressed Buyout	Media, Cable & Leisure	Western Europe
Veritable Maritime	2010	Fund VII	Opportunistic Buyout	Distribution & Transportation	North America
Dish TV	2009	Fund VII	Opportunistic Buyout	Media, Cable & Leisure	India
Caesars Entertainment	2008	Fund VI	Opportunistic Buyout	Media, Cable & Leisure	North America
Norwegian Cruise Line	2008	Fund VII / VI	Opportunistic Buyout	Media, Cable & Leisure	North America
Claire's	2007	Fund VI	Opportunistic Buyout	Consumer & Retail	Global
Berry Plastics[(1)]	2006	Fund VI & V	Corporate Carve-out	Packaging & Materials	North America
CEVA Logistics[(2)]	2006	Fund VI	Corporate Carve-out	Distribution & Transportation	Western Europe
Momentive Performance Materials	2000/2004/ 2006	Fund IV, V & VI	Corporate Carve-out	Chemicals	North America
Debt Investment Vehicles - Fund VII	Various	Fund VII	Debt Investments	Various	Various
Debt Investment Vehicles - Fund VI	Various	Fund VI	Debt Investments	Various	Various

Note: Represents portfolio companies of Fund IV, Fund V, Fund VI, Fund VII, Fund VIII and ANRP with a remaining value greater than $100 million, excluding the value associated with any portion of such private equity funds' portfolio company investments held by co-investment vehicles.

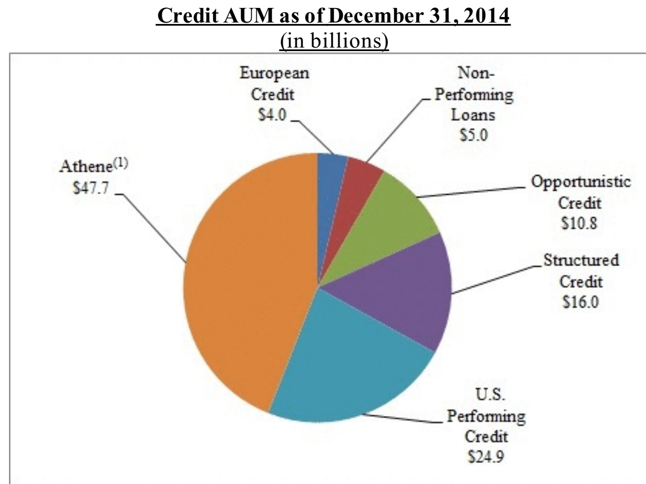
(1) Prior to merger with Covalence Specialty Material Holdings Corp. Remaining holding is a tax receivable agreement.
(2) Includes add-on investment in EGL, Inc.

Credit

Since Apollo's founding in 1990, we believe our expertise in credit has served as an integral component of our company's growth and success. Our credit-oriented approach to investing commenced in 1990 with the management of a $3.5 billion high-yield bond and leveraged loan portfolio. Since that time, our credit activities have grown significantly, through both organic growth and strategic acquisitions. As of December 31, 2014, Apollo's credit segment had total AUM and Fee-Generating AUM of $108.4 billion and $92.2 billion, respectively, across a diverse range of credit-oriented investments that utilize the same disciplined, value-oriented investment philosophy that we employ with respect to our private equity funds.

Apollo's broad credit platform, which we believe is adaptable to evolving market conditions and different risk tolerances, has been organized by the following six functional groups:

Credit AUM as of December 31, 2014
(in billions)



(1) Excludes sub-advised AUM.

U.S. Performing Credit

The U.S. performing credit group provides investment management services to funds, including SIAs, that primarily focus on income-oriented, senior loan and bond investment strategies. The U.S. performing credit group also includes CLOs that we raise and manage internally. As of December 31, 2014, our U.S. performing credit group had total AUM and Fee-Generating AUM of $24.9 billion and $20.0 billion, respectively.

Structured Credit

The structured credit group provides investment management services to funds, including SIAs, that primarily focus on structured credit investment strategies that target multiple tranches of structured securities with favorable and protective lending terms, predictable payment schedules, well diversified portfolios, and low historical defaults, among other characteristics. These strategies include investments in externally managed CLOs, residential mortgage-backed securities, asset-backed securities and other structured instruments, including insurance-linked securities and longevity-based products. The structured credit group also serves as substitute investment manager for a number of asset-backed CDOs and other structured vehicles. As of December 31, 2014, our structured credit group had total AUM and Fee-Generating AUM of $16.0 billion and $11.0 billion, respectively.

Opportunistic Credit

The opportunistic credit group provides investment management services to funds, including SIAs, that primarily focus on credit investment strategies that are often less liquid in nature and that utilize a similar value-oriented investment philosophy as our private equity business. The opportunistic credit funds and SIAs invest in a broad array of primary (including origination)and secondary opportunities encompassing performing, stressed and distressed public and private securities primarily within corporate credit, including senior loans (secured and unsecured), high yield, mezzanine, debtor in possession financings, rescue or bridge financings, and other debt investments. Additionally, certain opportunistic credit funds will selectively invest in aircraft,

shipping assets, energy and structured credit investment opportunities. In certain cases, leverage can be employed in connection with these strategies by having fund subsidiaries or special-purpose vehicles incur debt or by entering into credit facilities or other debt transactions to finance the acquisition of various credit investments. Additionally, certain opportunistic credit funds will selectively purchase assets, including aircraft and shipping, as well as invest in energy and structured credit investment opportunities. As of December 31, 2014, our opportunistic credit group had total AUM and Fee-Generating AUM of $10.8 billion and $6.6 billion, respectively.

Non-Performing Loans

The non-performing loan group provides investment management services to funds, including SIAs, that primarily invest in European commercial and residential real estate performing and non-performing loans (“NPLs”) and unsecured consumer loans and acquiring assets as a result of distressed market situations. Certain of the non-performing loan investment vehicles that we manage own captive pan-European loan servicing and property management platforms. These loan servicing and property management platforms operate in five European countries, employed approximately 1,200 individuals as of December 31, 2014 and directly service consumer credit receivables and loans secured by commercial and residential properties. The post-investment loan servicing and real estate asset management requirements, combined with the illiquid nature of NPLs, limit participation by traditional long only investors, hedge funds, and private equity funds, resulting in what we believe to be a unique opportunity for our credit business. As of December 31, 2014, our non-performing loan group had total AUM and Fee-Generating AUM of $5.0 billion and $3.7 billion, respectively.

European Credit

The European credit group provides investment management services to funds, including SIAs, that focus on investment strategies in a variety of credit opportunities in Europe across a company’s capital structure. The European credit group invests in senior loans (secured and unsecured) and notes, mezzanine loans, subordinated notes, distressed and stressed credit and other idiosyncratic credit investments of companies established or operating primarily in Europe. Additionally, certain European credit funds will selectively invest in shipping assets and structured credit investment opportunities. The European credit group also includes CLOs that we raise and manage internally. As of December 31, 2014, our European credit group had total AUM and Fee-Generating AUM of $4.0 billion and $3.1 billion, respectively.

Athene

Athene Holding was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene Holding is the ultimate parent of various insurance company operating subsidiaries. Through its subsidiaries, Athene Holding provides insurance products focused primarily on the retirement market and its business centers primarily on issuing or reinsuring fixed and equity-indexed annuities.

On October 2, 2013, Athene Holding closed its acquisition of the U.S. annuity operations of Aviva plc ("Aviva USA"), which added approximately $44 billion of total and Fee-Generating AUM within Apollo's credit segment and as a result, Athene is currently estimated to be one of the largest fixed annuity companies in the United States.

Apollo, through its consolidated subsidiary, Athene Asset Management, L.P. (“Athene Asset Management”), provides asset management services to Athene, including asset allocation and portfolio management strategies, and receives fees from Athene for providing such services. As of December 31, 2014, all of Athene’s assets were managed by Athene Asset Management. Athene Asset Management had $60.3 billion of total AUM as of December 31, 2014 in accounts owned by or related to Athene (the “Athene Accounts”), of which approximately $12.6 billion, or approximately 20.9%, was either sub-advised by Apollo or invested in Apollo funds and investment vehicles. The vast majority of such assets are in sub-advisory managed accounts that manage high grade credit asset classes, such as CLO debt, commercial mortgage backed securities and insurance-linked securities. We expect this percentage to increase over time provided that Athene Asset Management continues to perform successfully in providing asset management services to Athene. Athene Asset Management receives a gross management fee equal to 0.40% per annum on all AUM in the Athene Accounts, with certain limited exceptions for all of the services which Athene Asset Management provides to Athene. In addition, the Company receives sub-advisory fees with respect to a portion of the assets in the Athene Accounts.

Real Estate

Our real estate group has a dedicated team of multi-disciplinary real estate professionals whose investment activities are integrated and coordinated with our private equity and credit business segments. We take a broad view of markets and property types in targeting debt and equity investment opportunities, including the acquisition and recapitalization of real estate portfolios,

platforms and operating companies and distressed for control situations. As of December 31, 2014, our real estate group had total and fee generating AUM of approximately $9.5 billion and $6.2 billion, respectively, through a combination of investment funds, strategic investment accounts ("SIAs") and Apollo Commercial Real Estate Finance, Inc. ("ARI"), a publicly-traded, commercial mortgage real estate investment trust managed by Apollo.

With respect to our real estate funds' equity investments, we take a value-oriented approach and our funds will invest in assets located in primary, secondary and tertiary markets. The funds we manage pursue opportunistic investments in various real estate asset classes, which historically have included hospitality, office, industrial, retail, healthcare, residential and non-performing loans. Our real estate equity funds under management currently include AGRE U.S. Real Estate Fund, L.P. and Apollo U.S. Real Estate Fund II, L.P., our U.S. focused, opportunistic funds, and our legacy Citi Property Investors ("CPI") business, the real estate investment management business we acquired from Citigroup in November 2010.

With respect to our real estate debt activities, our real estate funds and accounts offer financing across a broad spectrum of property types and at various points within a property's capital structure, including first mortgage and mezzanine financing and preferred equity. In addition to ARI, we also manage strategic accounts focused on investing in commercial mortgage-backed securities and other commercial real estate loans.

Strategic Investment Accounts

We manage several SIAs established to facilitate investments by third-party investors directly in Apollo funds and other securities. Institutional investors are expressing increasing levels of interest in SIAs since these accounts can provide investors with greater levels of transparency, liquidity and control over their investments as compared to more traditional investment funds. Based on the trends we are currently witnessing among a select group of large institutional investors, we expect our AUM that is managed through SIAs to continue to grow over time. As of December 31, 2014, approximately $15 billion of our total AUM was managed through SIAs.

Fundraising and Investor Relations

We believe our performance track record across our funds and our focus on client service have resulted in strong relationships with our fund investors. Our fund investors include many of the world's most prominent pension and sovereign wealth funds, university endowments and financial institutions, as well as individuals. We maintain an internal team dedicated to investor relations across our private equity, credit and real estate businesses.

In our private equity business, fundraising activities for new funds begin once the investor capital commitments for the current fund are largely invested or committed to be invested. The investor base of our private equity funds includes both investors from prior funds and new investors. In many instances, investors in our private equity funds have increased their commitments to subsequent funds as our private equity funds have increased in size. During the fundraising effort for Apollo Investment Fund VIII, L.P. ("Fund VIII"), investors representing over 92% of Apollo Investment Fund VII, L.P.'s ("Fund VII") capital committed to Fund VIII. In addition, many of our investment professionals commit their own capital to each private equity fund. The single largest unaffiliated investor in Fund VIII represents 5% of Fund VIII's commitments.

During the management of a private equity fund, we maintain an active dialogue with the fund's limited partner investors. We host quarterly webcasts that are led by members of our senior management team and we provide quarterly reports to the limited partner investors detailing recent performance by investment. We also organize an annual meeting for our private equity funds' investors that consists of detailed presentations by the senior management teams of many of our funds' current investments. From time to time, we also hold meetings for the advisory board members of our private equity funds.

In our credit business, we have raised private capital from prominent institutional investors and have also raised capital from public market investors, as in the case of AINV, AFT, AIF and AMTG. AINV is listed on the NASDAQ Global Select Market and complies with the reporting requirements of that exchange. AFT, AIF and AMTG are listed on the NYSE and comply with the reporting requirements of that exchange.

In our real estate business, we have raised capital from prominent institutional investors and we have also raised capital from public market investors, as in the case of ARI. ARI is listed on the NYSE and complies with the reporting requirements of that exchange.

Investment Process

We maintain a rigorous investment process and a comprehensive due diligence approach across all of our funds. We have developed policies and procedures, the adequacy of which are reviewed annually, that govern the investment practices of our

funds. Moreover, each fund is subject to certain investment criteria set forth in its governing documents that generally contain requirements and limitations for investments, such as limitations relating to the amount that will be invested in any one company and the geographic regions in which the fund will invest. Our investment professionals are familiar with our investment policies and procedures and the investment criteria applicable to the funds that they manage. Our investment professionals interact frequently across our businesses on a formal and informal basis.

We have in place certain procedures to allocate investment opportunities among our funds. These procedures are meant to ensure that each fund is treated fairly and that transactions are allocated in a way that is equitable, fair and in the best interests of each fund, subject to the terms of the governing agreements of such funds.

Private Equity Investment Process

Our private equity investment professionals are responsible for selecting, evaluating, structuring, due diligence, negotiating, executing, monitoring and exiting investments for our traditional private equity funds, as well as pursuing operational improvements in our funds' portfolio companies through management consulting arrangements. These investment professionals perform significant research into each prospective investment, including a review of the company's financial statements, comparisons with other public and private companies and relevant industry data. The due diligence effort will also typically include:

- on-site visits;
- interviews with management, employees, customers and vendors of the potential portfolio company;
- research relating to the company's management, industry, markets, products and services, and competitors; and
- background checks.

After an initial selection, evaluation and diligence process, the relevant team of investment professionals will prepare a detailed analysis of the investment opportunity for our private equity investment committee. Our private equity investment committee generally meets weekly to review the investment activity and performance of our private equity funds.

After discussing the proposed transaction with the deal team, the investment committee will decide whether to give its preliminary approval to the deal team to continue the selection, evaluation, diligence and negotiation process. The investment committee will typically conduct several meetings to consider a particular investment before finally approving that investment and its terms. Both at such meetings and in other discussions with the deal team, our Managing Partners and other investment professionals will provide guidance to the deal team on strategy, process and other pertinent considerations. Every private equity investment requires the approval of our Managing Partners.

Our private equity investment professionals are responsible for monitoring an investment once it is made and for making recommendations with respect to exiting an investment. Disposition decisions made on behalf of our private equity funds are subject to review and approval by the private equity investment committee, including our Managing Partners.

Credit and Real Estate Investment Process

Our credit and real estate investment professionals are responsible for selecting, evaluating, structuring, due diligence, negotiating, executing, monitoring and exiting investments for our credit funds and real estate funds, respectively. The investment professionals perform significant research into and due diligence of each prospective investment, and prepare analyses of recommended investments for the investment committee of the relevant fund.

Investment decisions are scrutinized by the investment committees where applicable, who review potential transactions, provide input regarding the scope of due diligence and approve recommended investments and dispositions. Close attention is given to how well a proposed investment is aligned with the distinct investment objectives of the fund in question, which in many cases have specific geographic or other focuses. The investment committee of each of our credit funds and real estate funds generally is provided with a summary of the investment activity and performance of the relevant funds on at least a monthly basis.

Overview of Fund Operations

Investors in our private equity funds and certain of our credit and real estate funds make commitments to provide capital at the outset of a fund and deliver capital when called by us as investment opportunities become available. We determine the amount of initial capital commitments for such funds by taking into account current market opportunities and conditions, as well as investor expectations. The general partner's capital commitment is determined through negotiation with the fund's underlying investor base. The commitments are generally available for approximately six years during what we call the investment period. We have typically invested the capital committed to such funds over a three to four year period. Generally, as each investment is realized, these funds first return the capital and expenses related to that investment and any previously realized investments to fund investors and then distribute any profits. These profits are typically shared 80% to the investors in our private equity funds

and 20% to us so long as the investors receive at least an 8% compounded annual return on their investment, which we refer to as a “preferred return” or “hurdle.” Allocation of profits between fund investors and us, as well as the amount of the preferred return, among other provisions, varies for our real estate equity and many of our credit funds. Our private equity funds typically terminate ten years after the final closing, subject to the potential for two one-year extensions. Dissolution of those funds can be accelerated upon a majority vote of investors not affiliated with us and, in any case, all of our funds also may be terminated upon the occurrence of certain other events. Ownership interests in our private equity funds and certain of our credit and real estate funds are not, however, subject to redemption prior to termination of the funds.

The processes by which our credit and real estate funds receive and invest capital vary by type of fund. As noted above, certain of our credit and real estate funds have drawdown structures where investors made a commitment to provide capital at the formation of such funds and deliver capital when called by us as investment opportunities become available. In addition, we have several permanent capital vehicles with unlimited duration. Each of these publicly traded vehicles raises capital by selling shares in the public markets and these vehicles can also issue debt. We also have several credit funds which continuously offer and sell shares or limited partner interests via private placements through monthly subscriptions, which are payable in full upon a fund’s acceptance of an investor’s subscription. These hedge fund style credit funds have customary redemption rights (in many cases subject to the expiration of an initial lock-up period), and are generally structured as limited partnerships, the terms of which are determined through negotiation with the funds' underlying investor base. Management fees and incentive fees (whether in the form of carried interest income or incentive allocation) that we earn for management of these credit funds and from their performance as well as the terms governing their operation vary across our credit funds.

We conduct the management of our private equity, credit and real estate funds primarily through a partnership structure, in which partnerships organized by us accept commitments and/or funds for investment from investors. Funds are generally organized as limited partnerships with respect to private equity funds and other U.S. domiciled vehicles and limited partnership and limited liability (and other similar) companies with respect to non-U.S. domiciled vehicles. Typically, each fund has an investment advisor registered under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”). Responsibility for the day-to-day operations of the funds is typically delegated to the funds’ respective investment managers pursuant to an investment management (or similar) agreement. Generally, the material terms of our investment management agreements relate to the scope of services to be rendered by the investment manager to the applicable funds, certain rights of termination in respect of our investment management agreements and, generally, with respect to certain of our credit and real estate funds (as these matters are covered in the limited partnership agreements of the private equity funds), the calculation of management fees to be borne by investors in such funds, as well as the calculation of the manner and extent to which other fees received by the investment manager from fund portfolio companies serve to offset or reduce the management fees payable by investors in our funds. The funds themselves generally do not register as investment companies under the Investment Company Act of 1940, as amended (the “Investment Company Act”), generally in reliance on Section 3(c)(7) or Section 7(d) thereof or, typically in the case of funds formed prior to 1997, Section 3(c)(1) thereof. Section 3(c)(7) of the Investment Company Act excepts from its registration requirements funds privately placed in the United States whose securities are owned exclusively by persons who, at the time of acquisition of such securities, are “qualified purchasers” or “knowledgeable employees” for purposes of the Investment Company Act. Section 3(c)(1) of the Investment Company Act exempts from its registration requirements privately placed funds whose securities are beneficially owned by not more than 100 persons. In addition, under current interpretations of the SEC, Section 7(d) of the Investment Company Act exempts from registration any non-U.S. fund all of whose outstanding securities are beneficially owned either by non-U.S. residents or by U.S. residents that are qualified purchasers.

In addition to having an investment manager, each fund that is a limited partnership, or “partnership” fund, also has a general partner that makes all policy and investment decisions relating to the conduct of the fund’s business. The general partner is responsible for all decisions concerning the making, monitoring and disposing of investments, but such responsibilities are typically delegated to the fund’s investment manager pursuant to an investment management (or similar) agreement. The limited partners of the funds take no part in the conduct or control of the business of the funds, have no right or authority to act for or bind the funds and have no influence over the voting or disposition of the securities or other assets held by the funds. These decisions are made by the fund’s general partner in its sole discretion, subject to the investment limitations set forth in the agreements governing each fund. The limited partners often have the right to remove the general partner or investment manager for cause or cause an early dissolution by a simple majority vote. In connection with the private offering transactions that occurred in 2007 pursuant to which we sold shares of Apollo Global Management, LLC to certain initial purchasers and accredited investors in transactions exempt from the registration requirements of the Securities Act (“Private Offering Transactions”) and the reorganization of the Company’s predecessor business (the “2007 Reorganization”), we deconsolidated certain of our private equity and credit funds that have historically been consolidated in our financial statements and amended the governing agreements of those funds to provide that a simple majority of a fund’s investors have the right to accelerate the dissolution date of the fund.

In addition, the governing agreements of our private equity funds and certain of our credit and real estate funds enable the limited partners holding a specified percentage of the interests entitled to vote, to elect not to continue the limited partners’ capital commitments for new portfolio investments in the event certain of our Managing Partners do not devote the requisite time

to managing the fund or in connection with certain triggering events (as defined in the applicable governing agreements). In addition to having a significant, immeasurable negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our funds would likely result in significant reputational damage to us. The loss of the services of any of our Managing Partners would have a material adverse effect on us, including our ability to retain and attract investors and raise new funds, and the performance of our funds. We do not carry any “key man” insurance that would provide us with proceeds in the event of the death or disability of any of our Managing Partners.

Fees and Carried Interest

Our revenues and other income consist principally of (i) management fees, which may be based upon a percentage of the committed or invested capital, adjusted assets, gross invested capital, fund net asset value, stockholders' equity or the capital accounts of the limited partners of the funds, and may be subject to offset as discussed in note 2 to the consolidated financial statements, (ii) advisory and transaction fees, net relating to certain actual and potential private equity, credit and real estate investments as more fully discussed in note 2 to the consolidated financial statements, (iii) income based on the performance of our funds, which consists of allocations, distributions or fees from our private equity, credit and real estate funds, and (iv) investment income from our investments as general partner and other direct investments primarily in the form of net gains from investment activities as well as interest and dividend income.

The composition of our revenues will vary based on market conditions and the cyclicality of the different businesses in which we operate. Our funds’ returns are driven by investment opportunities and general market conditions, including the availability of debt capital on attractive terms and the availability of distressed debt opportunities. Our funds initially record fund investments at cost and then such investments are subsequently recorded at fair value. Fair values are affected by changes in the fundamentals of the underlying portfolio company investments of the funds, the industries in which the portfolio companies operate, the overall economy as well as other market conditions.

General Partner and Professionals Investments and Co-Investments

General Partner Investments

Certain of our management companies, general partners and co-invest vehicles are committed to contribute to our funds and affiliates. As a limited partner, general partner and manager of the Apollo funds, Apollo had unfunded capital commitments as of December 31, 2014 of $646.6 million.

Apollo has an ongoing obligation, subject to certain stipulations, to acquire additional common units of AAA in an amount equal to 25% of the aggregate after-tax cash distributions, if any, that are made by AAA to Apollo's affiliates pursuant to the carried interest distribution rights that are applicable to investments made through AAA Investments.

Managing Partners and Other Professionals Investments

To further align our interests with those of investors in our funds, our Managing Partners and other professionals have invested their own capital in our funds. Our Managing Partners and other professionals will either re-invest their carried interest to fund these investments or use cash on hand or funds borrowed from third parties. We generally have not historically charged management fees or carried interest on capital invested by our Managing Partners and other professionals directly in our private equity, credit, and real estate funds.

Co-Investments

Investors in many of our funds, as well as certain other investors, may have the opportunity to make co-investments with the funds. Co-investments are investments in portfolio companies or other assets generally on the same terms and conditions as those to which the applicable fund is subject.

Regulatory and Compliance Matters

Our businesses, as well as the financial services industry generally, are subject to extensive regulation in the United States and elsewhere.

All of the investment advisors of our funds are registered as investment advisors either directly or as a "relying advisor" with the SEC. Registered investment advisors are subject to the requirements and regulations of the Investment Advisers Act. Such requirements relate to, among other things, fiduciary duties to clients, maintaining an effective compliance program, managing conflicts of interest and general anti-fraud prohibitions.

Each of AFT and AIF is a registered management investment company under the Investment Company Act. AINV is an investment company that has elected to be treated as a business development company under the Investment Company Act. Each of AFT, AIF and AINV has elected for U.S. Federal tax purposes to be treated as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). As such, each of AFT, AIF and AINV is required to distribute during each taxable year at least 90% of its ordinary income and realized, net short-term capital gains in excess of realized net long-term capital losses, if any, to its shareholders. In addition, in order to avoid excise tax, each needs to distribute during each calendar year at least 98% of its ordinary income and 98.2% of its capital gains net income for one-year period ended on October 31st of such calendar year, plus any shortfalls from any prior year's distribution, which would take into account short-term and long-term capital gains and losses. In addition, as a business development company, AINV must not acquire any assets other than "qualifying assets" specified in the Investment Company Act unless, at the time the acquisition is made, at least 70% of AINV's total assets are qualifying assets (with certain limited exceptions).

ARI elected to be taxed as a real estate investment trust, or REIT, under the Internal Revenue Code commencing with its taxable year ended December 31, 2009. AMTG also elected to be taxed as a REIT under the Internal Revenue Code, commencing with its fiscal year ended December 31, 2011. To maintain their qualification as REITs, ARI and AMTG must distribute at least 90% of their taxable income to their shareholders and meet, on a continuing basis, certain other complex requirements under the Internal Revenue Code.

In addition, Apollo Global Securities, LLC ("AGS") is a registered broker dealer with the SEC and is a member of the Financial Industry Regulatory Authority, Inc. From time to time, this entity is involved in transactions with affiliates of Apollo, including portfolio companies of the funds we manage, whereby AGS will earn fees for its services.

Broker-dealers are subject to regulations that cover all aspects of the securities business. In particular, as a registered broker-dealer and member of a self regulatory organization, we are subject to the SEC's uniform net capital rule, Rule 15c3-1. Rule 15c3-1 specifies the minimum level of net capital a broker-dealer must maintain and also requires that a significant part of a broker-dealer's assets be kept in relatively liquid form. The SEC and various self-regulatory organizations impose rules that require notification when net capital falls below certain predefined criteria, limit the ratio of subordinated debt to equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. Additionally, the SEC's uniform net capital rule imposes certain requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to the SEC for certain withdrawals of capital.

As the ultimate parent of the general partner or manager of certain shareholders of Athene Holding, we are subject to insurance holding company system laws and regulations in Delaware, Iowa and New York, which are the states in which the insurance company subsidiaries of Athene Holding are domiciled. These regulations generally require each insurance company subsidiary to register with the insurance department in its state of domicile and to furnish financial and other information about the operations of companies within its holding company system. These regulations also impose restrictions and limitations on the ability of an insurance company subsidiary to pay dividends and make other distributions to its parent company. In addition, transactions between an insurance company and other companies within its holding company system, including sales, loans, reinsurance agreements, management agreements and service agreements, must be on terms that are fair and reasonable and, if material or within a specified category, require prior notice and approval or non-disapproval by the applicable domiciliary insurance department.

The insurance laws of each of Delaware, Iowa and New York prohibit any person from acquiring control of a domestic insurance company or its parent company unless that person has filed a notification with specified information with that state's Commissioner or Superintendent of Insurance (the "Commissioner") and has obtained the Commissioner's prior approval. Under applicable Delaware, Iowa and New York statutes, the acquisition of 10% or more of the voting securities of an insurance company or its parent company is presumptively considered an acquisition of control of the insurance company, although such presumption may be rebutted. Accordingly, any person or entity that acquires, directly or indirectly, 10% or more of the voting securities of Apollo without the requisite prior approvals will be in violation of these laws and may be subject to injunctive action requiring the disposition or seizure of those securities or prohibiting the voting of those securities, or to other actions that may be taken by the applicable state insurance regulators.

In addition, many U.S. state insurance laws require prior notification to state insurance departments of an acquisition of control of a non-domiciliary insurance company doing business in that state if the acquisition would result in specified levels of market concentration. While these pre-notification statutes do not authorize the state insurance departments to disapprove the acquisition of control, they authorize regulatory action in the affected state, including requiring the insurance company to cease and desist from doing certain types of business in the affected state or denying a license to do business in the affected state, if particular conditions exist, such as substantially lessening competition in any line of business in such state. Any transactions that would constitute an acquisition of control of Apollo may require prior notification in those states that have adopted pre-acquisition notification laws. These laws may discourage potential acquisition proposals and may delay, deter or prevent an acquisition of

control of Apollo (in particular through an unsolicited transaction), even if Apollo might consider such transaction to be desirable for its shareholders.

Currently, there are proposals to increase the scope of regulation of insurance holding companies in both the United States and internationally. In the United States, the National Association of Insurance Commissioners ("NAIC") has promulgated amendments to its insurance holding company system model law and regulations for consideration by the various states that would provide for more extensive informational reporting regarding parents and other affiliates of insurance companies, with the purpose of protecting domestic insurers from enterprise risk, including requiring an annual enterprise risk report by the ultimate controlling person identifying the material risks within the insurance holding company system that could pose enterprise risk to domestic insurers. To date, both Iowa and New York have enacted laws to adopt such amendments.

Internationally, the International Association of Insurance Supervisors is in the process of adopting a framework for the “group wide” supervision of internationally active insurance groups. The NAIC has also promulgated additional amendments to its insurance holding company system model law that address “group wide” supervision of internationally active insurance groups. Changes to existing laws or regulations must be adopted by individual states or foreign jurisdictions before they will become effective. We cannot predict with any degree of certainty the additional capital requirements, compliance costs or other burdens these requirements may impose on us and our insurance company affiliates.

In addition, state insurance departments also have broad administrative powers over the insurance business of our insurance company affiliates, including insurance company licensing and examination, agent licensing, establishment of reserve requirements and solvency standards, premium rate regulation, admissibility of assets, policy form approval, unfair trade and claims practices and other matters. State regulators regularly review and update these and other requirements.

Although the federal government does not directly regulate the insurance business, federal legislation and administrative policies in several areas, including pension regulation, age and sex discrimination, financial services regulation, securities regulation and federal taxation, can significantly affect the insurance business. The Dodd-Frank Wall Street Reform and Consumer Protection Act created the Federal Insurance Office (the “FIO”) within the Department of Treasury headed by a Director appointed by the Treasury Secretary. The FIO is designed principally to exercise a monitoring and information gathering role, rather than a regulatory role. In that capacity, the FIO has been charged with providing reports to the U.S. Congress on (i) modernization of U.S. insurance regulation and (ii) the U.S. and global reinsurance market. Such reports could ultimately lead to changes in the regulation of insurers and reinsurers in the U.S.

We are subject to the jurisdiction of the Federal Energy Regulatory Commission as a result of certain of the funds we manage directly or indirectly owning, controlling or holding, with power to vote, 10% or more of the voting securities in a “public-utility company” or a “holding company” of a public-utility company (as those terms are defined in the U.S. Public Utility Holding Company Act of 2005). See “Item 1A. Risk Factors-Risks Related to Our Businesses-We are a holding company subject to the jurisdiction of the Federal Energy Regulatory Commission (the “FERC”). An acquirer of our Class A shares may be required to obtain prior approval from the FERC and make other filings with the FERC.”

Apollo Management International LLP is authorized and regulated by the U.K. Financial Conduct Authority.

AAA is regulated under the Authorized Closed-ended Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (“GFSC”) with effect from December 15, 2008 under The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended (the “New Rules”). AAA is deemed to be an authorized closed-ended investment scheme under the New Rules.

Apollo Advisors (Mauritius) Ltd (“Apollo Mauritius”), one of our subsidiaries, and AION Capital Management Limited (“AION Manager”), one of our joint venture investments, are licensed providers of investment management services in the Republic of Mauritius and are subject to applicable Mauritian securities laws and the oversight of the Financial Services Commission (Mauritius) (the “FSC”). Each of Apollo Mauritius and AION Manager is subject to limited regulatory requirements under the Mauritian Securities Act 2005, Mauritian Financial Services Act 2007 and relevant ancillary regulations, including, ongoing reporting and record keeping requirements, anti-money laundering obligations, obligations to ensure that it and its directors, key officers and representatives are fit and proper and requirements to maintain positive shareholders’ equity. The FSC is responsible for administering these requirements and ensuring the compliance of Apollo Mauritius and AION Manager with them. If Apollo Mauritius or AION Manager contravenes any such requirements, such entities and/or their officers or representatives may be subject to a fine, reprimand, prohibition order or other regulatory sanctions.

AGM India Advisors Private Limited is regulated by the Company Law Board (also known as the Ministry of Company Affairs) through the Companies Act of 1956 in India. Additionally since there are foreign investments in the company, AGM India

Advisors Private Limited is also subject to the rules and regulations applicable under the Foreign Exchange Management Act of 1999 which falls within the purview of Reserve Bank of India.

Apollo Management Singapore Pte Ltd. was granted a Capital Markets Service License with the Monetary Authority of Singapore in October 2013. In addition, Apollo Capital Management, L.P. is registered with the Securities and Exchange Board of India as a foreign institutional investor.

Certain of our businesses are subject to compliance with laws and regulations of U.S. Federal and state governments, non-U.S. governments, their respective agencies and/or various self-regulatory organizations or exchanges relating to, among other things, the privacy of client information, and any failure to comply with these regulations could expose us to liability and/or reputational damage. Our businesses have operated for many years within a legal framework that requires our being able to monitor and comply with a broad range of legal and regulatory developments that affect our activities.

However, additional legislation, changes in rules promulgated by self-regulatory organizations or changes in the interpretation or enforcement of existing laws and rules, either in the United States or elsewhere, may directly affect our mode of operation and profitability. For additional information concerning the competitive risks that we face, see “Item 1A. Risk Factors — Risks Related To Our Businesses — The investment management business is intensely competitive, which could have a material adverse impact on us.”

Rigorous legal and compliance analysis of our businesses and investments is important to our culture. We strive to maintain a culture of compliance through the use of policies and procedures, such as our code of ethics, compliance systems, communication of compliance guidance and employee education and training. We have a compliance group that monitors our compliance with the regulatory requirements to which we are subject and manages our compliance policies and procedures. Our Chief Compliance Officer supervises our compliance group, which is responsible for addressing all regulatory and compliance matters that affect our activities. Our compliance policies and procedures address a variety of regulatory and compliance risks such as the handling of material non-public information, personal securities trading, valuation of investments on a fund-specific basis, document retention, potential conflicts of interest and the allocation of investment opportunities.

We generally operate without information barriers between our businesses. In an effort to manage possible risks resulting from our decision not to implement these barriers, our compliance personnel maintain a list of issuers for which we have access to material, non-public information and for whose securities our funds and investment professionals are not permitted to trade. We could in the future decide that it is advisable to establish information barriers, particularly as our business expands and diversifies. In such event our ability to operate as an integrated platform will be restricted. See "Item 1A. Risk Factors — Risks Related to Our Businesses — Possession of material, non-public information could prevent Apollo funds from undertaking advantageous transactions; our internal controls could fail; we could determine to establish information barriers."

Competition

The investment management industry is intensely competitive, and we expect it to remain so. We compete globally and on a regional, industry and niche basis.

We face competition both in the pursuit of outside investors for our funds and in acquiring investments in attractive portfolio companies and making other investments. We compete for outside investors based on a variety of factors, including:

- investment performance;
- investor perception of investment managers’ drive, focus and alignment of interest;
- quality of service provided to and duration of relationship with investors;
- business reputation; and
- the level of fees and expenses charged for services.

Depending on the investment, we expect to face competition in acquisitions primarily from other private equity, credit and real estate funds, specialized funds, hedge fund sponsors, other financial institutions, corporate buyers and other parties. Several of these competitors have significant amounts of capital and many of them have similar investment objectives to us, which may create additional competition for investment opportunities. Some of these competitors may also have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities. Competitors may also be subject to different regulatory regimes or rules that may provide them more flexibility or better access to pursue transactions or raise capital for their investment funds. In addition, some of these competitors may have higher risk tolerances, different risk assessments or lower return thresholds, which could allow them to consider a wider variety of investments and to bid more aggressively than us for investments that we want to make. Corporate buyers may be able to achieve synergistic cost savings with regard to an investment that may provide them with a competitive advantage in bidding for an investment. Lastly, the allocation of increasing amounts of capital to alternative investment strategies by institutional and

individual investors could well lead to a reduction in the size and duration of pricing inefficiencies that many of our funds seek to exploit.

Competition is also intense for the attraction and retention of qualified employees. Our ability to continue to compete effectively in our businesses will depend upon our ability to attract new employees and retain and motivate our existing employees.

For additional information concerning the competitive risks that we face, see "Item 1A. Risk Factors—Risks Related to Our Businesses—The investment management business is intensely competitive, which could have a material adverse impact on us."

ITEM 1A. RISK FACTORS

Risks Related to Our Businesses

Poor performance of our funds would cause a decline in our revenue and results of operations, may obligate us to repay incentive income previously paid to us and would adversely affect our ability to raise capital for future funds.

We derive revenues in part from:

- management fees, which are based generally on the amount of capital invested in our funds;
- transaction and advisory fees relating to the investments our funds make;
- incentive income, based on the performance of our funds; and
- investment income from our investments as general partner.

If a fund performs poorly, we will receive little or no incentive income with regard to the fund and little income or possibly losses from any principal investment in the fund. Furthermore, if, as a result of poor performance of later investments in a fund's life, the fund does not achieve total investment returns that exceed a specified investment return threshold for the life of the fund, we may be obligated to repay the amount by which incentive income that was previously distributed to us exceeds amounts to which we are ultimately entitled. Our fund investors and potential fund investors continually assess our funds' performance and our ability to raise capital. Accordingly, poor fund performance may deter future investment in our funds and thereby decrease the capital invested in our funds and ultimately, our management fee income.

We depend on Leon Black, Joshua Harris and Marc Rowan, and the loss of their services would have a material adverse effect on us.

The success of our businesses depends on the efforts, judgment and personal reputations of our Managing Partners, Leon Black, Joshua Harris and Marc Rowan. Their reputations, expertise in investing, relationships with our fund investors and relationships with members of the business community on whom our funds depend for investment opportunities and financing are each critical elements in operating and expanding our businesses. We believe our performance is strongly correlated to the performance of these individuals. Accordingly, our retention of our Managing Partners is crucial to our success. Subject to the terms of their employment, non-competition and non-solicitation agreements, our Managing Partners may resign, join our competitors or form a competing firm at any time. If our Managing Partners were to join or form a competitor, some of our investors could choose to invest with that competitor, another competitor or not at all, rather than in our funds. The loss of the services of our Managing Partners may have a material adverse effect on us, including our ability to retain and attract investors and raise new funds, and the performance of our funds. We do not carry any "key man" insurance that would provide us with proceeds in the event of the death or disability of any of our Managing Partners. In addition, the loss of two or more of our Managing Partners may result in the termination of our role as general partner of two or more of our funds and the termination of the commitment periods of certain of our funds. See "—If two or more of our Managing Partners or other investment professionals leave our company, the commitment periods of certain of our funds may be terminated, and we may be in default under our credit agreement." Although our Managing Partners have entered into employment, non-competition and non-solicitation agreements, which impose certain restrictions on competition and solicitation of our employees by our Managing Partners if they terminate their employment, a court may not enforce these provisions. See "Item 11. Executive Compensation—Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table—Employment, Non-Competition and Non-Solicitation Agreement with Chairman and Chief Executive Officer" for a more detailed description of the terms of the agreement for one of our Managing Partners.

Changes in the debt financing markets may negatively impact the ability of our funds and their portfolio companies to obtain attractive financing for their investments and may increase the cost of such financing if it is obtained, which could lead to lower-yielding investments and potentially decreasing our net income.

In the event that our funds are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavorable terms, our funds may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, either of which could lead to a decrease in the investment income earned by us. Any failure by lenders to provide previously committed financing can also expose us to potential claims by sellers of businesses which we may have contracted to purchase. Our funds' portfolio companies regularly utilize the corporate debt markets in order to obtain financing for their operations. Similarly, certain of our credit funds rely on the availability of attractive financing for their investments. To the extent that the current credit markets have rendered such financing difficult to obtain or more expensive, this may negatively impact the operating performance of such portfolio companies and lead to lower-yielding investments with respect to such funds and, therefore, the investment returns on our funds. In addition, to the extent that the current markets make it difficult or impossible to refinance debt that is maturing in the near term, a relevant portfolio company may face substantial doubt as to its status as a going concern (which may result in an event of default under various agreements) or be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection.

Difficult market conditions may adversely affect our businesses in many ways, including by reducing the value or hampering the performance of the investments made by our funds or reducing the ability of our funds to raise or deploy capital, each of which could materially reduce our revenue, net income and cash flow and adversely affect our financial prospects and condition.

Our businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors are outside our control and may affect the level and volatility of securities prices and the liquidity and the value of investments, and we may not be able to or may choose not to manage our exposure to these conditions. Global financial markets have experienced considerable volatility in the valuations of equity and debt securities, a contraction in the availability of credit and an increase in the cost of financing. Volatility in the financial markets can materially hinder the initiation of new, large-sized transactions for our private equity segment and, together with volatility in valuations of equity and debt securities, may adversely impact our operating results. If market conditions deteriorate, our business could be affected in different ways. In addition, these events and general economic trends are likely to impact the performance of portfolio companies in many industries, particularly industries that are more impacted by changes in consumer demand, such as the packaging, manufacturing, chemical and refining industries, as well as travel and leisure, gaming and real estate industries. The performance of our funds and our performance may be adversely affected to the extent our fund portfolio companies in these industries experience adverse performance or additional pressure due to downward trends. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs, within a time frame sufficient to match any further decreases in net income or increases in net losses relating to changes in market and economic conditions.

The financial downturn that began in 2007 adversely affected our operating results in a number of ways, and if the economy were to re-enter a recessionary or inflationary period, it may cause our revenue and results of operations to decline by causing:

- our AUM to decrease, lowering management fees from our funds;
- increases in costs of financial instruments;
- adverse conditions for our portfolio companies (e.g., decreased revenues, liquidity pressures, increased difficulty in obtaining access to financing and complying with the terms of existing financings as well as increased financing costs);
- lower investment returns, reducing incentive income;
- higher interest rates, which could increase the cost of the debt capital we use to acquire companies in our private equity business; and
- material reductions in the value of our fund investments, affecting our ability to realize carried interest from these investments.

Lower investment returns and such material reductions in value may result, among other reasons, because during periods of difficult market conditions or slowdowns (which may be across one or more industries, sectors or geographies), companies in which we invest may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due, including expenses payable to us. In addition,

during periods of adverse economic conditions, our funds and their portfolio companies may have difficulty accessing financial markets, which could make it more difficult or impossible to obtain funding for additional investments and harm our AUM and operating results. Furthermore, such conditions would also increase the risk of default with respect to investments held by our funds that have significant debt investments, such as our opportunistic and European credit funds and our U.S. performing credit funds. Our funds may be affected by reduced opportunities to exit and realize value from their investments, by lower than expected returns on investments made prior to the deterioration of the credit markets, and by the fact that we may not be able to find suitable investments for the funds to effectively deploy capital, which could adversely affect our ability to raise new funds and thus adversely impact our prospects for future growth.

A decline in the pace of investment in our funds, an increase in the pace of sales of investments in our funds, or an increase in the amount of transaction and advisory fees we share with our fund investors would result in our receiving less revenue from transaction and advisory fees.

The transaction and advisory fees that we earn are driven in part by the pace at which our funds make investments. Many factors could cause a decline in the pace of investment, including the inability of our investment professionals to identify attractive investment opportunities, competition for such opportunities among other potential acquirers, decreased availability of capital on attractive terms and our failure to consummate identified investment opportunities because of business, regulatory or legal complexities and adverse developments in the U.S. or global economy or financial markets. Any decline in the pace at which our funds make investments would reduce our transaction and advisory fees and could make it more difficult for us to raise capital. Likewise, during attractive selling environments, our funds may capitalize on increased opportunities to exit investments. Any increase in the pace at which our funds exit investments would reduce transaction and advisory fees. In addition, some of our fund investors have requested, and we expect to continue to receive requests from fund investors, that we share with them a larger portion, or all, of the transaction and advisory fees generated by our funds' investments. To the extent we accommodate such requests, it would result in a decrease in the amount of fee revenue we could earn. For example, in Fund VIII we have agreed that 100% of certain transaction and advisory fees will be shared with the investors in the fund through a management fee offset mechanism, whereas the percentage was 68% in Fund VII.

If two or more of our Managing Partners or other investment professionals leave our company, the commitment periods of certain of our funds may be terminated, and we may be in default under our credit agreement.

The governing agreements of certain of our funds provide that in the event certain “key persons” (such as two or more of Messrs. Black, Harris and Rowan and/or certain other of our investment professionals) fail to devote the requisite time to our business, the commitment period will terminate if a certain percentage in interest of the investors do not vote to continue the commitment period. This is true of Fund VI, Fund VII and Fund VIII, on which our near- to medium-term performance will heavily depend. Apollo Credit Opportunity Fund III, L.P. ("COF III"), Apollo European Principal Finance Fund II, L.P. ("EPF II"), Financial Credit Investment II, L.P. ("FCI II") and certain other credit funds have similar provisions. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our funds would likely result in significant reputational damage to us.

Messrs. Black, Harris and Rowan may terminate their employment with us at any time.

We may not be successful in raising new funds or in raising more capital for certain of our funds and may face pressure on fee arrangements of our future funds.

Our funds may not be successful in consummating their current capital-raising efforts or others that they may undertake, or they may consummate them at investment levels far lower than those currently anticipated. Any capital raising that our funds do consummate may be on terms that are unfavorable to us or that are otherwise different from the terms that we have been able to obtain in the past. These risks could occur for reasons beyond our control, including general economic or market conditions, regulatory changes or increased competition.

Over the last few years, a large number of institutional investors that invest in alternative assets and have historically invested in our funds experienced negative pressure across their investment portfolios, which may affect our ability to raise capital from them. As a result of the global economic downturn during 2008 and 2009, these institutional investors experienced, among other things, a significant decline in the value of their public equity and debt holdings and a lack of realizations from their existing private equity portfolios. Consequently, many of these investors were left with disproportionately outsized remaining commitments to a number of private equity funds, and were restricted from making new commitments to third-party managed private equity funds such as those managed by us. To the extent economic conditions remain volatile or these issues reoccur, we may be unable to raise sufficient amounts of capital to support the investment activities of our future funds.

In addition, certain institutional investors have publicly criticized certain fund fee and expense structures, including management fees and transaction and advisory fees. In September 2009, the Institutional Limited Partners Association, or "ILPA," published a set of Private Equity Principles, or the "Principles," which were revised in January 2011. The Principles were developed in order to encourage discussion between limited partners and general partners regarding private equity fund partnership terms. Certain of the Principles call for enhanced "alignment of interests" between general partners and limited partners through modifications of some of the terms of fund arrangements, including proposed guidelines for fees and carried interest structures. We provided ILPA our endorsement of the Principles, representing an indication of our general support for the efforts of ILPA. Although we have no obligation to modify any of our fees with respect to our existing funds, we may experience pressure to do so.

The failure of our funds to raise capital in sufficient amounts and on satisfactory terms could result in a decrease in AUM and management fee and transaction fee revenue or us being unable to achieve an increase in AUM and management fee and transaction fee revenue, and could have a material adverse effect on our financial condition and results of operations. Similarly, any modification of our existing fee arrangements or the fee structures for new funds could adversely affect our results of operations.

Third-party investors in our funds with commitment-based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect a fund's operations and performance.

Investors in all of our private equity and certain of our credit and real estate funds make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling their commitments when we call capital from them in order for those funds to consummate investments and otherwise pay their obligations when due. Any investor that did not fund a capital call would be subject to several possible penalties, including having a significant amount of its existing investment forfeited in that fund. However, the impact of the penalty is directly correlated to the amount of capital previously invested by the investor in the fund and if an investor has invested little or no capital, for instance early in the life of the fund, then the forfeiture penalty may not be as meaningful. If investors were to fail to satisfy a significant amount of capital calls for any particular fund or funds, the operation and performance of those funds could be materially and adversely affected.

The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our Class A shares.

We have presented in this report the returns relating to the historical performance of our private equity, credit and real estate funds. The returns are relevant to us primarily insofar as they are indicative of incentive income we have earned in the past and may earn in the future, our reputation and our ability to raise new funds. The returns of the funds we manage are not, however, directly linked to returns on our Class A shares. Therefore, you should not conclude that continued positive performance of the funds we manage will necessarily result in positive returns on an investment in Class A shares. However, poor performance of the funds we manage will cause a decline in our revenue from such funds, and would therefore have a negative effect on our performance and the value of our Class A shares. An investment in our Class A shares is not an investment in any of the Apollo funds.

Moreover, the historical returns of our funds should not be considered indicative of the future returns of these or from any future funds we may raise, in part because:

- market conditions during previous periods may have been significantly more favorable for generating positive performance, particularly in our private equity business, than the market conditions we may experience in the future;
- our private equity funds' rates of returns, which are calculated on the basis of net asset value of the funds' investments, reflect unrealized gains, which may never be realized;
- our funds' returns have benefited from investment opportunities and general market conditions that may not repeat themselves, including the availability of debt capital on attractive terms and the availability of distressed debt opportunities, and we may not be able to achieve the same returns or profitable investment opportunities or deploy capital as quickly;
- the historical returns that we present in this report derive largely from the performance of our current private equity funds, whereas future fund returns will depend increasingly on the performance of our newer funds or funds not yet formed, which may have little or no realized investment track record;
- Fund VI, Fund VII and Fund VIII are larger private equity funds, and this capital may not be deployed as profitably as other funds;

- the attractive returns of certain of our funds have been driven by the rapid return of invested capital, which has not occurred with respect to all of our funds and we believe is less likely to occur in the future;
- our track record with respect to our credit funds and real estate funds is relatively short as compared to our private equity funds;
- in recent years, there has been increased competition for private equity investment opportunities resulting from the increased amount of capital invested in private equity funds and high liquidity in debt markets; and
- our newly established funds may generate lower returns during the period that they take to deploy their capital.

Finally, our private equity IRRs have historically varied greatly from fund to fund. Accordingly, you should realize that the IRR going forward for any current or future fund may vary considerably from the historical IRR generated by any particular fund, or for our private equity funds as a whole. Future returns will also be affected by the risks described elsewhere in this report and risks of the industries and businesses in which a particular fund invests. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—The Historical Investment Performance of Our Funds."

Our reported net asset values, rates of return and incentive income from affiliates are based in large part upon estimates of the fair value of our investments, which are based on subjective standards and may prove to be incorrect.

A large number of investments in our funds are illiquid and thus have no readily ascertainable market prices. We value these investments based on our estimate of their fair value as of the date of determination. We estimate the fair value of our investments based on third-party models, or models developed by us, which include discounted cash flow analyses and other techniques and may be based, at least in part, on independently sourced market parameters. The material estimates and assumptions used in these models include the timing and expected amount of cash flows, the appropriateness of discount rates used, and, in some cases, the ability to execute, the timing of and the estimated proceeds from expected financings. The actual results related to any particular investment often vary materially as a result of the inaccuracy of these estimates and assumptions. In addition, because many of the illiquid investments held by our funds are in industries or sectors which are unstable, in distress, or undergoing some uncertainty, such investments are subject to rapid changes in value caused by sudden company-specific or industry-wide developments.

We include the fair value of illiquid assets in the calculations of net asset values, returns of our funds and our AUM. Furthermore, we recognize incentive income from affiliates based in part on these estimated fair values. Because these valuations are inherently uncertain, they may fluctuate greatly from period to period. Also, they may vary greatly from the prices that would be obtained if the assets were to be liquidated on the date of the valuation and often do vary greatly from the prices we eventually realize.

In addition, the values of our investments in publicly traded assets are subject to significant volatility, including due to a number of factors beyond our control. These include actual or anticipated fluctuations in the quarterly and annual results of these companies or other companies in their industries, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions or government regulations, changes in management or capital structure and significant acquisitions and dispositions. Because the market prices of these securities can be volatile, the valuation of these assets will change from period to period, and the valuation for any particular period may not be realized at the time of disposition. In addition, because our private equity funds often hold very large amounts of the securities of their portfolio companies, the disposition of these securities often takes place over a long period of time, which can further expose us to volatility risk. Even if we hold a quantity of public securities that may be difficult to sell in a single transaction, we do not discount the market price of the security for purposes of our valuations.

If we realize value on an investment that is significantly lower than the value at which it was reflected in a fund's net asset values, we would suffer losses in the applicable fund. This could in turn lead to a decline in asset management fees and a loss equal to the portion of the incentive income from affiliates reported in prior periods that was not realized upon disposition. These effects could become applicable to a large number of our investments if our estimates and assumptions used in estimating their fair values differ from future valuations due to market developments. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Segment Analysis" for information related to fund activity that is no longer consolidated. If asset values turn out to be materially different than values reflected in fund net asset values, fund investors could lose confidence which could, in turn, result in redemptions from our funds that permit redemptions or difficulties in raising additional investments.

We have experienced rapid growth, which may be difficult to sustain and which may place significant demands on our administrative, operational and financial resources.

Our AUM has grown significantly in the past and we are pursuing further growth in the near future. Our rapid growth has caused, and planned growth, if successful, will continue to cause, significant demands on our legal, accounting and operational infrastructure, and increased expenses. The complexity of these demands, and the expense required to address them, is a function not simply of the amount by which our AUM has grown, but of the growth in the variety, including the differences in strategy between, and complexity of, our different funds. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the investment management market and legal, accounting, regulatory and tax developments.

Our future growth will depend in part, on our ability to maintain an operating platform and management system sufficient to address our growth and will require us to incur significant additional expenses and to commit additional senior management and operational resources. As a result, we face significant challenges:

- in maintaining adequate financial, regulatory and business controls;
- implementing new or updated information and financial systems and procedures; and
- in training, managing and appropriately sizing our work force and other components of our businesses on a timely and cost-effective basis.

We may not be able to manage our expanding operations effectively or be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.

Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our businesses. Changes in tax or law and other legislative or regulatory changes could adversely affect us.

Overview of Our Regulatory Environment. We are subject to extensive regulation, including periodic examinations, by governmental and self-regulatory organizations in the jurisdictions in which we operate around the world. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of an investment advisor from registration or memberships. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing investors or fail to gain new investors. The requirements imposed by our regulators are designed primarily to ensure the integrity of the financial markets and to protect investors in our funds and may not necessarily be designed to protect our shareholders. Consequently, these regulations often serve to limit our activities. For example, federal bank regulatory agencies have recently issued leveraged lending guidance covering transactions characterized by a degree of financial leverage. To the extent that such guidance limits the amount or cost of financing our funds are able to obtain for transactions, the returns on our funds' investments may suffer.

Regulatory changes could adversely affect our business. As a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the financial markets and the regulatory environment in which we operate both in the United States and outside the United States is particularly likely to be subject to further regulation. There have been active debates both nationally and internationally over the appropriate extent of regulation and oversight in a number of areas which are or may be relevant to us, including private investment funds and their managers and the so-called "shadow banking" sector. Any changes in the regulatory framework applicable to our businesses may impose additional expenses on us, require the attention of senior management or result in limitations in the manner in which our business is conducted.

The Dodd-Frank Wall Street Reform and Consumer Protection Act, or the "Dodd-Frank Act," continues to impose significant new regulations on almost every aspect of the U.S. financial services industry, including aspects of our business and the markets in which we operate. Among other things, the Dodd-Frank Act includes the following provisions that could have an adverse impact on our ability to continue to operate our businesses.

- The Dodd-Frank Act established the Financial Stability Oversight Council (the "FSOC"), which is comprised of representatives of all the major U.S. financial regulators, to act as the financial system's systemic risk regulator with the authority to review the activities of non-bank financial companies predominantly engaged in financial activities that are designated as "systemically important." Such designation is applicable to companies where material financial distress could pose risk to the financial stability of the United States. On April 3, 2012, the

FSOC issued a final rule and interpretive guidance regarding the process by which it will designate nonbank financial companies as systemically important. The final rule and interpretive guidance detail a three-stage process, with the level of scrutiny increasing at each stage. Initially, the FSOC will apply a broad set of uniform quantitative metrics to screen out financial companies that do not warrant additional review. The FSOC will consider whether a company has at least $50 billion in total consolidated assets and whether it meets other thresholds relating to credit default swaps outstanding, derivative liabilities, total debt outstanding, a minimum leverage ratio of total consolidated assets (excluding separate accounts) to total equity of 15 to 1, and a short-term debt ratio of debt (with maturities of less than 12 months) to total consolidated assets (excluding separate accounts) of 10%. A company that meets or exceeds both the asset threshold and one of the other thresholds will be subject to additional review. The review criteria could, and is expected to, evolve over time. While we believe it to be unlikely that we would be designated as systemically important, if such designation were to occur, we would be subject to significantly increased levels of regulation, which includes, without limitation, a requirement to adopt heightened standards relating to capital, leverage, liquidity, risk management, credit exposure reporting and concentration limits, restrictions on acquisitions and being subject to annual stress tests by the Board of Governors of the Federal Reserve System (the "Federal Reserve").

- The Dodd-Frank Act, under what has become known as the "Volcker Rule," generally prohibits depository institution holding companies (including certain foreign banks with U.S. branches and insurance companies with U.S. depository institution subsidiaries), insured depository institutions and subsidiaries and affiliates of such entities (collectively, "banking entities") from investing in, sponsoring or having certain other relationships with private equity funds or hedge funds. The Volcker Rule became effective on July 21, 2012. The statute provides banking entities a period of two years to conform their activities and investments to the requirement of the statute, i.e., until July 21, 2014. However, the Federal Reserve is permitted to extend this conformance period, one year at a time, for a total of no more than three additional years. Pursuant to this authority on December 18, 2014, the Federal Reserve extended the conformance period for an additional year, until July 21, 2015. By the expiration of such date, banking entities must have wound down, sold or otherwise conformed their activities investments and relationships to the requirements of the Volcker Rule. In addition, the Dodd-Frank Act includes a special provision to address the difficulty banking entities may experience in conforming investments in a private equity fund that qualifies as an "illiquid fund," specifically, a fund that as of May 1, 2010 was principally invested in, or was contractually committed to principally invest in, illiquid assets and makes all investments pursuant to, and consistent with, an investment strategy to principally invest in illiquid assets. For such a fund, a banking entity may seek approval for an extended conformance period of up to five years. While there remains substantial uncertainty regarding the availability of extensions and transition period relief, as well as general practical implications under the Volcker Rule, there are likely to be adverse implications on our ability to raise funds from banking organizations as a result of this prohibition.

- The Dodd-Frank Act requires many private equity and hedge fund advisers to register with the SEC under the Investment Advisers Act, to maintain extensive records and to file reports if deemed necessary for purposes of systemic risk assessment by certain governmental bodies. As described elsewhere in this Form 10-K, all of the investment advisers of our investment funds operated in the U.S. are registered as investment advisers with the SEC.

- The Dodd-Frank Act authorizes federal regulatory agencies to review and, in certain cases, prohibit compensation arrangements at financial institutions that give employees incentives to engage in conduct deemed to encourage inappropriate risk taking by covered financial institutions. Such restrictions could limit our ability to recruit and retain investment professionals and senior management executives.

- Rules and regulations required under the Dodd-Frank Act have recently begun to become effective and comprehensively regulate the "over the counter" ("OTC") derivatives markets for the first time. The Dodd-Frank Act imposes mandatory clearing and will impose exchange or swap execution facility trading and margin requirements on many swaps and derivative transactions (including formerly unregulated over-the-counter derivatives). The Commodity Futures Trading Commission (the "CFTC") currently requires that certain interest rate and credit default index swaps be centrally cleared and the first requirement to execute certain contracts through a swap execution facility is now effective. Additional standardized swap contracts are expected to be subject to new clearing and execution requirements in the future. OTC trades submitted for clearing will be subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as possible margin requirements mandated by the SEC or the CFTC. For swaps that are cleared through a clearinghouse, the funds will face the clearinghouse as legal counterparty and will be subject to clearinghouse performance and credit risk. Clearinghouse collateral requirements may differ from and be greater than the

collateral terms negotiated with derivatives counterparties in the OTC market. This may increase a fund's cost in entering into these products and impact a fund's ability to pursue certain investment strategies. OTC derivative dealers are also required to post margin to the clearinghouses through which they clear their customers' trades instead of using such margin in their operations for cleared derivatives, as is currently permitted. This will increase the OTC derivative dealers' costs and these increased costs are expected to be passed through to other market participants in the form of higher upfront and mark-to-market margin, less favorable trade pricing, and possible new or increased fees.

OTC trades not cleared through a registered clearinghouse may not be subject to the protections afforded to participants in cleared swaps (for example, centralized counterparty, customer asset segregation and mandatory margin requirements). The regulators have proposed margin requirements on non-cleared OTC derivatives, but these regulations have not yet been finalized. Although the Dodd-Frank Act includes limited exemptions from the clearing and margin requirements for so-called "end-users," our funds and portfolio companies may not be able to rely on such exemptions.

The Dodd-Frank Act also creates new categories of regulated market participants, such as "swap-dealers," "security-based swap dealers," "major swap participants" and "major security-based swap participants" who will be subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements, which will give rise to new administrative costs. Even if certain new requirements are not directly applicable to us, they may still increase our costs of entering into transactions with the parties to whom the requirements are directly applicable. Moreover, new exchange or swap execution facility trading and trade reporting requirements may lead to reductions in the liquidity or price transparency of certain swaps and derivative transactions, causing higher pricing or reduced availability of derivatives, or the reduction of arbitrage opportunities for us, which could adversely affect the performance of certain of our trading strategies.

Position limits imposed by various regulators, self-regulatory organizations or trading facilities on derivatives may also limit our ability to affect desired trades. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. For example, the CFTC, on November 5, 2013, re-proposed rules that would establish specific limits on positions in 28 physical commodity futures and option contracts as well as swaps that are economically equivalent to such contracts. In addition, the Dodd-Frank Act requires the SEC to set position limits on security-based swaps. If such proposed rules are adopted, we may be required to aggregate the positions of our various investment funds and the positions of our funds' portfolio companies. It is possible that trading decisions may have to be modified and that positions held may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect our operations and profitability.

- On October 21, 2014, the final rules implementing the credit risk retention requirements of Section 941 of the Dodd-Frank Act (the "Risk Retention Rules") were issued. Except with respect to asset-backed securities transactions that satisfy certain exemptions, the Risk Retention Rules generally require sponsors of asset-backed securities transactions to retain not less than 5% of the credit risk of the assets collateralizing asset-backed securities. The Risk Retention Rules will become effective beginning on December 24, 2016 with respect to asset-backed securities collateralized by assets other than residential mortgages (and December 24, 2015 for asset-backed securities collateralized by residential mortgages). The new mandatory risk retention requirement for CLOs may result in us having to invest money in CLOs that we manage after the effective date of the Risk Retention Rules (including, potentially, in existing CLOs that are refinanced or as to which certain other material events occur after such effective date) that would otherwise be available for other uses. While the impact of the Risk Retention Rules on the loan securitization market and the leveraged loan market generally are uncertain, the Risk Retention Rules may impact our ability or desire to manage CLOs in the future.

- The Dodd-Frank Act requires public companies to adopt and disclose policies requiring, in the event the company is required to issue an accounting restatement, the clawback of related incentive compensation from current and former executive officers.

- The Dodd-Frank Act amends the Exchange Act to compensate and protect whistleblowers who voluntarily provide original information to the SEC and establishes a fund to be used to pay whistleblowers who will be entitled to receive a payment equal to between 10% and 30% of certain monetary sanctions imposed in a successful government action resulting from the information provided by the whistleblower. We expect that these provisions will result in a significant increase in whistleblower claims across our industry, and investigating such claims

could generate significant expenses and take up significant management time, even for frivolous and non-meritorious claims.

Many of these provisions are subject to further rulemaking and to the discretion of regulatory bodies, such as the FSOC, the Federal Reserve and the SEC.

In June 2010, the SEC adopted a “pay-to-play” rule that restricts politically active investment advisors from managing state pension funds. The rule prohibits, among other things, a covered investment advisor from receiving compensation for advisory services provided to a government entity (such as a state pension fund) for a two-year period after the advisor, certain covered employees of the advisor or any covered political action committee controlled by the advisor or its employees makes a political contribution to certain government officials. In addition, a covered investment advisor is prohibited from engaging in political fundraising activities for certain elected officials or candidates in jurisdictions where such advisor is providing or seeking governmental business. This rule complicates and increases the compliance burden for our investment advisors. It will be imperative for a covered investment advisor to adopt an effective compliance program in light of the substantial penalties associated with the rule.

It is impossible to determine the full extent of the impact on us of the Dodd-Frank Act or any other new laws, regulations or initiatives that may be proposed or whether any of the proposals will become law. Any changes in the regulatory framework applicable to our business, including the changes described above, may impose additional costs on us, require the attention of our senior management or result in limitations on the manner in which we conduct our business. Moreover, as calls for additional regulation have increased, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative asset management funds, including our funds. Compliance with any new laws or regulations could make compliance more difficult and expensive, affect the manner in which we conduct our business and adversely affect our profitability.

Exemptions from Certain Laws. We regularly rely on exemptions from various requirements of law or regulation, including the Securities Act, the Exchange Act, the Investment Company Act, CFTC regulations, the Commodity Exchange Act of 1936, as amended, and the Employment Retirement Income Security Act of 1974, as amended in conducting our activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. For example, in raising new funds, we typically rely on private placement exemptions from registration under the Securities Act, including Regulation D, which was recently amended to prohibit issuers (including our funds) from relying on certain of the exemptions from registration if the fund or any of its "covered persons" (including certain officers and directors, but also including certain third parties including, among others, promoters, placement agents and beneficial owners of 20% of outstanding voting securities of the fund) has been the subject of a "disqualifying event," or constitutes a "bad actor," which can result from a variety of criminal, regulatory and civil matters. If any of the covered persons associated with our funds is subject to a disqualifying event, one or more of our funds could lose the ability to raise capital in a Rule 506 private offering for a significant period of time, which could significantly impair our ability to raise new funds, and, therefore, could materially adversely affect our business, financial condition and results of operations. In addition, if certain of our employees or any potential significant fund investor has been the subject of a disqualifying event, we could be required to reassign or terminate such an employee or we could be required to refuse the investment of such an investor, which could impair our relationships with investors, harm our reputation, or make it more difficult to raise new funds. If for any reason any of these exemptions were to become unavailable to us, we could become subject to regulatory action, third-party claims or be required to register under certain regulatory regimes, and our businesses could be materially and adversely affected. See, for example, “—Risks Related to Our Organization and Structure—If we were deemed an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as contemplated and could have a material adverse effect on our businesses and the price of our Class A shares.”

Fund Regulatory Environment. The regulatory environment in which our funds operate may affect our businesses. For example, changes in antitrust laws or the enforcement of antitrust laws could affect the level of mergers and acquisitions activity, and changes in state laws may limit investment activities of state pension plans. See “Item 1. Business—Regulatory and Compliance Matters” for a further discussion of the regulatory environment in which we conduct our businesses.

Certain of the funds and accounts we manage that engage in originating, lending and/or servicing loans, may be subject to state and federal regulation, borrower disclosure requirements, limits on fees and interest rates on some loans, state lender licensing requirements and other regulatory requirements in the conduct of their business. These funds and accounts may also be subject to consumer disclosures and substantive requirements on consumer loan terms and other federal regulatory requirements applicable to consumer lending that are administered by the Consumer Financial Protection Bureau. These state and federal regulatory programs are designed to protect borrowers.

State and federal regulators and other governmental entities have authority to bring administrative enforcement actions or litigation to enforce compliance with applicable lending or consumer protection laws, with remedies that can include fines and monetary penalties, restitution of borrowers, injunctions to conform to law, or limitation or revocation of licenses and other remedies and penalties. In addition, lenders and servicers may be subject to litigation brought by or on behalf of borrowers for violations of laws or unfair or deceptive practices. Failure to conform to applicable regulatory and legal requirements could be costly and have a detrimental impact on certain of Apollo's funds and accounts and ultimately on Apollo.

Portfolio Company Regulatory Environment. The regulatory environment in which our funds' portfolio companies operate may affect our business. For example, certain of our funds may invest in the natural resources industry where environmental laws, regulations and regulatory initiatives play a significant role and can have a substantial effect on investments in the industry. See for additional examples "—Insurance Regulation" and "—We are a holding company subject to the jurisdiction of the Federal Energy Regulatory Commission (the "FERC"). An acquirer of our Class A shares may be required to obtain prior approval from the FERC and make other filings with FERC." Additionally, we or certain of our investment funds potentially could be held liable under ERISA for the pension obligations of one or more of our funds' portfolio companies if we or the investment fund were determined to be engaged in a "trade or business" and deemed part of the same "controlled group" as the portfolio company, and the pension obligations of any particular portfolio company could be material. In a 2013 decision of a federal appellate court (*Sun Capital Partners III LP v. New England Teamsters & Trucking Indus. Pension Fund*), a private equity fund was held to be engaged in a "trade or business" under ERISA. In addition, regulators may scrutinize, investigate or take action against us as a result of actions or inactions by portfolio companies operating in a regulated industry if such a regulator were to deem, or potentially deem, such portfolio company to be under our control. For example, based on positions taken by European governmental authorities, we or certain of our investment funds potentially could be liable for fines if portfolio companies deemed to be under our control are found to have violated European antitrust laws. Such potential, or future, liability may materially affect our business.

Future Regulation. We may be adversely affected as a result of new or revised legislation or regulations imposed in the U.S. or elsewhere. As calls for additional regulation have increased, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative asset management funds, including our funds. Such investigations may impose additional expenses on us, may require the attention of senior management and may result in fines or other sanctions if any of our funds are deemed to have violated any regulations.

We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules. New laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business and divert significant management and operational resources and attention from our business.

Apollo provides investment management services through registered investment advisors. Investment advisors are subject to extensive regulation in the United States and in the other countries in which our investment activities occur. The SEC oversees our activities as a registered investment advisor under the Investment Advisers Act. In the United Kingdom, we are subject to regulation by the U.K. Financial Conduct Authority, which replaced the Financial Services Authority as of April 1, 2013. Our other European operations, and our investment activities around the globe, are subject to a variety of regulatory regimes that vary country by country. A failure to comply with the obligations imposed by regulatory regimes to which we are subject, including the Investment Advisers Act, could result in investigations, sanctions and reputational damage.

In November 2010, the European Parliament adopted the Directive on Alternative Investment Fund Managers, or the "AIFM," which was required to be implemented in the national laws of the European Union ("EU") member states by July 22, 2013. The AIFM is also likely to be implemented in the countries which form part of the European Economic Area (the "EEA"). The AIFM imposes significant new regulatory requirements on investment managers operating within the EEA, including with respect to conduct of business, regulatory capital, valuations, disclosures and marketing, and rules on the structure of remuneration for certain personnel. Alternative investment funds organized outside of the EU in which interests are marketed within the EEA are now subject to significant conditions on their operations. In the immediate future, such funds may be marketed only in certain EEA jurisdictions and in compliance with requirements to register the fund for marketing in each relevant jurisdiction and to undertake periodic investor and regulatory reporting. In some countries, additional obligations are imposed, for example in Germany, marketing of a non-EEA fund now also requires the appointment of one or more depositaries (with cost implications for the fund). In the longer term (late 2015 at the earliest) non-EEA managers of non-EEA funds may be able to register under the AIFM. Where Apollo registers under the AIFM, Apollo will have more freedom to promote relevant funds in the EEA, although this will be subject to full compliance with all the requirements of the AIFM, which include (among other things) satisfying the competent authority of the robustness of internal arrangements with respect to risk management, in particular liquidity risks and additional operational and counterparty risks associated with short selling; the management and disclosure of conflicts of interest; the fair valuation of assets; and the security of depository/custodial arrangements. Additional requirements and restrictions apply where funds invest in an EEA portfolio company, including restrictions that may impose limits on certain investment and realization

strategies, such as dividend recapitalizations and reorganizations. Such rules could potentially impose significant additional costs on the operation of our business or investments in the EEA and could limit our operating flexibility within the relevant jurisdictions.

In July 2012, the European Parliament adopted the Regulation on OTC derivatives, central counterparties and trade repositories, known as “EMIR.” EMIR comes into force in stages and implements requirements similar to, but not the same as, those in Title VII of Dodd Frank, in particular requiring reporting of all derivative transactions, risk mitigation (in particular initial and variation margin) for OTC derivative transactions and central clearing of certain OTC derivative contracts. EMIR has minimal impact on the Apollo funds at present but is likely to apply more fully as additional implementation stages are reached. Compliance with the requirements is likely to increase the burdens and costs of doing business.

In Germany, legislative amendments have been adopted which may limit deductibility of interest and other financing expenses in companies in which our funds have invested or may invest in the future. According to the German interest barrier rule, the tax deduction available to a company in respect of a net interest expense (interest expense less interest income) is limited to 30% of its tax earnings before interest, taxes, depreciation and amortization (“EBITDA”). Annual net interest expense that does not exceed the threshold of €3m can be deducted without any limitations for income tax purposes. Interest expense in excess of the interest deduction limitation may be carried forward indefinitely (subject to change in ownership restrictions) and used in future periods against all profits and gains. In respect of a tax group, interest paid by the German tax group entities to non-tax group parties (e.g. interest on bank debt, capex facility and working capital facility debt) will be restricted to 30% of the tax group’s tax EBITDA. However, the interest barrier rule may not apply where German company’s gearing under International Financial Reporting Standards (“IFRS”) accounting principles is at maximum of 2% higher than the overall group’s leverage ratio at the level of the very top level entity which would be subject to IFRS consolidation (the “escape clause test”). This test is failed where any worldwide company of the entire group pays more than 10% of its net interest expense on debt to substantial (i.e. greater than 25%) shareholders, related parties of such shareholders (that are not members of the group) or secured third parties (although security granted by group members should not be harmful). If the group does not apply IFRS accounting principles, EU member countries’ generally accepted accounting principles or generally accepted accounting principles in the United States of America (“U.S. GAAP”) may also be accepted for the purpose of the escape clause test. It should be noted that for trade tax purposes, there is principally a 25% add back on all deductible interest paid or accrued by any German entity after the consideration of a tax exempt amount kEUR 100 which is applied to the sum of all add back amounts. For trade tax purposes interest payments within a German tax group will not be considered. Our businesses are subject to the risk that similar measures might be introduced in other countries in which they currently have investments or plan to invest in the future, or that other legislative or regulatory measures might be promulgated in any of the countries in which we operate that adversely affect our businesses. Additionally, the Organization for Economic Co-Operation and Development ("OECD") issued an action plan in July 2013 calling for a coordinated multi-jurisdictional approach to "base erosion and profit shifting" by multinational companies. The action plan identified 15 actions the OECD determined are needed to address "base erosion and profit shifting" and generally set target dates for completion of each of the items between 2014 and 2015. Any changes to international tax laws or foreign domestic tax laws, including new definitions of “permanent establishment”, could impact the tax treatment of our foreign earnings and adversely impact the investment returns of our funds.

Insurance Regulation. State insurance departments have broad administrative powers over the insurance business of our insurance company affiliates, including insurance company licensing and examination, agent licensing, establishment of reserve requirements and solvency standards, premium rate regulation, admissibility of assets, policy form approval, unfair trade and claims practices, payment of dividends and distributions to shareholders, review and/or approval of transactions with affiliates and other matters. State regulators regularly review and update these and other requirements.

Currently, there are proposals to increase the scope of regulation of insurance holding companies in both the United States and internationally. In the United States, the NAIC has promulgated amendments to its insurance holding company system model law and regulations for consideration by the various states that would provide for more extensive informational reporting regarding parents and other affiliates of insurance companies, with the purpose of protecting domestic insurers from enterprise risk, including requiring an annual enterprise risk report by the ultimate controlling person identifying the material risks within the insurance holding company system that could pose enterprise risk to domestic insurers. To date, both Iowa and New York have enacted laws to adopt such amendments. Internationally, the International Association of Insurance Supervisors is in the process of adopting a framework for the “group wide” supervision of internationally active insurance groups. The NAIC has also promulgated additional amendments to its insurance holding company system model law that address “group wide” supervision of internationally active insurance groups. Changes to existing laws or regulations must be adopted by individual states or foreign jurisdictions before they will become effective. We cannot predict with any degree of certainty the additional capital requirements, compliance costs or other burdens these requirements may impose on us and our insurance company affiliates.

The Dodd-Frank Act created the Federal Insurance Office (the "FIO") within the Department of Treasury headed by a Director appointed by the Treasury Secretary. The FIO is designed principally to exercise a monitoring and information gathering role, rather than a regulatory role. In that capacity, the FIO has been charged with providing reports to the U.S. Congress on (i) modernization of U.S. insurance regulation and (ii) the U.S. and global reinsurance market. Such reports could ultimately lead to changes in the regulation of insurers and reinsurers in the U.S.

We are a holding company subject to the jurisdiction of the Federal Energy Regulatory Commission (the "FERC"). An acquirer of our Class A shares may be required to obtain prior approval from the FERC and make other filings with the FERC.

We are a holding company subject to the jurisdiction of the FERC as a result of certain of the funds we manage directly or indirectly owning, controlling or holding, with power to vote, 10% or more of the voting securities in a "public-utility company" or a "holding company" of a public-utility company (as those terms are defined in the U.S. Public Utility Holding Company Act of 2005, or "PUHCA"). Absent an exemption to or waiver from the FERC's regulations implementing PUHCA, we and any affiliate, associate company and subsidiary company (as those terms are defined in PUHCA), would be required to maintain and make available to FERC, such books, accounts, memoranda and other records of transactions as the FERC may deem relevant to electric or natural gas rates subject to the FERC's jurisdiction. We have submitted a notification of holding company status and a notification of waiver of the accounting, record retention and reporting requirements to the FERC. An acquirer of securities representing 10% or more of the total voting power of Apollo Global Management, LLC likewise would be required to submit similar filings to the FERC under PUHCA.

We are a holding company with subsidiaries that are the general partner and manager of certain funds that have an investment in entities that are "public utilities" (as defined in the Federal Power Act (the "FPA")) and, therefore, subject to FERC's jurisdiction under the FPA. An acquirer of our Class A shares that (i) is, or is affiliated with, a "holding company" of a public-utility company, or (ii) is itself a public utility under the FPA, may have its own independent obligation to obtain prior approval from, or make other filings with, FERC with respect to an acquisition of 10% or more of the total voting power of Apollo Global Management, LLC.

Our revenue, net income and cash flow are all highly variable, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our Class A shares to decline.

Our revenue, net income and cash flow are all highly variable, primarily due to the fact that carried interest from our private equity funds and certain of our credit and real estate funds, which constitutes the largest portion of income from our combined businesses, and the transaction and advisory fees that we receive can vary significantly from quarter to quarter and year to year. In addition, the investment returns of most of our funds are volatile. We may also experience fluctuations in our results from quarter to quarter and year to year due to a number of other factors, including changes in the values of our funds' investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. Our future results will also be significantly dependent on the success of our larger funds (e.g., Fund VIII), changes in the value of which may result in fluctuations in our results. In addition, carried interest income from our private equity funds and certain of our credit and real estate funds is subject to contingent repayment by the general partner if, upon the final distribution, the relevant fund's general partner has received cumulative carried interest on individual portfolio investments in excess of the amount of carried interest it would be entitled to from the profits calculated for all portfolio investments in the aggregate. See "—Poor performance of our funds would cause a decline in our revenue and results of operations, may obligate us to repay incentive income previously paid to us and would adversely affect our ability to raise capital for future funds." Such variability may lead to volatility in the trading price of our Class A shares and cause our results for a particular period not to be indicative of our performance in a future period. It may be difficult for us to achieve steady growth in net income and cash flow on a quarterly basis, which could in turn lead to large adverse movements in the price of our Class A shares or increased volatility in our Class A share price generally.

The timing of carried interest generated by our funds is uncertain and will contribute to the volatility of our results. Carried interest depends on our funds' performance. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and then to realize the cash value or other proceeds of an investment through a sale, public offering, recapitalization or other exit. Even if an investment proves to be profitable, it may be several years before any profits can be realized in cash or other proceeds. We cannot predict when, or if, any realization of investments will occur. Generally, with respect to our private equity funds, although we recognize carried interest income on an accrual basis, we receive private equity carried interest payments only upon disposition of an investment by the relevant fund, which contributes to the volatility of our cash flow. If we were to have a realization event in a particular quarter or year, it may have a significant impact on our results for that particular quarter or year that may not be replicated in subsequent periods. We recognize revenue on investments in our funds based on our allocable share of realized and unrealized gains (or losses) reported by such funds, and a

decline in realized or unrealized gains, or an increase in realized or unrealized losses, would adversely affect our revenue, which could further increase the volatility of our results. With respect to a number of our credit funds, our incentive income is generally paid annually, semi-annually or quarterly, and the varying frequency of these payments will contribute to the volatility of our revenues and cash flow. Furthermore, we earn this incentive income only if the net asset value of a fund has increased or, in the case of certain funds, increased beyond a particular threshold. Certain of our credit funds also have "high water marks" with respect to the investors in these funds. If the high water mark for a particular investor is not surpassed, we would not earn incentive income with respect to such investor during a particular period even though such investor had positive returns in such period as a result of losses in prior periods. If such an investor experiences losses, we will not be able to earn incentive income from such investor until it surpasses the previous high water mark. The incentive income we earn is therefore dependent on the net asset value of investors' investments in the fund, which could lead to significant volatility in our results.

Because our revenue, net income and cash flow can be highly variable from quarter to quarter and year to year, we plan not to provide any guidance regarding our expected quarterly and annual operating results. The lack of guidance may affect the expectations of public market analysts and could cause increased volatility in our Class A share price.

The investment management business is intensely competitive, which could have a material adverse impact on us.

The investment management business is intensely competitive. We face competition both in the pursuit of outside investors for our funds and in acquiring investments in attractive portfolio companies and making other investments. It is possible that it will become increasingly difficult for our funds to raise capital as funds compete for investments from a limited number of qualified investors. As a result of the global economic downturn during 2008 and 2009 and generally poor returns in alternative asset investment businesses during the crisis, institutional investors suffered from decreasing returns, liquidity pressure, increased volatility and difficulty maintaining targeted asset allocations, and a significant number of investors materially decreased or temporarily stopped making new fund investments during this period. As the economy continues to recover, such investors may elect to reduce their overall portfolio allocations to alternative investments such as private equity and hedge funds, resulting in a smaller overall pool of available capital in our industry. Even if such investors continue to invest at historic levels, they may seek to negotiate reduced fee structures or other modifications to fund structures as a condition to investing.

In the event all or part of this analysis proves true, when trying to raise new capital we will be competing for fewer total available assets in an increasingly competitive environment which could lead to fee reductions and redemptions as well as difficulty in raising new capital. Such changes would adversely affect our revenues and profitability.

Competition among funds is based on a variety of factors, including:

- investment performance;
- investor liquidity and willingness to invest;
- investor perception of investment managers' drive, focus and alignment of interest;
- quality of service provided to and duration of relationship with investors;
- business reputation; and
- the level of fees and expenses charged for services.

We compete in all aspects of our businesses with a large number of investment management firms, private equity, credit and real estate fund sponsors and other financial institutions. A number of factors serve to increase our competitive risks:

- fund investors may develop concerns that we will allow a business to grow to the detriment of its performance;
- investors may reduce their investments in our funds or not make additional investments in our funds based upon current market conditions, their available capital or their perception of the health of our businesses;
- some of our competitors have greater capital, lower targeted returns or greater sector or investment strategy-specific expertise than we do, which creates competitive disadvantages with respect to investment opportunities;
- some of our competitors may also have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities;
- some of our competitors may perceive risk differently than we do, which could allow them either to outbid us for investments in particular sectors or, generally, to consider a wider variety of investments;
- some of our funds may not perform as well as competitors' funds or other available investment products;

- our competitors that are corporate buyers may be able to achieve synergistic cost savings in respect of an investment, which may provide them with a competitive advantage in bidding for an investment;
- some fund investors may prefer to invest with an investment manager that is not publicly traded;
- there are relatively few barriers to entry impeding new private equity and capital markets fund management firms, and the successful efforts of new entrants into our various businesses, including former "star" portfolio managers at large diversified financial institutions as well as such institutions themselves, will continue to result in increased competition;
- there are relatively few barriers to entry to our businesses, implementing an integrated platform similar to ours or the strategies that we deploy at our funds, such as distressed investing, which we believe are our competitive strengths, except that our competitors would need to hire professionals with the investment expertise or grow it internally; and
- other industry participants continuously seek to recruit our investment professionals away from us.

These and other factors could reduce our earnings and revenues and have a material adverse effect on our businesses. In addition, if we are forced to compete with other alternative investment managers on the basis of price, we may not be able to maintain our current management fee and incentive income structures. We have historically competed primarily on the performance of our funds, and not on the level of our fees or incentive income relative to those of our competitors. However, there is a risk that fees and incentive income in the alternative investment management industry will decline, without regard to the historical performance of a manager. Fee or incentive income reductions on existing or future funds, without corresponding decreases in our cost structure, would adversely affect our revenues and profitability.

Our ability to retain our investment professionals is critical to our success and our ability to grow depends on our ability to attract additional key personnel.

Our success depends on our ability to retain our investment professionals and recruit additional qualified personnel. We anticipate that it will be necessary for us to add investment professionals as we pursue our growth strategy. However, we may not succeed in recruiting additional personnel or retaining current personnel, as the market for qualified investment professionals is extremely competitive. Our investment professionals possess substantial experience and expertise in investing, are responsible for locating and executing our funds' investments, have significant relationships with the institutions that are the source of many of our funds' investment opportunities, and in certain cases have key relationships with our fund investors. Therefore, if our investment professionals join competitors or form competing companies it could result in the loss of significant investment opportunities and certain existing fund investors. Legislation has been proposed in the U.S. Congress to treat portions of carried interest as ordinary income rather than as capital gain for U.S. Federal income tax purposes. Because we compensate our investment professionals in large part by giving them an equity interest in our business or a right to receive carried interest, such legislation could adversely affect our ability to recruit, retain and motivate our current and future investment professionals. See "—Risks Related to Taxation—Our structure involves complex provisions of U.S. Federal income tax law for which no clear precedent or authority may be available. Our structure is also subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis." Many of our investment professionals are also entitled to receive carried interest or incentive income, and fluctuations in the distributions generated from such sources could also impair our ability to attract and retain qualified personnel. The loss of even a small number of our investment professionals could jeopardize the performance of our funds, which would have a material adverse effect on our results of operations. Efforts to retain or attract investment professionals may result in significant additional expenses, which could adversely affect our profitability.

We strive to maintain a work environment that promotes our culture of collaboration, motivation and alignment of interests with our fund investors and shareholders. If we do not continue to develop and implement effective processes and tools to manage growth and reinforce this vision, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations.

We may not be successful in expanding into new investment strategies, markets and businesses.

We actively consider the opportunistic expansion of our businesses, both geographically and into complementary new investment strategies. We may not be successful in any such attempted expansion. Attempts to expand our businesses involve a number of special risks, including some or all of the following:

- the diversion of management's attention from our core businesses;
- the disruption of our ongoing businesses;
- entry into markets or businesses in which we may have limited or no experience;
- increasing demands on our operational systems;
- potential increase in investor concentration; and

- the broadening of our geographic footprint, increasing the risks associated with conducting operations in foreign jurisdictions.

Additionally, any expansion of our businesses could result in significant increases in our outstanding indebtedness and debt service requirements, which would increase the risks in investing in our Class A shares and may adversely impact our results of operations and financial condition.

We also may not be successful in identifying new investment strategies or geographic markets that increase our profitability, or in identifying and acquiring new businesses that increase our profitability. Because we have not yet identified these potential new investment strategies, geographic markets or businesses, we cannot identify for you all the risks we may face and the potential adverse consequences on us and your investment that may result from our attempted expansion. We also do not know how long it may take for us to expand, if we do so at all. We have also entered into strategic partnerships and separately managed accounts, which lack the scale of our traditional funds and are more costly to administer. The prevalence of these accounts may also present conflicts and introduce complexity in the deployment of capital. We have total discretion, at the direction of our manager, without needing to seek approval from our board of directors or shareholders, to enter into new investment strategies, geographic markets and businesses, other than expansions involving transactions with affiliates which may require board approval.

Many of our funds invest in relatively high-risk, illiquid assets and we may fail to realize any profits from these activities for a considerable period of time or lose some or all of the principal amount we invest in these activities.

Many of our funds invest in securities that are not publicly traded. In many cases, our funds may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. Our funds will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Accordingly, our funds may be forced, under certain conditions, to sell securities at a loss. The ability of many of our funds, particularly our private equity funds, to dispose of investments is heavily dependent on the public equity markets, inasmuch as the ability to realize value from an investment may depend upon the ability to complete an IPO of the portfolio company in which such investment is held. Furthermore, large holdings even of publicly traded equity securities can often be disposed of only over a substantial period of time, exposing the investment returns to risks of downward movement in market prices during the disposition period.

Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments.

Because certain of our funds' investments rely heavily on the use of leverage, our ability to achieve attractive rates of return on investments will depend on our continued ability to access sufficient sources of indebtedness at attractive rates. For example, in many of our private equity investments, indebtedness may constitute 70% or more of a portfolio company's total debt and equity capitalization, including debt that may be incurred in connection with the investment, and a portfolio company's leverage may increase as a result of recapitalization transactions subsequent to the company's acquisition by a private equity fund. The absence of available sources of senior debt financing for extended periods of time could therefore materially and adversely affect our funds. An increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance those investments. Increases in interest rates could also make it more difficult to locate and consummate private equity investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital. In addition, a portion of the indebtedness used to finance certain of our fund investments often includes high-yield debt securities. Availability of capital from the high-yield debt markets is subject to significant volatility, and there may be times when we might not be able to access those markets at attractive rates, or at all. For example, the dislocation in the credit markets which we believe began in July 2007 and the record backlog of supply in the debt markets resulting from such dislocation materially affected the ability and willingness of banks to underwrite new high-yield debt securities until relatively recently. The availability of debt facilities may be further limited following guidance issued to banks in March 2013 by the Federal Reserve, Office of the Comptroller of the Currency and the Federal Deposit Insurance Corp. relating to loans to highly leveraged companies, and reported recent statements by the Federal Reserve and Office of the Comptroller of the Currency reaffirming their position on such loans.

Investments in highly leveraged entities are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. The incurrence of a significant amount of indebtedness by an entity could, among other things:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which might limit the entity's ability to respond to changing industry conditions to the extent additional cash is needed

for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;

- allow even moderate reductions in operating cash flow to render it unable to service its indebtedness, leading to a bankruptcy or other reorganization of the entity and a loss of part or all of the equity investment in it;
- limit the entity's ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;
- limit the entity's ability to engage in strategic acquisitions that might be necessary to generate attractive returns or further growth; and
- limit the entity's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

As a result, the risk of loss associated with a leveraged entity is generally greater than for companies with comparatively less debt. For example, many investments consummated by private equity sponsors during 2005, 2006 and 2007 that utilized significant amounts of leverage subsequently experienced severe economic stress and in certain cases defaulted on their debt obligations due to a decrease in revenues and cash flow precipitated by the economic downturn.

When certain of our funds' existing portfolio investments reach the point when debt incurred to finance those investments matures in significant amounts and must be either repaid or refinanced, those investments may materially suffer if they have generated insufficient cash flow to repay maturing debt and there is insufficient capacity and availability in the financing markets to permit them to refinance maturing debt on satisfactory terms, or at all. If a limited availability of financing for such purposes were to persist for an extended period of time, when significant amounts of the debt incurred to finance these funds' existing portfolio investments came due, these funds could be materially and adversely affected.

Our credit funds may choose to use leverage as part of their respective investment programs and regularly borrow a substantial amount of their capital. The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss in the value of the investment portfolio. The credit funds may borrow money from time to time to purchase or carry securities. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried, and will be lost-and the timing and magnitude of such losses may be accelerated or exacerbated-in the event of a decline in the market value of such securities. Gains realized with borrowed funds may cause the fund's net asset value to increase at a faster rate than would be the case without borrowings. However, if investment results fail to cover the cost of borrowings, the fund's net asset value could also decrease faster than if there had been no borrowings.

In addition, as a business development company under the Investment Company Act, AINV is permitted to issue senior securities in amounts such that its asset coverage ratio equals at least 200% after each issuance of senior securities. Further, AFT and AIF, as registered investment companies, are permitted to (i) issue preferred shares in amounts such that their respective asset coverage equals at least 200% after issuance and (ii) to incur indebtedness, including through the issuance of debt securities, so long as immediately thereafter the fund will have an asset coverage of at least 300% after issuance. The ability of each of AFT, AIF and AINV to pay dividends will be restricted if its asset coverage ratio falls below 200% and any amounts that it uses to service its indebtedness are not available for dividends to its common stockholders. An increase in interest rates could also decrease the value of fixed-rate debt investments that our funds make. Any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flow.

The potential requirement to convert our financial statements from being prepared in conformity with accounting principles generally accepted in the United States of America to International Financial Reporting Standards may strain our resources and increase our annual expenses.

As a public entity, the SEC may require in the future that we report our financial results under IFRS, instead of under U.S. GAAP. IFRS is a set of accounting principles that has been gaining acceptance on a worldwide basis. These standards are published by the London-based International Accounting Standards Board, or "IASB," and are more focused on objectives and principles and less reliant on detailed rules than U.S. GAAP. Today, there remain significant and material differences in several key areas between U.S. GAAP and IFRS which would affect Apollo. Additionally, U.S. GAAP provides specific guidance in classes of accounting transactions for which equivalent guidance in IFRS does not exist. The adoption of IFRS is highly complex and would have an impact on many aspects and operations of Apollo, including but not limited to financial accounting and reporting systems, internal controls, taxes, borrowing covenants and cash management. It is expected that a significant amount of time, internal and external resources and expenses over a multi-year period would be required for this conversion.

We face operational risk from errors made in the execution, confirmation or settlement of transactions and our dependence on our headquarters in New York City and third-party providers may have an adverse impact on our ability to continue to operate our businesses without interruption which could result in losses to us or limit our growth.

We face operational risk from errors made in the execution, confirmation or settlement of transactions. We also face operational risk from transactions not being properly recorded, evaluated or accounted for in our funds. In particular, our capital markets oriented credit business is highly dependent on our ability to process and evaluate, on a daily basis, transactions across markets and geographies in a time-sensitive, efficient and accurate manner. Consequently, we rely heavily on our financial, accounting and other data processing systems. New investment products we may introduce could create a significant risk that our existing systems may not be adequate to identify or control the relevant risks in the investment strategies employed by such new investment products. In addition, our information systems and technology might not be able to accommodate our growth, and the cost of maintaining such systems might increase from its current level. These risks could cause us to suffer financial loss, a disruption of our businesses, liability to our funds, regulatory intervention and reputational damage.

Furthermore, we depend on our headquarters, which is located in New York City, for the operation of many of our businesses. A disaster or a disruption in the infrastructure that supports our businesses, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, may have an adverse impact on our ability to continue to operate our businesses without interruption which could have a material adverse effect on us. Although we have disaster recovery programs in place, these may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses.

Finally, we rely on third-party service providers for certain aspects of our businesses, including for certain information systems, technology and administration of our funds and compliance matters. Any interruption or deterioration in the performance of these third parties could impair the quality of the funds' operations and could impact our reputation, adversely affect our businesses and limit our ability to grow.

We rely on our information systems to conduct our business, and failure to protect these systems against security breaches could adversely affect our business and results of operations. Additionally, if these systems fail or become unavailable for any significant period of time, our business could be harmed.

The efficient operation of our business is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. However, these measures and technology may not adequately prevent security breaches. In addition, the unavailability of the information systems or the failure of these systems to perform as anticipated for any reason could disrupt our business and could result in decreased performance and increased operating costs, causing our business and results of operations to suffer. Any significant interruption or failure of our information systems or any significant breach of security could adversely affect our business and results of operations.

Our funds' portfolio companies also rely on data processing systems and the secure processing, storage and transmission of information, including payment and health information. A disruption or compromise of these systems could have a material adverse effect on the value of these businesses.

We derive a substantial portion of our revenues from funds managed pursuant to management agreements that may be terminated or fund partnership agreements that permit fund investors to request liquidation of investments in our funds on short notice.

The terms of our funds generally give either the general partner of the fund or the fund's board of directors the right to terminate our investment management agreement with the fund. However, insofar as we control the general partner of our funds that are limited partnerships, the risk of termination of investment management agreement for such funds is limited, subject to our fiduciary or contractual duties as general partner. This risk is more significant for certain of our funds which have independent boards of directors.

With respect to our funds that are subject to the Investment Company Act, following the initial two years of operation each fund's investment management agreement must be approved annually by such fund's board of directors or by the vote of a majority of the shareholders and the majority of the independent members of such fund's board of directors and, as required by law. Each investment management agreement for such funds can also be terminated by the majority of the shareholders. Termination of these agreements would reduce the fees we earn from the relevant funds, which could have a material adverse effect on our

results of operations. Currently, AFT and AIF, management investment companies under the Investment Company Act, and AINV, a management investment company that has elected to be treated as a business development company under the Investment Company Act, are subject to these provisions of the Investment Company Act.

The governing documents of certain of our funds provide that a simple majority of a fund's unaffiliated investors have the right to liquidate that fund, which would cause management fees and incentive income to terminate. Our ability to realize incentive income from such funds also would be adversely affected if we are required to liquidate fund investments at a time when market conditions result in our obtaining less for investments than could be obtained at later times. We do not know whether, and under what circumstances, the investors in our funds are likely to exercise such right.

In addition, the management agreements of our funds would terminate if we were to experience a change of control without obtaining investor consent. Such a change of control could be deemed to occur in the event our Managing Partners exchange enough of their interests in the Apollo Operating Group into our Class A shares such that our Managing Partners no longer own a controlling interest in us. We cannot be certain that consents required for the assignment of our management agreements will be obtained if such a deemed change of control occurs. Termination of these agreements would affect the fees we earn from the relevant funds and the transaction and advisory fees we earn from the underlying portfolio companies, which could have a material adverse effect on our results of operations.

Our use of leverage to finance our businesses will expose us to substantial risks, which are exacerbated by our funds' use of leverage to finance investments.

We have senior notes outstanding and loans outstanding and an undrawn revolving credit facility under the 2013 AMH Credit Facilities described in note 14 to our consolidated financial statements. We may choose to finance our business operations through further borrowings. Our existing and future indebtedness exposes us to the typical risks associated with the use of leverage, including those discussed above under "—Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments." These risks are exacerbated by certain of our funds' use of leverage to finance investments and, if they were to occur, could cause us to suffer a decline in the credit ratings assigned to our debt by rating agencies, if any, which might result in an increase in our borrowing costs or result in other material adverse effects on our businesses.

As these borrowings, notes and other indebtedness mature (or are otherwise repaid prior to their scheduled maturities), we may be required to either refinance them by entering into new facilities or issuing new notes, which could result in higher borrowing costs, or issuing equity, which would dilute existing shareholders. We could also repay them by using cash on hand or cash from the sale of our assets. We could have difficulty entering into new facilities, issuing new notes or issuing equity in the future on attractive terms, or at all.

We are subject to third-party litigation that could result in significant liabilities and reputational harm, which could have a material adverse effect on our results of operations, financial condition and liquidity.

In general, we will be exposed to risk of litigation by our investors if our management of any fund is alleged to constitute bad faith, gross negligence, willful misconduct, fraud, willful or reckless disregard for our duties to the fund or other forms of misconduct. Investors could sue us to recover amounts lost by our funds due to our alleged misconduct, up to the entire amount of loss. Further, we may be subject to litigation arising from investor dissatisfaction with the performance of our funds or from third-party allegations that we (i) improperly exercised control or influence over companies in which our funds have large investments or (ii) are liable for actions or inactions taken by portfolio companies that such third parties argue we control. By way of example, we, our funds and certain of our employees are each exposed to the risks of litigation relating to investment activities in our funds and actions taken by the officers and directors (some of whom may be Apollo employees) of portfolio companies, such as the risk of shareholder litigation by other shareholders of public companies in which our funds have large investments. As an additional example, we are sometimes listed as a co-defendant in actions against portfolio companies on the theory that we control such portfolio companies. We are also exposed to risks of litigation or investigation relating to transactions that presented conflicts of interest that were not properly addressed. In addition, our rights to indemnification by the funds we manage may not be upheld if challenged, and our indemnification rights generally do not cover bad faith, gross negligence, willful misconduct, fraud, willful or reckless disregard for our duties to the fund or other forms of misconduct. If we are required to incur all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from our funds, our results of operations, financial condition and liquidity would be materially adversely affected.

In addition, with a workforce that includes many very highly paid investment professionals, we face the risk of lawsuits relating to claims for compensation, which may individually or in the aggregate be significant in amount. Such claims are more likely to occur in the current environment where individual employees may experience significant volatility in their year-to-year

compensation due to trading performance or other issues and in situations where previously highly compensated employees were terminated for performance or efficiency reasons. The cost of settling such claims could adversely affect our results of operations.

If any civil or criminal lawsuits brought against us were to result in a finding of substantial legal liability or culpability, the lawsuit could, in addition to any financial damage, cause significant reputational harm to us, which could seriously harm our business. We depend to a large extent on our business relationships and our reputation for integrity and high-caliber professional services to attract and retain investors and qualified professionals and to pursue investment opportunities for our funds. As a result, allegations of improper conduct by private litigants or regulators, whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities or the private equity industry in general, whether or not valid, may harm our reputation, which may be more damaging to our business than to other types of businesses. See "Item 3. Legal Proceedings."

Our failure to deal appropriately with conflicts of interest could damage our reputation and adversely affect our businesses.

As we have expanded and as we continue to expand the number and scope of our businesses, we increasingly confront potential conflicts of interest relating to our funds' investment activities. Certain of our funds may have overlapping investment objectives, including funds that have different fee structures, and potential conflicts may arise with respect to our decisions regarding how to allocate investment opportunities among those funds. For example, a decision to acquire material non-public information about a company while pursuing an investment opportunity for a particular fund gives rise to a potential conflict of interest when it results in our having to restrict the ability of other funds to take any action. In addition, fund investors (or holders of Class A shares) may perceive conflicts of interest regarding investment decisions for funds in which our Managing Partners, who have and may continue to make significant personal investments in a variety of Apollo funds, are personally invested. Similarly, conflicts of interest may exist in the valuation of our investments and regarding decisions about the allocation of specific investment opportunities among us and our funds and the allocation of fees and costs among us, our funds and their portfolio companies.

Pursuant to the terms of our operating agreement, whenever a potential conflict of interest exists or arises between any of the Managing Partners, one or more directors or their respective affiliates, on the one hand, and us, any of our subsidiaries or any shareholder other than a Managing Partner, on the other, any resolution or course of action by our board of directors shall be permitted and deemed approved by all shareholders if the resolution or course of action (i) has been specifically approved by a majority of the voting power of our outstanding voting shares (excluding voting shares owned by our manager or its affiliates) or by a conflicts committee of the board of directors composed entirely of one or more independent directors, (ii) is on terms no less favorable to us or our shareholders (other than a Managing Partner) than those generally being provided to or available from unrelated third parties or (iii) it is fair and reasonable to us and our shareholders taking into account the totality of the relationships between the parties involved. All conflicts of interest described in this report will be deemed to have been specifically approved by all shareholders. Notwithstanding the foregoing, it is possible that potential or perceived conflicts could give rise to investor dissatisfaction or litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential or actual conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest would have a material adverse effect on our reputation which would materially adversely affect our businesses in a number of ways, including as a result of redemptions by our investors from our funds, an inability to raise additional funds and a reluctance of counterparties to do business with us.

Our organizational documents do not limit our ability to enter into new lines of businesses, and we may expand into new investment strategies, geographic markets and businesses, each of which may result in additional risks and uncertainties in our businesses.

We intend, to the extent that market conditions warrant, to grow our businesses by increasing AUM in existing businesses and expanding into new investment strategies, geographic markets and businesses. Our organizational documents, however, do not limit us to the investment management business. Accordingly, we may pursue growth through acquisitions of other investment management companies, acquisitions of critical business partners or other strategic initiatives, which may include entering into new lines of business, such as the insurance, broker-dealer or financial advisory industries. In addition, we expect opportunities will arise to acquire other alternative or traditional asset managers. To the extent we make strategic investments or acquisitions, undertake other strategic initiatives or enter into a new line of business, we will face numerous risks and uncertainties, including risks associated with (i) the required investment of capital and other resources, (ii) the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, (iii) combining or integrating operational and management systems and controls and (iv) the broadening of our geographic footprint, including the risks associated with conducting operations in foreign jurisdictions. Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business generates insufficient revenues or if we are unable to

efficiently manage our expanded operations, our results of operations will be adversely affected. Our strategic initiatives may include joint ventures, in which case we will be subject to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under our control.

Employee misconduct could harm us by impairing our ability to attract and retain investors and by subjecting us to significant legal liability, regulatory scrutiny and reputational harm. Fraud and other deceptive practices or other misconduct at our portfolio companies could similarly subject us to liability and reputational damage and also harm our performance.

Our reputation is critical to maintaining and developing relationships with the investors in our funds, potential fund investors and third parties with whom we do business. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by individuals in the financial services industry. There is a risk that our employees could engage in misconduct that adversely affects our businesses. For example, if an employee were to engage in illegal or suspicious activities, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial position, investor relationships and ability to attract future investors. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. Misconduct by our employees, or the employees of our portfolio companies, or even unsubstantiated allegations, could result in a material adverse effect on our reputation and our businesses.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the U.S. Foreign Corrupt Practices Act ("FCPA"). In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While we have developed and implemented policies and procedures designed to ensure strict compliance by us and our personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. Any determination that we have violated the FCPA or other applicable anticorruption laws or anti-bribery laws could subject us to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect our business prospects and/or financial position.

In addition, we could also be adversely affected if there is misconduct by individuals associated with portfolio companies in which our funds invest. For example, failures by personnel, or individuals acting on behalf, of our funds' portfolio companies to comply with anti-bribery, trade sanctions or other legal and regulatory requirements could adversely affect our business and reputation. There are a number of grounds upon which such misconduct at a portfolio company could subject us to criminal and/or civil liability, including on the basis of actual knowledge, willful blindness, or control person liability. Such misconduct might also undermine our funds' due diligence efforts with respect to such companies and could negatively affect the valuation of a fund's investments.

Underwriting activities expose us to risks.

Apollo Global Securities, LLC, a subsidiary of ours, may act as an underwriter in securities offerings. We may incur losses and be subject to reputational harm to the extent that, for any reason, we are unable to sell securities or indebtedness we purchased as an underwriter at the anticipated price levels. As an underwriter, we also are subject to potential liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings we underwrite.

AGS primarily provides these services for our funds' portfolio companies. The relationship between the managers of our funds, their affiliates and AGS may give rise to conflicts of interest between the managers of the funds and the funds with respect to whom AGS provides services or the funds who have an interest in any portfolio companies or investment vehicles to whom AGS provides services.

While AGS's services are primarily provided to our funds, it is possible that in the future, AGS may also provide services (including financing, capital market and advisory services) to third parties, including third parties that are our competitors or one or more of their affiliates or any portfolio companies. In the event that AGS provides services to third parties, it may not take into consideration the interests of relevant funds or portfolio companies.

The due diligence process that we undertake in connection with investments by our funds may not reveal all facts that may be relevant in connection with an investment.

Before making investments in private equity and other fund investments, including real estate investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an

assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Certain of our funds utilize special situation and distressed debt investment strategies that involve significant risks.

Our funds often invest in obligors and issuers with weak financial conditions, poor operating results, substantial financial needs, negative net worth and/or special competitive problems. These funds also invest in obligors and issuers that are involved in bankruptcy or reorganization proceedings. In such situations, it may be difficult to obtain full information as to the exact financial and operating conditions of these obligors and issuers. Additionally, the fair values of such investments are subject to abrupt and erratic market movements and significant price volatility if they are publicly traded securities, and are subject to significant uncertainty in general if they are not publicly traded securities. Furthermore, some of our funds' distressed investments may not be widely traded or may have no recognized market. A fund's exposure to such investments may be substantial in relation to the market for those investments, and the assets are likely to be illiquid and difficult to sell or transfer. As a result, it may take a number of years for the market value of such investments to ultimately reflect their intrinsic value as perceived by us.

A central feature of our distressed investment strategy is our ability to successfully predict the occurrence of certain corporate events, such as debt and/or equity offerings, restructurings, reorganizations, mergers, takeover offers and other transactions, that we believe will improve the condition of the business. If the corporate event we predict is delayed, changed or never completed, the market price and value of the applicable fund's investment could decline sharply.

In addition, these investments could subject us to certain potential additional liabilities that may exceed the value of our original investment. Under certain circumstances, payments or distributions on certain investments may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. In addition, under certain circumstances, a lender that has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In the case where the investment in securities of troubled companies is made in connection with an attempt to influence a restructuring proposal or plan of reorganization in bankruptcy, our funds may become involved in substantial litigation.

We often pursue investment opportunities that involve business, regulatory, legal or other complexities.

As an element of our investment style, we often pursue unusually complex investment opportunities. This can often take the form of substantial business, regulatory or legal complexity that would deter other investment managers. Our tolerance for complexity presents risks, as such transactions can be more difficult, expensive and time-consuming to finance and execute; it can be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny or a greater risk of contingent liabilities. Any of these risks could harm the performance of our funds.

Our funds make investments in companies that we do not control.

Investments by some of our funds will include debt instruments and equity securities of companies that we do not control. Such instruments and securities may be acquired by our funds through trading activities or through purchases of securities from the issuer. In addition, in the future, our funds may seek to acquire minority equity interests more frequently and may also dispose of a portion of their majority equity investments in portfolio companies over time in a manner that results in the funds retaining a minority investment. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of investments by our funds could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Our funds may face risks relating to undiversified investments.

While diversification is generally an objective of our funds, we cannot give assurance as to the degree of diversification that will actually be achieved in any fund investments. Because a significant portion of a fund's capital may be invested in a single investment or portfolio company, a loss with respect to such an investment or portfolio company could have a significant adverse impact on such fund's capital. Accordingly, a lack of diversification on the part of a fund could adversely affect a fund's performance and therefore our financial condition and results of operations.

Some of our funds invest in foreign countries and securities of issuers located outside of the United States, which may involve foreign exchange, political, social, economic and tax uncertainties and risks.

Some of our funds invest all or a portion of their assets in the equity, debt, loans or other securities of issuers located outside the United States, including Germany, China, India, Australia, Russia, and Singapore. In addition to business uncertainties, such investments may be affected by changes in exchange values as well as political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly with respect to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

Restrictions imposed or actions taken by foreign governments may adversely impact the value of our fund investments. Such restrictions or actions could include exchange controls, seizure or nationalization of foreign deposits or other assets and adoption of other governmental restrictions that adversely affect the prices of securities or the ability to repatriate profits on investments or the capital invested itself. Income received by our funds from sources in some countries may be reduced by withholding and other taxes. Any such taxes paid by a fund will reduce the net income or return from such investments. Our fund investments could also expose us to risks associated with trade and economic sanctions prohibitions or other restrictions imposed by the United States or other governments or organizations, including the United Nations, the European Union and its member countries, such as the sanctions against certain Russian entities and individuals. While our funds will take these factors into consideration in making investment decisions, including when hedging positions, our funds may not be able to fully avoid these risks or generate sufficient risk-adjusted returns.

In addition, as a result of the complexity of, and lack of clear precedent or authority with respect to, the application of various income tax laws to our structures, the application of rules governing how transactions and structures should be reported is also subject to differing interpretations. For example, certain countries such as Australia, Canada, China, and India, where our funds have made investments, have sought to tax investment gains (including those from real estate) derived by nonresident investors, including private equity funds, from the disposition of the equity in companies operating in those countries. In some cases this development is the result of new legislation or changes in the interpretation of existing legislation and local authority assertions that investors have a local taxable presence or are holding companies for trading purposes rather than for capital purposes, or are not otherwise entitled to treaty benefits. In addition, the tax authorities in certain countries have sought to deny the benefits of income tax treaties for withholding taxes on interest and dividends of nonresident entities, if the entity is not the beneficial owner of the income but rather a mere conduit company inserted primarily to assess treaty benefits. With respect to India, in 2012 the Supreme Court of India held in favor of a taxpayer finding that the sale of a foreign company that indirectly held Indian assets was not subject to Indian tax. However, the tax laws were amended in 2012 to subject such gains to Indian tax with retroactive effect. Further, a general anti-avoidance rule was also introduced that would provide a basis for the tax authorities to subject other sales and investments through intermediate holding jurisdictions such as Mauritius to Indian tax. While such rule is effective for tax years beginning on or after April 1, 2015, concerns have been raised with respect to these new rules including their retroactive effect in certain circumstances. Indian taxation of the capital gains of a foreign investor, upon a direct or indirect sale of an Indian company, therefore remains uncertain.

Third-party investors in our funds will have the right under certain circumstances to terminate commitment periods or to dissolve the funds, and investors in some of our credit funds may redeem their investments in such funds at any time after an initial holding period. These events would lead to a decrease in our revenues, which could be substantial.

The governing agreements of certain of our funds allow the limited partners of those funds to (i) terminate the commitment period of the fund in the event that certain “key persons” (for example, one or more of our Managing Partners and/or certain other investment professionals) fail to devote the requisite time to managing the fund, (ii) (depending on the fund) terminate the commitment period, dissolve the fund or remove the general partner if we, as general partner or manager, or certain key persons engage in certain forms of misconduct, or (iii) dissolve the fund or terminate the commitment period upon the affirmative vote of a specified percentage of limited partner interests entitled to vote. Each of Fund VI, Fund VII and Fund VIII, on which our near- to medium-term performance will heavily depend, include a number of such provisions. COF III, EPF II and certain other credit funds have similar provisions. Also, after undergoing the 2007 Reorganization, subsequent to which we deconsolidated certain funds that had historically been consolidated in our financial statements, we amended the governing documents of those funds to provide that a simple majority of a fund’s unaffiliated investors have the right to liquidate that fund. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our funds would likely result in significant reputational damage to us.

Investors in some of our credit funds may also generally redeem their investments on an annual, semiannual or quarterly basis following the expiration of a specified period of time when capital may not be redeemed (typically between one and five

years). Fund investors may decide to move their capital away from us to other investments for any number of reasons in addition to poor investment performance. Factors which could result in investors leaving our funds include changes in interest rates that make other investments more attractive, changes in investor perception regarding our focus or alignment of interest, unhappiness with changes in or broadening of a fund's investment strategy, changes in our reputation and departures or changes in responsibilities of key investment professionals. In a declining market, the pace of redemptions and consequent reduction in our AUM could accelerate. The decrease in revenues that would result from significant redemptions in these funds could have a material adverse effect on our businesses, revenues, net income and cash flows.

In addition, the management agreements of all of our funds would be terminated upon an "assignment," without the requisite consent, of these agreements, which may be deemed to occur in the event the investment advisors of our funds were to experience a change of control. We cannot be certain that consents required to assign our investment management agreements will be obtained if a change of control occurs. In addition, with respect to our publicly traded closed-end funds, each fund's investment management agreement must be approved annually by the independent members of such fund's board of directors and, in certain cases, by its stockholders, as required by law. Termination of these agreements would cause us to lose the fees we earn from such funds.

Our financial projections for portfolio companies and other fund investments could prove inaccurate.

Our funds generally establish the capital structure of portfolio companies and certain other fund investments, including real estate investments, on the basis of financial projections for such investments. These projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable, along with other factors may cause actual performance to fall short of the financial projections we used to establish a given investment's capital structure. Because of the leverage we typically employ in our investments, this could cause a substantial decrease in the value of our equity holdings in such investments. The inaccuracy of financial projections could thus cause our funds' performance to fall short of our expectations.

Our private equity funds' performance, and our performance, may be adversely affected by the financial performance of our portfolio companies and the industries in which our funds invest.

Our performance and the performance of our private equity funds is significantly affected by the value of the companies in which our funds have invested. Our funds invest in companies in many different industries, each of which is subject to volatility based upon economic and market factors. Over the last few years, the credit crisis has caused significant fluctuations in the value of securities held by our funds and the global economic recession had a significant impact in overall performance activity and the demands for many of the goods and services provided by portfolio companies of the funds we manage. Although the U.S. economy has improved, there remain many obstacles to continued growth in the economy such as high unemployment, global geopolitical events, risks of inflation and high deficit levels for governmental agencies in the U.S. and abroad. These factors and other general economic trends are likely to impact the performance of portfolio companies in many industries and in particular, industries that are more impacted by changes in consumer demand, such as the packaging, manufacturing, chemical and refining industries, as well as travel and leisure, gaming and real estate industries. The performance of our private equity funds, and our performance, may be adversely affected to the extent our fund portfolio companies in these industries experience adverse performance or additional pressure due to downward trends. For example, the performance of certain of our portfolio companies in the packaging, manufacturing, chemical and refining industries is subject to the cyclical and volatile nature of the supply-demand balance in these industries. These industries historically have experienced alternating periods of capacity shortages leading to tight supply conditions, causing prices and profit margins to increase, followed by periods when substantial capacity is added, resulting in oversupply, declining capacity utilization rates and declining prices and profit margins. In addition to changes in the supply and demand for products, the volatility these industries experience occurs as a result of changes in energy prices, costs of raw materials and changes in various other economic conditions around the world.

The performance of our investments in the commodities markets is also subject to a high degree of business and market risk, as it is substantially dependent upon prevailing prices of oil and natural gas. Certain of our funds have investments in businesses involved in oil and gas exploration and development, which can be a speculative business involving a high degree of risk, including: the volatility of oil and natural gas prices; the use of new technologies; reliance on estimates of oil and gas reserves in the evaluation of available geological, geophysical, engineering and economic data; and encountering unexpected formations or pressures, premature declines of reservoirs, blow-outs, equipment failures and other accidents in completing wells and otherwise, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks. Prices for oil and natural gas are subject to wide fluctuation in response to relatively minor changes in the supply and demand for oil and natural gas, market uncertainty and a variety of additional factors that are beyond our control, such as level of consumer product demand, the refining capacity of oil purchasers, weather conditions, government regulations,

the price and availability of alternative fuels, political conditions, foreign supply of such commodities and overall economic conditions. It is common in making investments in the commodities markets to deploy hedging strategies to protect against pricing fluctuations but such strategies may or may not protect our investments.

Similarly, the performance of cruise ship operations is also susceptible to adverse changes in the economic climate, such as higher fuel prices, as increases in the cost of fuel globally would increase the cost of cruise ship operations. Economic and political conditions in certain parts of the world make it difficult to predict the price of fuel in the future. In addition, cruise ship operators could experience increases in other operating costs, such as crew, insurance and security costs, due to market forces and economic or political instability beyond their control.

In respect of real estate, even though the U.S. residential real estate market has recently shown some signs of stabilizing from a lengthy and deep downturn, various factors could halt or limit a recovery in the housing market and have an adverse effect on the performance of certain of our funds' investments, including, but not limited to, continued high unemployment, a low level of consumer confidence in the economy and/or the residential real estate market and rising mortgage interest rates.

In addition, our funds' investments in commercial mortgage loans and other commercial real-estate related loans are subject to risks of delinquency and foreclosure, and risks of loss that are greater than similar risks associated with mortgage loans made on the security of residential properties. If the net operating income of the commercial property is reduced, the borrower's ability to repay the loan may be impaired. Net operating income of a commercial property can be affected by various factors, such as success of tenant businesses, property management decisions, competition from comparable types of properties and declines in regional or local real estate values and rental or occupancy rates.

Our credit funds are subject to numerous additional risks.

Our credit funds are subject to numerous additional risks, including the risks set forth below.

- Generally, there are few limitations on the execution of these funds' investment strategies, which are subject to the sole discretion of the management company or the general partner of such funds.
- These funds may engage in short-selling, which is subject to a theoretically unlimited risk of loss.
- These funds are exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the fund to suffer a loss.
- Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions.
- The efficacy of investment and trading strategies depend largely on the ability to establish and maintain an overall market position in a combination of financial instruments, which can be difficult to execute.
- These funds may make investments or hold trading positions in markets that are volatile and which may become illiquid.
- These funds' investments are subject to risks relating to investments in commodities, futures, options and other derivatives, the prices of which are highly volatile and may be subject to a theoretically unlimited risk of loss in certain circumstances.

Fraud and other deceptive practices could harm fund performance.

Instances of bribery, fraud and other deceptive practices committed by senior management of portfolio companies in which an Apollo fund invests may undermine our due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of a fund's investments. Fraud or other deceptive practices by our own employees or advisors could have a similar effect. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact an Apollo fund's investment program. As a result, instances of bribery, fraud and other deceptive practices could result in fund performance that is poorer than expected.

Contingent liabilities could harm fund performance.

We may cause our funds to acquire an investment that is subject to contingent liabilities. Such contingent liabilities could be unknown to us at the time of acquisition or, if they are known to us, we may not accurately assess or protect against the risks that they present. Acquired contingent liabilities could thus result in unforeseen losses for our funds. In addition, in connection with the disposition of an investment in a portfolio company, a fund may be required to make representations about

the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. A fund may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities by a fund, even after the disposition of an investment. Accordingly, the inaccuracy of representations and warranties made by a fund could harm such fund's performance.

Our funds may be forced to dispose of investments at a disadvantageous time.

Our funds may make investments that they do not advantageously dispose of prior to the date the applicable fund is dissolved, either by expiration of such fund's term or otherwise. Although we generally expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, and the general partners of the funds have a limited ability to extend the term of the fund with the consent of fund investors or the advisory board of the fund, as applicable, our funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. This would result in a lower than expected return on the investments and, perhaps, on the fund itself.

Possession of material, non-public information could prevent Apollo funds from undertaking advantageous transactions; our internal controls could fail; we could determine to establish information barriers.

Our Managing Partners, investment professionals or other employees may acquire confidential or material non-public information and, as a result, be restricted from initiating transactions in certain securities. This risk affects us more than it does many other investment managers, as we generally do not use information barriers that many firms implement to separate persons who make investment decisions from others who might possess material, non-public information that could influence such decisions. Our decision not to implement these barriers could prevent our investment professionals from undertaking advantageous investments or dispositions that would be permissible for them otherwise.

In order to manage possible risks resulting from our decision not to implement information barriers, our compliance personnel maintain a list of restricted securities as to which we have access to material, non-public information and in which our funds and investment professionals are not permitted to trade. This internal control relating to the management of material non-public information could fail with the result that we, or one of our investment professionals, might trade when at least constructively in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on our reputation, result in the imposition of regulatory or financial sanctions and as a consequence, negatively impact our financial condition. In addition, we could in the future decide that it is advisable to establish information barriers, particularly as our business expands and diversifies. In such event, our ability to operate as an integrated platform would be restricted. The establishment of such information barriers might also lead to operational disruptions and result in restructuring costs, including costs related to hiring additional personnel as existing investment professionals are allocated to either side of such barriers, which could adversely affect our business.

Regulations governing AINV's operation as a business development company affect its ability to raise, and the way in which it raises, additional capital.

As a business development company under the Investment Company Act, AINV may issue debt securities or preferred stock and borrow money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the Investment Company Act. Under the provisions of the Investment Company Act, AINV is permitted to issue senior securities only in amounts such that its asset coverage, as defined in the Investment Company Act, equals at least 200% after each issuance of senior securities. If the value of its assets declines, it may be unable to satisfy this test. If that happens, it may be required to sell a portion of its investments and, depending on the nature of its leverage, repay a portion of its indebtedness at a time when such sales may be disadvantageous.

Business development companies may issue and sell common stock at a price below net asset value per share only in limited circumstances, one of which is during the one-year period after stockholder approval. AINV's stockholders have, in the past, approved a plan so that during the subsequent 12-month period, AINV may, in one or more public or private offerings of its common stock, sell or otherwise issue shares of its common stock at a price below the then current net asset value per share, subject to certain conditions including parameters on the level of permissible dilution, approval of the sale by a majority of its independent directors and a requirement that the sale price be not less than approximately the market price of the shares of its common stock at specified times, less the expenses of the sale. AINV may ask its stockholders for additional approvals from year to year. There is no assurance such approvals will be obtained.

Regulations governing AFT's and AIF's operation affect their ability to raise, and the way in which they raise, additional capital.

As registered investment companies under the Investment Company Act, each of AFT and AIF may issue debt securities or preferred stock and borrow money from banks or other financial institutions, up to the maximum amount permitted by the Investment Company Act. Under the provisions of the Investment Company Act, each of AFT and AIF is permitted to (i) issue preferred shares in amounts such that their respective asset coverage equals at least 200% after issuance and (ii) to incur indebtedness, including through the issuance of debt securities, so long as immediately thereafter the fund will have an asset coverage of at least 300% after issuance. If the value of its assets declines, such fund may be unable to satisfy this test. If that happens, such fund may be required to sell a portion of its investments and, depending on the nature of its leverage, repay a portion of its indebtedness at a time when such sales may be disadvantageous. Further, each of AFT and AIF may raise capital by issuing common shares, however, the offering price per common share must equal or exceed the net asset value per share, exclusive of any underwriting commissions or discounts, of our shares.

Risks Related to Our Class A Shares

The market price and trading volume of our Class A shares may be volatile, which could result in rapid and substantial losses for our shareholders.

The market price of our Class A shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A shares may fluctuate and cause significant price variations to occur. If the market price of our Class A shares declines significantly, you may be unable to resell your Class A shares at or above your purchase price, if at all. The market price of our Class A shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our Class A shares or result in fluctuations in the price or trading volume of our Class A shares include:

- variations in our quarterly operating results or distributions, which variations we expect will be substantial;
- our policy of taking a long-term perspective on making investment, operational and strategic decisions, which is expected to result in significant and unpredictable variations in our quarterly returns;
- failure to meet analysts' earnings estimates;
- publication of research reports about us or the investment management industry or the failure of securities analysts to cover our Class A shares;
- additions or departures of our Managing Partners and other key management personnel;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by shareholders;
- changes in market valuations of similar companies;
- speculation in the press or investment community;
- changes or proposed changes in laws or regulations or differing interpretations thereof affecting our businesses or enforcement of these laws and regulations, or announcements relating to these matters;
- a lack of liquidity in the trading of our Class A shares;
- adverse publicity about the asset management industry generally or individual scandals, specifically; and
- general market and economic conditions.

In addition, from time to time, management may also declare special quarterly distributions based on investment realizations. Volatility in the market price of our Class A shares may be heightened at or around times of investment realizations as well as following such realization, as a result of speculation as to whether such a distribution may be declared.

An investment in Class A shares is not an investment in any of our funds, and the assets and revenues of our funds are not directly available to us.

Class A shares are securities of Apollo Global Management, LLC only. While our historical consolidated and combined financial information includes financial information, including assets and revenues of certain Apollo funds on a consolidated basis, and our future financial information will continue to consolidate certain of these funds, such assets and revenues are available to the fund and not to us except through management fees, incentive income, distributions and other proceeds arising from agreements with funds, as discussed in more detail in this report.

Our Class A share price may decline due to the large number of shares eligible for future sale and for exchange into Class A shares.

The market price of our Class A shares could decline as a result of sales of a large number of our Class A shares or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate. As of December 31, 2014, we had

163,046,554 Class A shares outstanding. The Class A shares reserved under our equity incentive plan are increased on the first day of each fiscal year by (i) the amount (if any) by which (a) 15% of the number of outstanding Class A shares and Apollo Operating Group units ("AOG Units") exchangeable for Class A shares on a fully converted and diluted basis on the last day of the immediately preceding fiscal year exceeds (b) the number of shares then reserved and available for issuance under the Equity Plan, or (ii) such lesser amount by which the administrator may decide to increase the number of Class A shares. Taking into account grants of restricted share units ("RSUs") and options made through December 31, 2014, 38,090,824 Class A shares remained available for future grant under our equity incentive plan. In addition, Holdings may at any time exchange its AOG Units for up to 222,680,477 Class A shares on behalf of our Managing Partners and Contributing Partners subject to the Amended and Restated Exchange Agreement. See "Item 13. Certain Relationships and Related Party Transactions—Amended and Restated Exchange Agreement." We may also elect to sell additional Class A shares in one or more future primary offerings.

Our Managing Partners and Contributing Partners, through their partnership interests in Holdings, owned an aggregate of 57.7% of the AOG Units as of December 31, 2014. Subject to certain procedures and restrictions (including any transfer restrictions and lock-up agreements applicable to our Managing Partners and Contributing Partners), each Managing Partner and Contributing Partner has the right, upon 60 days' notice prior to a designated quarterly date, to exchange the AOG Units for Class A shares. These Class A shares are eligible for resale from time to time, subject to certain contractual restrictions and Securities Act limitations.

Our Managing Partners and Contributing Partners (through Holdings) have the ability to cause us to register the Class A shares they acquire upon exchange of their AOG Units, as was done in connection with the Company's Secondary Offering in May 2013. See "Item 13. Certain Relationships and Related Party Transactions—Managing Partner Shareholders Agreement— Registration Rights."

The Strategic Investors have the ability to cause us to register any of their non-voting Class A shares, as was done in connection with the Company's Secondary Offering in May 2013. See "Item 13. Certain Relationships and Related Party Transactions—Lenders Rights Agreement."

We have on file with the SEC a registration statement on Form S-8 covering the shares issuable under our equity incentive plan. Subject to vesting and contractual lock-up arrangements, such shares will be freely tradable.

We cannot assure you that our intended quarterly distributions will be paid each quarter or at all.

Our intention is to distribute to our Class A shareholders on a quarterly basis substantially all of our net after-tax cash flow from operations in excess of amounts determined by our manager to be necessary or appropriate to provide for the conduct of our businesses, to make appropriate investments in our businesses and our funds, to comply with applicable laws and regulations, to service our indebtedness or to provide for future distributions to our Class A shareholders for any ensuing quarter. The declaration, payment and determination of the amount of our quarterly dividend, if any, will be at the sole discretion of our manager, who may change our dividend policy at any time. We cannot assure you that any distributions, whether quarterly or otherwise, will or can be paid. In making decisions regarding our quarterly dividend, our manager considers general economic and business conditions, our strategic plans and prospects, our businesses and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, legal, tax, regulatory and other restrictions that may have implications on the payment of distributions by us to our common shareholders or by our subsidiaries to us, and such other factors as our manager may deem relevant.

Our Managing Partners' beneficial ownership of interests in the Class B share that we have issued to BRH Holdings GP, Ltd. ("BRH"), the control exercised by our manager and anti-takeover provisions in our charter documents and Delaware law could delay or prevent a change in control.

Our Managing Partners, through their ownership of BRH, beneficially own the Class B share that we have issued to BRH. The Managing Partners interests in such Class B share represented 65.4% of the total combined voting power of our shares entitled to vote as of December 31, 2014. As a result, they are able to exercise control over all matters requiring the approval of shareholders and are able to prevent a change in control of our company. In addition, our operating agreement provides that so long as the Apollo control condition (as described in "Item 10. Directors, Executive Officers and Corporate Governance—Our Manager") is satisfied, our manager, which is owned and controlled by our Managing Partners, manages all of our operations and activities. The control of our manager will make it more difficult for a potential acquirer to assume control of our Company. Other provisions in our operating agreement may also make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders. For example, our operating agreement requires advance notice for proposals by shareholders and nominations, places limitations on convening shareholder meetings, and authorizes the issuance of preferred shares that could be issued by our board of directors to thwart a takeover attempt. In addition, certain provisions of

Delaware law may delay or prevent a transaction that could cause a change in our control. The market price of our Class A shares could be adversely affected to the extent that our Managing Partners' control over our Company, the control exercised by our manager as well as provisions of our operating agreement discourage potential takeover attempts that our shareholders may favor.

We are a Delaware limited liability company, and there are certain provisions in our operating agreement regarding exculpation and indemnification of our officers and directors that differ from the Delaware General Corporation Law (DGCL) in a manner that may be less protective of the interests of our Class A shareholders.

Our operating agreement provides that to the fullest extent permitted by applicable law our directors or officers will not be liable to us. However, under the DGCL, a director or officer would be liable to us for (i) breach of duty of loyalty to us or our shareholders, (ii) intentional misconduct or knowing violations of the law that are not done in good faith, (iii) improper redemption of shares or declaration of dividend, or (iv) a transaction from which the director derived an improper personal benefit. In addition, our operating agreement provides that we indemnify our directors and officers for acts or omissions to the fullest extent provided by law. However, under the DGCL, a corporation can indemnify directors and officers for acts or omissions only if the director or officer acted in good faith, in a manner he reasonably believed to be in the best interests of the corporation, and, in criminal action, if the officer or director had no reasonable cause to believe his conduct was unlawful. Accordingly, our operating agreement may be less protective of the interests of our Class A shareholders, when compared to the DGCL, insofar as it relates to the exculpation and indemnification of our officers and directors.

Awards of our Class A shares may increase shareholder dilution and reduce profitability.

We grant Class A restricted share units to our investment professionals, both when hired and as a portion of the discretionary annual compensation they may receive. In 2014 we also began to require that a portion of the incentive income distributions payable by the general partners of certain of the funds we manage be used by the recipients of those distributions to purchase restricted Class A shares issued under our equity incentive plan. While this practice promotes alignment with shareholders and encourages investment professionals to maximize the success of the Company as a whole, these equity awards, if fulfilled by issuances of new shares by us rather than by open market purchases (which do not cause any dilution), personnel-related shareholder dilution may increase. In addition, volatility in the price of our Class A shares could adversely affect our ability to attract and retain our investment professionals. To recruit and retain existing and future investment professionals, we may need to increase the level of compensation that we pay to them, which may cause a higher percentage of our revenue to be paid out in the form of compensation, which would have an adverse impact on our profit margins.

Risks Related to Our Organization and Structure

Although not enacted, the U.S. Congress has considered legislation that would have: (i) in some cases after a ten-year transition period, precluded us from qualifying as a partnership or required us to hold carried interest through taxable corporations; and (ii) taxed certain income and gains at increased rates. If similar legislation were to be enacted and apply to us, the value of our Class A shares could be adversely affected.

The U.S. Congress, the IRS and the U.S. Treasury Department have over the past several years examined the U.S. Federal income tax treatment of private equity funds, hedge funds and other kinds of investment partnerships. The present U.S. Federal income tax treatment of a holder of Class A shares and/or our own taxation may be adversely affected by any new legislation, new regulations or revised interpretations of existing tax law that arise as a result of such examinations. In May 2010, the U.S. House of Representatives passed legislation (the "May 2010 House Bill") that would have, in general, treated income and gains, including gain on sale, attributable to an interest in an investment services partnership interest ("ISPI") as income subject to a new blended tax rate that is higher than under current law, except to the extent such ISPI would have been considered under the legislation to be a qualified capital interest. The interests of Class A shareholders and our interests in the Apollo Operating Group that are entitled to receive carried interest may be classified as ISPIs for purposes of this legislation. The United States Senate considered, but did not pass, similar legislation. On February 14, 2012, Representative Levin introduced similar legislation (the "2012 Levin Bill") that would tax carried interest at ordinary income rates (which would be higher than the proposed blended rate in the May 2010 House Bill). It is unclear whether or when the U.S. Congress will pass such legislation or what provisions would be included in any legislation, if enacted.

Both the May 2010 House Bill and the 2012 Levin Bill provide that, for taxable years beginning ten years after the date of enactment, income derived with respect to an ISPI that is not a qualified capital interest and that is treated as ordinary income under the rules discussed above would not meet the qualifying income requirements under the publicly traded partnership rules. Therefore, if similar legislation were to be enacted, following such ten-year period, we would be precluded from qualifying as a partnership for U.S. Federal income tax purposes or be required to hold all such ISPIs through corporations, possibly U.S.

corporations. If we were taxed as a U.S. corporation or required to hold all ISPIs through corporations, our effective tax rate would increase significantly. The federal statutory rate for corporations is currently 35%. In addition, we could be subject to increased state and local taxes. Furthermore, holders of Class A shares could be subject to tax on our conversion into a corporation or any restructuring required in order for us to hold our ISPIs through a corporation.

On September 12, 2011, the Obama administration submitted similar legislation to Congress in the American Jobs Act that would tax income and gain, now treated as capital gains, including gain on disposition of interests attributable to an ISPI, at rates higher than the capital gains rate applicable to such income under current law, with an exception for certain qualified capital interests. The proposed legislation would also characterize certain income and gain in respect of ISPIs as non-qualifying income under the publicly traded partnership rules after a ten-year transition period from the effective date, with an exception for certain qualified capital interests. This proposed legislation follows several prior statements by the Obama administration in support of changing the taxation of carried interest. In its published revenue proposal for 2015, the Obama administration proposed that the current law regarding treatment of carried interest be changed to subject such income to ordinary income tax. The Obama administration's published revenue proposals for 2010, 2011, 2012, 2013 and 2014 contained similar proposals.

States and other jurisdictions have also considered legislation to increase taxes with respect to carried interest. For example, New York has periodically considered legislation under which non-residents of New York could be subject to New York state income tax on income in respect of our Class A shares as a result of certain activities of our affiliates in New York, although it is unclear when or whether such legislation would be enacted.

On February 22, 2012, the Obama administration announced its framework of key elements to change the U.S. Federal income tax rules for businesses. Few specifics were included, and it is unclear what any actual legislation could provide, when it would be proposed, or its prospects for enactment. Several parts of the framework, if enacted, could adversely affect us. First, the framework could reduce the deductibility of interest for corporations in some manner not specified. A reduction in interest deductions could increase our tax rate and thereby reduce cash available for distribution to investors or for other uses by us. Such a reduction could also limit our ability to finance new transactions and increase the effective cost of financing by companies in which we invest, which could reduce the value of our carried interest in respect of such companies. The framework also suggests that some entities currently treated as partnerships for tax purposes could be subject to an entity-level income tax similar to the corporate income tax. If such a proposal caused us to be subject to additional entity-level taxes, it could reduce cash available for distribution to investors or for other uses by us. The framework reiterates President Obama's support for treatment of carried interest as ordinary income, as provided for again in the President's revenue proposal for 2015, but the ultimate consequences of tax reform legislation, if any, are presently not known.

Our shareholders do not elect our manager or vote and have limited ability to influence decisions regarding our businesses.

So long as the Apollo control condition is satisfied, our manager, AGM Management, LLC, which is owned and controlled by our Managing Partners, will manage all of our operations and activities. AGM Management, LLC is managed by BRH, a Cayman entity owned by our Managing Partners and managed by an executive committee composed of our Managing Partners. Our shareholders do not elect our manager, its manager or its manager's executive committee and, unlike the holders of common stock in a corporation, have only limited voting rights on matters affecting our businesses and therefore limited ability to influence decisions regarding our businesses. Furthermore, if our shareholders are dissatisfied with the performance of our manager, they will have little ability to remove our manager. As discussed below, the Managing Partners collectively had 65.4% of the voting power of Apollo Global Management, LLC as of December 31, 2014. Therefore, they have the ability to control any shareholder vote that occurs, including any vote regarding the removal of our manager.

Our board of directors has no authority over our operations other than that which our manager has chosen to delegate to it.

For so long as the Apollo control condition is satisfied, our manager, which is owned and controlled by our Managing Partners, manages all of our operations and activities, and our board of directors has no authority other than that which our manager chooses to delegate to it. In the event that the Apollo control condition is not satisfied, our board of directors will manage all of our operations and activities.

For so long as the Apollo control condition is satisfied, our manager (i) nominates and elects all directors to our board of directors, (ii) sets the number of directors of our board of directors and (iii) fills any vacancies on our board of directors. After the Apollo control condition is no longer satisfied, each of our directors will be elected by the vote of a plurality of our shares entitled to vote, voting as a single class, to serve until his or her successor is duly elected or appointed and qualified or until his or her earlier death, retirement, disqualification, resignation or removal.

Control by our Managing Partners of the combined voting power of our shares and holding their economic interests through the Apollo Operating Group may give rise to conflicts of interests.

Our Managing Partners controlled 65.4% of the combined voting power of our shares entitled to vote as of December 31, 2014. Accordingly, our Managing Partners have the ability to control our management and affairs to the extent not controlled by our manager. In addition, they are able to determine the outcome of all matters requiring shareholder approval (such as a proposed sale of all or substantially of our assets, the approval of a merger or consolidation involving the company, and an election by our manager to dissolve the company) and are able to cause or prevent a change of control of our company and could preclude any unsolicited acquisition of our company. The control of voting power by our Managing Partners could deprive Class A shareholders of an opportunity to receive a premium for their Class A shares as part of a sale of our company, and might ultimately affect the market price of the Class A shares.

In addition, our Managing Partners and Contributing Partners, through their partnership interests in Holdings, are entitled to 57.7% of Apollo Operating Group's economic returns through the AOG Units owned by Holdings as of December 31, 2014. Because they hold their economic interest in our businesses directly through the Apollo Operating Group, rather than through the issuer of the Class A shares, our Managing Partners and Contributing Partners may have conflicting interests with holders of Class A shares. For example, our Managing Partners and Contributing Partners may have different tax positions from us, which could influence their decisions regarding whether and when to dispose of assets, and whether and when to incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreement. For a description of the tax receivable agreement, see "Item 13. Certain Relationships and Related Party Transactions—Amended and Restated Tax Receivable Agreement." In addition, the structuring of future transactions may take into consideration the Managing Partners' and Contributing Partners' tax considerations even where no similar benefit would accrue to us.

We qualify for, and rely on, exceptions from certain corporate governance and other requirements under the rules of the NYSE.

We qualify for exceptions from certain corporate governance and other requirements under the rules of the NYSE. Pursuant to these exceptions, we may elect not to comply with certain corporate governance requirements of the NYSE, including the requirements (i) that a majority of our board of directors consist of independent directors, (ii) that we have a nominating/corporate governance committee that is composed entirely of independent directors and (iii) that we have a compensation committee that is composed entirely of independent directors. In addition, we are not required to hold annual meetings of our shareholders. Pursuant to the exceptions available to a controlled company under the rules of the NYSE, we have elected not to have a nominating and corporate governance committee comprised entirely of independent directors, nor a compensation committee comprised entirely of independent directors. Although we currently have a board of directors comprised of a majority of independent directors, we plan to continue to avail ourselves of these exceptions. Accordingly, you will not have the same protections afforded to equity holders of entities that are subject to all of the corporate governance requirements of the NYSE.

Potential conflicts of interest may arise among our manager, on the one hand, and us and our shareholders on the other hand. Our manager and its affiliates have limited fiduciary duties to us and our shareholders, which may permit them to favor their own interests to the detriment of us and our shareholders.

Conflicts of interest may arise among our manager, on the one hand, and us and our shareholders, on the other hand. As a result of these conflicts, our manager may favor its own interests and the interests of its affiliates over the interests of us and our shareholders. These conflicts include, among others, the conflicts described below.

- Our manager determines the amount and timing of our investments and dispositions, indebtedness, issuances of additional stock and amounts of reserves, each of which can affect the amount of cash that is available for distribution to you.
- Our manager is allowed to take into account the interests of parties other than us in resolving conflicts of interest, which has the effect of limiting its duties (including fiduciary duties) to our shareholders; for example, our affiliates that serve as general partners of our funds have fiduciary and contractual obligations to our fund investors, and such obligations may cause such affiliates to regularly take actions that might adversely affect our near-term results of operations or cash flow; our manager has no obligation to intervene in, or to notify our shareholders of, such actions by such affiliates.
- Because our Managing Partners and Contributing Partners hold their AOG Units through entities that are not subject to corporate income taxation and Apollo Global Management, LLC holds the AOG Units in part through a wholly-owned subsidiary that is subject to corporate income taxation, conflicts may arise between our Managing Partners and Contributing Partners, on the one hand, and Apollo Global Management, LLC, on the other hand, relating to the selection, structuring, and disposition of investments. For example, the earlier taxable disposition of assets following an exchange transaction by a Managing Partner or Contributing

Partner may accelerate payments under the tax receivable agreement and increase the present value of such payments, and the taxable disposition of assets before an exchange or transaction by a Managing Partner or Contributing Partner may increase the tax liability of a Managing Partner or Contributing Partner without giving rise to any rights to such Managing Partner or Contributing Partner to receive payments under the tax receivable agreement.
- Other than as set forth in the non-competition, non-solicitation and confidentiality agreements to which our Managing Partners and other professionals are subject, which may not be enforceable, affiliates of our manager and existing and former personnel employed by our manager are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us.
- Our manager has limited its liability and reduced or eliminated its duties (including fiduciary duties) under our operating agreement, while also restricting the remedies available to our shareholders for actions that, without these limitations, might constitute breaches of duty (including fiduciary duty). In addition, we have agreed to indemnify our manager and its affiliates to the fullest extent permitted by law, except with respect to conduct involving bad faith, fraud or willful misconduct. By purchasing our Class A shares, you will have agreed and consented to the provisions set forth in our operating agreement, including the provisions regarding conflicts of interest situations that, in the absence of such provisions, might constitute a breach of fiduciary or other duties under applicable state law.
- Our operating agreement does not restrict our manager from causing us to pay it or its affiliates for any services rendered, or from entering into additional contractual arrangements with any of these entities on our behalf, so long as the terms of any such additional contractual arrangements are fair and reasonable to us as determined under the operating agreement.
- Our manager determines how much debt we incur and that decision may adversely affect our credit ratings.
- Our manager determines which costs incurred by it and its affiliates are reimbursable by us.
- Our manager controls the enforcement of obligations owed to us by it and its affiliates.

Our manager decides whether to retain separate counsel, accountants or others to perform services for us. See "Item 13. Certain Relationships and Related Party Transactions" for a more detailed discussion of these conflicts.

Our operating agreement contains provisions that reduce or eliminate duties (including fiduciary duties) of our manager and limit remedies available to shareholders for actions that might otherwise constitute a breach of duty. It would be difficult for a shareholder to challenge a resolution of a conflict of interest by our manager or by its conflicts committee.

Our operating agreement contains provisions that waive or consent to conduct by our manager and its affiliates that might otherwise raise issues about compliance with fiduciary duties or applicable law. For example, our operating agreement provides that when our manager is acting in its individual capacity, as opposed to in its capacity as our manager, it may act without any fiduciary obligations to us or our shareholders whatsoever. When our manager, in its capacity as our manager, is permitted to or required to make a decision in its "sole discretion" or "discretion" or that it deems "necessary or appropriate" or "necessary or advisable," then our manager will be entitled to consider only such interests and factors as it desires, including its own interests, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any of our shareholders and will not be subject to any different standards imposed by our operating agreement, the Delaware Limited Liability Company Act or under any other law, rule or regulation or in equity.

Whenever a potential conflict of interest exists between us and our manager, our manager may resolve such conflict of interest. If our manager determines that its resolution of the conflict of interest is on terms no less favorable to us than those generally being provided to or available from unrelated third parties or is fair and reasonable to us, taking into account the totality of the relationships between us and our manager, then it will be presumed that in making this determination, our manager acted in good faith. A shareholder seeking to challenge this resolution of the conflict of interest would bear the burden of overcoming such presumption. This is different from the situation with Delaware corporations, where a conflict resolution by an interested party would be presumed to be unfair and the interested party would have the burden of demonstrating that the resolution was fair.

The above modifications of fiduciary duties are expressly permitted by Delaware law. Hence, we and our shareholders would have recourse and be able to seek remedies against our manager only if our manager breaches its obligations pursuant to our operating agreement. Unless our manager breaches its obligations pursuant to our operating agreement, we and our unitholders would not have any recourse against our manager even if our manager were to act in a manner that was inconsistent with traditional fiduciary duties. Furthermore, even if there has been a breach of the obligations set forth in our operating agreement, our operating agreement provides that our manager and its officers and directors would not be liable to us or our shareholders for errors of judgment or for any acts or omissions unless there has been a final and non-appealable judgment by a court of competent jurisdiction

determining that the manager or its officers and directors acted in bad faith or engaged in fraud or willful misconduct. These provisions are detrimental to the shareholders because they restrict the remedies available to them for actions that without those limitations might constitute breaches of duty, including fiduciary duties.

Also, if our manager obtains the approval of its conflicts committee, the resolution will be conclusively deemed to be fair and reasonable to us and not a breach by our manager of any duties it may owe to us or our shareholders. This is different from the situation with Delaware corporations, where a conflict resolution by a committee consisting solely of independent directors may, in certain circumstances, merely shift the burden of demonstrating unfairness to the plaintiff. If you purchase a Class A share, you will be treated as having consented to the provisions set forth in the operating agreement, including provisions regarding conflicts of interest situations that, in the absence of such provisions, might be considered a breach of fiduciary or other duties under applicable state law. As a result, shareholders will, as a practical matter, not be able to successfully challenge an informed decision by the conflicts committee.

The control of our manager may be transferred to a third party without shareholder consent.

Our manager may transfer its manager interest to a third party in a merger or consolidation or in a transfer of all or substantially all of its assets without the consent of our shareholders. Furthermore, at any time, the partners of our manager may sell or transfer all or part of their partnership interests in our manager without the approval of the shareholders, subject to certain restrictions as described elsewhere in this report. A new manager may not be willing or able to form new funds and could form funds that have investment objectives and governing terms that differ materially from those of our current funds. A new owner could also have a different investment philosophy, employ investment professionals who are less experienced, be unsuccessful in identifying investment opportunities or have a track record that is not as successful as Apollo's track record. If any of the foregoing were to occur, we could experience difficulty in making new investments, and the value of our existing investments, our businesses, our results of operations and our financial condition could materially suffer.

Our ability to pay regular distributions may be limited by our holding company structure. We are dependent on distributions from the Apollo Operating Group to pay distributions, taxes and other expenses.

As a holding company, our ability to pay distributions will be subject to the ability of our subsidiaries to provide cash to us. We intend to make quarterly distributions to our Class A shareholders. Accordingly, we expect to cause the Apollo Operating Group to make distributions to its unitholders (Holdings, which is 100% owned, directly and indirectly, by our Managing Partners and our Contributing Partners, and the three intermediate holding companies, which are 100% owned by us), pro rata in an amount sufficient to enable us to pay such distributions to our Class A shareholders; however, such distributions may not be made. In addition, our manager can reduce or eliminate our dividend at any time, in its discretion. The Apollo Operating Group may make periodic distributions to its unitholders in amounts sufficient to cover hypothetical income tax obligations attributable to allocations of taxable income resulting from their ownership interest in the various limited partnerships making up the Apollo Operating Group, subject to compliance with any financial covenants or other obligations. By paying that cash distribution rather than investing that cash in our business, we might risk slowing the pace of our growth or not having a sufficient amount of cash to fund our operations, new investments or unanticipated capital expenditures, should the need arise.

There may be circumstances under which we are restricted from paying distributions under applicable law or regulation (for example, due to Delaware limited partnership or limited liability company act limitations on making distributions if liabilities of the entity after the distribution would exceed the value of the entity's assets).

Tax consequences to our Managing Partners and Contributing Partners may give rise to conflicts of interests.

As a result of unrealized built-in gain attributable to the value of our assets held by the Apollo Operating Group entities at the time of the Private Offering Transactions, upon the sale, refinancing or disposition of the assets owned by the Apollo Operating Group entities, our Managing Partners and Contributing Partners may incur different and greater tax liabilities as a result of the disproportionately greater allocations of items of taxable income and gain to the Managing Partners and Contributing Partners upon a realization event. As the Managing Partners and Contributing Partners will not receive a corresponding greater distribution of cash proceeds, they may, subject to applicable fiduciary or contractual duties, have different objectives regarding the appropriate pricing, timing and other material terms of any sale, refinancing, or disposition, or whether to sell such assets at all. Decisions made with respect to an acceleration or deferral of income or the sale or disposition of assets with unrealized built-in gains may also influence the timing and amount of payments that are received by an exchanging or selling founder or partner under the tax receivable agreement. All other factors being equal, earlier disposition of assets with unrealized built-in gains following such exchange will tend to accelerate such payments and increase the present value of the tax receivable agreement, and disposition of assets with unrealized built-in gains before an exchange will increase a Managing Partner's or Contributing Partner's tax liability without giving rise to any rights to receive payments under the tax receivable agreement. Decisions made

regarding a change of control also could have a material influence on the timing and amount of payments received by our Managing Partners and Contributing Partners pursuant to the tax receivable agreement.

We are required to pay our Managing Partners and Contributing Partners for most of the actual tax benefits we realize as a result of the tax basis step-up we receive in connection with our acquisitions of units from our Managing Partners and Contributing Partners.

Subject to certain restrictions, each Managing Partner and Contributing Partner has the right to exchange the AOG Units that he holds through his partnership interest in Holdings for our Class A shares in a taxable transaction. These exchanges, as well as our acquisitions of units from our Managing Partners or Contributing Partners, may result in increases in the tax basis of the intangible assets of the Apollo Operating Group that otherwise would not have been available. Any such increases may reduce the amount of tax that APO Corp. ("APO Corp."), a wholly owned subsidiary of Apollo Global Management, LLC, would otherwise be required to pay in the future.

We have entered into a tax receivable agreement with our Managing Partners and Contributing Partners that provides for the payment by APO Corp., to our Managing Partners and Contributing Partners of 85% of the amount of actual tax savings, if any, that APO Corp. realizes (or is deemed to realize in the case of an early termination payment by APO Corp. or a change of control, as discussed below) as a result of these increases in tax deductions and tax basis and certain other tax benefits, including imputed interest expense, related to entering into the tax receivable agreement. In April 2014 and April 2013, the Apollo Operating Group made a distribution of $32.0 million and $30.4 million, respectively, to APO Corp. and APO Corp. made a payment to satisfy the liability under the tax receivable agreement to the Managing Partners and Contributing Partners from a realized tax benefit for the tax years 2012 and 2011. Future payments that APO Corp. may make to our Managing Partners and Contributing Partners could be material in amount. In the event that any other of our current or future U.S. subsidiaries become taxable as corporations and acquire AOG Units in the future, or if we become taxable as a corporation for U.S. Federal income tax purposes, we expect, and have agreed that, each U.S corporation will become subject to a tax receivable agreement with substantially similar terms.

The IRS could challenge our claim to any increase in the tax basis of the assets owned by the Apollo Operating Group that results from the exchanges entered into by the Managing Partners or Contributing Partners. The IRS could also challenge any additional tax depreciation and amortization deductions or other tax benefits (including deductions for imputed interest expense associated with payments made under the tax receivable agreement) we claim as a result of, or in connection with, such increases in the tax basis of such assets. If the IRS were to successfully challenge a tax basis increase or tax benefits we previously claimed from a tax basis increase, Holdings would not be obligated under the tax receivable agreement to reimburse APO Corp. for any payments previously made to them (although any future payments would be adjusted to reflect the result of such challenge). As a result, in certain circumstances, payments could be made to our Managing Partners and Contributing Partners under the tax receivable agreement in excess of 85% of the actual aggregate cash tax savings of APO Corp. APO Corp.'s ability to achieve benefits from any tax basis increase and the payments to be made under this agreement will depend upon a number of factors, including the timing and amount of its future income.

In addition, the tax receivable agreement provides that, upon a merger, asset sale or other form of business combination or certain other changes of control, APO Corp.'s (or its successor's) obligations with respect to exchanged or acquired units (whether exchanged or acquired before or after such change of control) would be based on certain assumptions, including that APO Corp. would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement. See "Item 13. Certain Relationships and Related Party Transactions—Amended and Restated Tax Receivable Agreement."

If we were deemed an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as contemplated and could have a material adverse effect on our businesses and the price of our Class A shares.

We do not believe that we are an "investment company" under the Investment Company Act because the nature of our assets and the income derived from those assets allow us to rely on the exception provided by Rule 3a-1 issued under the Investment Company Act. In addition, we believe we are not an investment company under Section 3(b)(1) of the Investment Company Act because we are primarily engaged in non-investment company businesses. We intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, we would be taxed as a corporation and other restrictions imposed by the Investment Company Act, including limitations on our capital structure and our ability to transact with affiliates that apply to us, could make it impractical for us to continue our businesses as contemplated and would have a material adverse effect on our businesses and the price of our Class A shares.

Risks Related to Taxation

You may be subject to U.S. Federal income tax on your share of our taxable income, regardless of whether you receive any cash distributions from us.

Under current law, so long as we are not required to register as an investment company under the Investment Company Act and 90% of our gross income for each taxable year constitutes "qualifying income" within the meaning of the Internal Revenue Code on a continuing basis, we will be treated, for U.S. Federal income tax purposes, as a partnership and not as an association or a publicly traded partnership taxable as a corporation. You may be subject to U.S. Federal, state, local and possibly, in some cases, foreign income taxation on your allocable share of our items of income, gain, loss, deduction and credit for each of our taxable years ending with or within your taxable year, regardless of whether or not you receive cash distributions from us. Accordingly, you may be required to make tax payments in connection with your ownership of Class A shares that significantly exceed your cash distributions in any specific year.

If we are treated as a corporation for U.S. Federal income tax purposes, the value of the Class A shares would be adversely affected.

The value of your investment will depend in part on our company being treated as a partnership for U.S. Federal income tax purposes, which requires that 90% or more of our gross income for every taxable year consist of qualifying income, as defined in Section 7704 of the Internal Revenue Code, and that we are not required to register as an investment company under the Investment Company Act and related rules. Although we intend to manage our affairs so that our partnership will meet the 90% test described above in each taxable year, we may not meet these requirements or, as discussed below, current law may change so as to cause, in either event, our partnership to be treated as a corporation for U.S. Federal income tax purposes. If we were treated as a corporation for U.S. Federal income tax purposes, (i) we would become subject to corporate income tax and (ii) distributions to shareholders would be taxable as dividends for U.S. Federal income tax purposes to the extent of our earnings and profits.

Current law may change, causing us to be treated as a corporation for U.S. Federal or state income tax purposes or otherwise subjecting us to entity level taxation. See "—Risks Related to Our Organization and Structure—Although not enacted, the U.S. Congress has considered legislation that would have: (i) in some cases after a ten-year transition period, precluded us from qualifying as a partnership or required us to hold carried interest through taxable corporations and (ii) taxed certain income and gains at increased rates. If similar legislation were to be enacted and apply to us, the value of our Class A shares could be adversely affected." Because of widespread state budget deficits, several states are evaluating ways to subject partnerships to entity level taxation through the imposition of state income, franchise or other forms of taxation. If any state were to impose a tax upon us as an entity, our distributions to you would be reduced.

Our structure involves complex provisions of U.S. Federal income tax law for which no clear precedent or authority may be available. Our structure is also subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. Federal income tax treatment of holders of Class A shares depends in some instances on determinations of fact and interpretations of complex provisions of U.S. Federal income tax law for which no clear precedent or authority may be available. You should be aware that the U.S. Federal income tax rules are constantly under review by persons involved in the legislative process, the IRS and the U.S. Treasury Department, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to regulations and other modifications and interpretations. The IRS pays close attention to the proper application of tax laws to partnerships and entities taxed as partnerships. The present U.S. Federal income tax treatment of an investment in our Class A shares may be modified by administrative, legislative or judicial interpretation at any time, and any such action may affect investments and commitments previously made. Changes to the U.S. Federal income tax laws and interpretations thereof could make it more difficult or impossible to meet the exception for us to be treated as a partnership for U.S. Federal income tax purposes that is not taxable as a corporation, affect or cause us to change our investments and commitments, affect the tax considerations of an investment in us, change the character or treatment of portions of our income (including, for instance, the treatment of carried interest as ordinary income rather than capital gain) and adversely affect an investment in our Class A shares. For example, as discussed above under "—Risks Related to Our Organization and Structure—Although not enacted, the U.S. Congress has considered legislation that would have: (i) in some cases after a ten-year transition period, precluded us from qualifying as a partnership or required us to hold carried interest through taxable corporations; and (ii) taxed certain income and gains at increased rates. If similar legislation were to be enacted and apply to us, the value of our Class A shares could be adversely affected," the U.S. Congress has considered various legislative proposals to treat all or part of the capital gain and dividend income that is recognized by an investment partnership and allocable to a partner affiliated with the sponsor of the partnership (i.e., a portion of the carried interest) as ordinary income to such partner for U.S. Federal income tax purposes.

Our operating agreement permits our manager to modify our operating agreement from time to time, without the consent of the holders of Class A shares, to address certain changes in U.S. Federal income tax regulations, legislation or interpretation. In some circumstances, such revisions could have a material adverse impact on some or all holders of Class A shares. For instance, our manager could elect at some point to treat us as an association taxable as a corporation for U.S. Federal (and applicable state) income tax purposes. If our manager were to do this, the U.S. Federal income tax consequences of owning our Class A shares would be materially different. Moreover, we will apply certain assumptions and conventions in an attempt to comply with applicable rules and to report income, gain, deduction, loss and credit to holders of Class A shares in a manner that reflects such beneficial ownership of items by holders of Class A shares, taking into account variation in ownership interests during each taxable year because of trading activity. However, those assumptions and conventions may not be in compliance with all aspects of applicable tax requirements. It is possible that the IRS will assert successfully that the conventions and assumptions used by us do not satisfy the technical requirements of the Internal Revenue Code and/or Treasury regulations and could require that items of income, gain, deductions, loss or credit, including interest deductions, be adjusted, reallocated or disallowed in a manner that adversely affects holders of Class A shares.

Our interests in certain of our businesses are held through entities that are treated as corporations for U.S. Federal income tax purposes; such corporations may be liable for significant taxes and may create other adverse tax consequences, which could potentially adversely affect the value of your investment.

In light of the publicly traded partnership rules under U.S. Federal income tax law and other requirements, we hold our interests in certain of our businesses through entities that are treated as corporations for U.S. Federal income tax purposes. Each such corporation could be liable for significant U.S. Federal income taxes and applicable state, local and other taxes that would not otherwise be incurred, which could adversely affect the value of your investment. Furthermore, it is possible that the IRS could challenge the manner in which such corporation's taxable income is computed by us.

Changes in U.S. tax law could adversely affect our ability to raise funds from certain foreign investors.

Under the Foreign Account Tax Compliance Act, or FATCA, certain U.S. withholding agents, or USWAs, foreign financial institutions, or FFIs, and non-financial foreign entities, or NFFEs, are required to report information about offshore accounts and investments to the U.S. or their local taxing authorities annually. In response to this legislation, various foreign governments have entered into Intergovernmental Agreements, or IGAs, with the U.S. Government and some have enacted similar legislation.

In order to meet these regulatory obligations, Apollo will be required to register FFIs with the IRS, evaluate internal FATCA procedures, expand the review of investor Anti-Money Laundering/Know Your Customer and tax forms, evaluate the FATCA offerings by third party administrators and ensure that Apollo is prepared for the new global tax and information reporting requirements created under the U.S. and Non U.S. FATCA regimes.

Further, FATCA as well as Chapters 3 and 61 of the Internal Revenue Code, require Apollo to collect new IRS Tax Forms (W-9 and W-8 series), UK/Cayman Self-Certifications and other supporting documentation from their investors. Apollo will undertake efforts to re-paper their existing investors.

Failure to meet these regulatory requirements could expose Apollo and/or its investors to a punitive withholding tax of 30% on certain U.S. payments (and beginning in 2017, a 30% withholding tax on gross proceeds from the sale of U.S. stocks and securities), and possibly limit their ability to open bank accounts and secure funding the global capital markets. The reporting obligations imposed under FATCA require FFIs to comply with agreements with the IRS to obtain and disclose information about certain investors to the IRS. The administrative and economic costs of compliance with FATCA may discourage some foreign investors from investing in U.S. funds, which could adversely affect our ability to raise funds from these investors.

Federal tax reform efforts will continue which may involve tax uncertainties and risks.

It is anticipated that the U.S. Congress will continue examining proposals that would provide for a comprehensive overhaul of U.S. Federal income tax laws, which could result in sweeping changes to many longstanding tax rules. Reform efforts could result in lower statutory tax rates, but could be offset by tax changes that would result in significant increases in the taxation of financial institutions and products, some of which could adversely affect our business. Examples of these tax reform proposals may include changing the tax treatment of executive compensation, including bonuses, consideration of taxes on derivatives and other financial instruments, and adverse changes to the tax treatment of carried interest. Other changes could eliminate or limit certain tax benefits currently available to cash value life insurance and deferred annuity products. Enactment of these changes or similar alternatives would likely adversely affect new sales, and possibly funding of existing cash value life insurance and deferred annuity products.

Similarly, President Obama's revenue proposal for 2015 provides for (among other things) (i) increasing the tax rate applicable to long-term capital gains from 20% to 24%, (ii) imposing a 14% transition tax on accumulated foreign earnings, and (iii) imposing a new 19% minimum tax on foreign earnings in future taxable years. At this time, it is difficult for management to predict what the overall impact of future tax reform efforts will have on our funds and our business, but there is the potential for significant changes in U.S. federal laws related to the tax treatment of products and services provided by Apollo and investments made by our funds.

The President's revenue proposal for 2015 recommends elimination of certain key U.S. federal income tax incentives currently available to oil and natural gas exploration and production companies, and legislation has been introduced in Congress that would implement many of these proposals. These changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) the elimination of the deduction for certain domestic production activities, and (iv) an extension of the amortization period for certain geological and geophysical expenditures. It is unclear whether these or similar changes will be enacted and, if enacted, how soon any such changes could become effective. The passage of this legislation or any other similar changes in U.S. federal income tax laws could eliminate or postpone certain tax deductions that are currently available with respect to oil and natural gas exploration and development, and any such change could negatively affect the performance of our funds and in turn our performance.

We may hold or acquire certain investments through an entity classified as a PFIC or CFC for U.S. Federal income tax purposes.

Certain of our investments may be in foreign corporations or may be acquired through foreign subsidiaries that would be classified as corporations for U.S. Federal income tax purposes. Such entities may be passive foreign investment companies, or "PFICs," or controlled foreign corporations, or "CFCs," for U.S. Federal income tax purposes. For example, APO (FC), LLC is considered to be a CFC for U.S. Federal income tax purposes. Class A shareholders indirectly owning an interest in a PFIC or a CFC may experience adverse U.S. tax consequences, including the recognition of taxable income prior to the receipt of cash relating to such income. In addition, gain on the sale of a PFIC or CFC may be taxable at ordinary income tax rates.

Complying with certain tax-related requirements may cause us to forego otherwise attractive business or investment opportunities or enter into acquisitions, borrowings, financings or arrangements we may not have otherwise entered into.

In order for us to be treated as a partnership for U.S. Federal income tax purposes, and not as an association or publicly traded partnership taxable as a corporation, we must meet the qualifying income exception discussed above on a continuing basis and we must not be required to register as an investment company under the Investment Company Act. In order to effect such treatment we (or our subsidiaries) may be required to invest through foreign or domestic corporations, forego attractive business or investment opportunities or enter into borrowings or financings we may not have otherwise entered into. This may cause us to incur additional tax liability and/or adversely affect our ability to operate solely to maximize our cash flow. Our structure also may impede our ability to engage in certain corporate acquisitive transactions because we generally intend to hold all of our assets through the Apollo Operating Group. In addition, we may be unable to participate in certain corporate reorganization transactions that would be tax free to our holders if we were a corporation. To the extent we hold assets other than through the Apollo Operating Group, we will make appropriate adjustments to the Apollo Operating Group agreements so that distributions to Holdings and us would be the same as if such assets were held at that level. Moreover, we are precluded by a contract with one of the Strategic Investors from acquiring assets in a manner that would cause that Strategic Investor to be engaged in a commercial activity within the meaning of Section 892 of the Internal Revenue Code.

Tax gain or loss on disposition of our Class A shares could be more or less than expected.

If you sell your Class A shares, you will recognize a gain or loss equal to the difference between the amount realized and your adjusted tax basis allocated to those Class A shares. Prior distributions to you in excess of the total net taxable income allocated to you will have decreased the tax basis in your Class A shares. Therefore, such excess distributions will increase your taxable gain, or decrease your taxable loss, when the Class A shares are sold and may result in a taxable gain even if the sale price is less than the original cost. A portion of the amount realized, whether or not representing gain, may be ordinary income to you.

We cannot match transferors and transferees of Class A shares, and we have therefore adopted certain income tax accounting conventions that may not conform with all aspects of applicable tax requirements. The IRS may challenge this treatment, which could adversely affect the value of our Class A shares.

Because we cannot match transferors and transferees of Class A shares, we have adopted depreciation, amortization and other tax accounting positions that may not conform with all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to holders of Class A shares. It also could affect the timing of these tax benefits or the amount of gain on the sale of Class A shares and could have a negative impact on the value of Class A shares or result in audits of and adjustments to the tax returns of holders of Class A shares.

The sale or exchange of 50% or more of our capital and profit interests will result in the termination of our partnership for U.S. Federal income tax purposes. We will be considered to have been terminated for U.S. Federal income tax purposes if there is a sale or exchange of 50% or more of the total interests in our capital and profits within a twelve-month period. Our termination would, among other things, result in the closing of our taxable year for all holders of Class A shares and could result in a deferral of depreciation deductions allowable in computing our taxable income.

Non-U.S. persons face unique U.S. tax issues from owning Class A shares that may result in adverse tax consequences to them.

In light of our investment activities, we may be, or may become, engaged in a U.S. trade or business for U.S. Federal income tax purposes, in which case some portion of our income would be treated as effectively connected income with respect to non-U.S. holders of our Class A shares, or “ECI.” Moreover, dividends paid by an investment that we make in a real estate investment trust, or “REIT,” that are attributable to gains from the sale of U.S. real property interests and sales of certain investments in interests in U.S. real property, including stock of certain U.S. corporations owning significant U.S. real property, may be treated as ECI with respect to non-U.S. holders of our Class A shares. In addition, certain income of non-U.S. holders from U.S. sources not connected to any U.S. trade or business conducted by us could be treated as ECI. To the extent our income is treated as ECI, each non-U.S. holder generally would be subject to withholding tax on its allocable share of such income, would be required to file a U.S. Federal income tax return for such year reporting its allocable share of income effectively connected with such trade or business and any other income treated as ECI, and would be subject to U.S. Federal income tax at regular U.S. tax rates on any such income (state and local income taxes and filings may also apply in that event). Non-U.S. holders that are corporations may also be subject to a 30% branch profits tax on their allocable share of such income. In addition, certain income from U.S. sources that is not ECI allocable to non-U.S. holders may be reduced by withholding taxes imposed at the highest effective applicable tax rate.

An investment in Class A shares will give rise to UBTI to certain tax-exempt holders.

We will not make investments through taxable U.S. corporations solely for the purpose of limiting unrelated business taxable income ("UBTI") from “debt-financed” property and, thus, an investment in Class A shares will give rise to UBTI to tax-exempt holders of Class A shares. For example, APO Asset Co., LLC will hold interests in entities treated as partnerships, or otherwise subject to tax on a flow-through basis, that will incur indebtedness. Moreover, if the IRS successfully asserts that we are engaged in a trade or business, then additional amounts of income could be treated as UBTI.

We do not intend to make, or cause to be made, an election under Section 754 of the Internal Revenue Code to adjust our asset basis or the asset basis of certain of the Apollo Operating Group Partnerships. Thus, a holder of Class A shares could be allocated more taxable income in respect of those Class A shares prior to disposition than if such an election were made.

We did not make and currently do not intend to make, or cause to be made, an election to adjust asset basis under Section 754 of the Internal Revenue Code with respect to Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P. and Apollo Principal Holdings X, L.P. If no such election is made, there will generally be no adjustment for a transferee of Class A shares even if the purchase price of those Class A shares is higher than the Class A shares’ share of the aggregate tax basis of our assets immediately prior to the transfer. In that case, on a sale of an asset, gain allocable to a transferee could include built-in gain allocable to the transferor at the time of the transfer, which built-in gain would otherwise generally be eliminated if a Section 754 election had been made.

Class A shareholders may be subject to state and local taxes and return filing requirements as a result of investing in our Class A shares.

In addition to U.S. Federal income taxes, our Class A shareholders may be subject to other taxes, including state and local taxes, unincorporated business taxes and estate, inheritance or intangible taxes that are imposed by the various jurisdictions in which we do business or own property now or in the future, even if our Class A shareholders do not reside in any of those jurisdictions. Our Class A shareholders may also be required to file state and local income tax returns and pay state and local income taxes in some or all of these jurisdictions. Further, Class A shareholders may be subject to penalties for failure to comply with those requirements. It is the responsibility of each Class A shareholder to file all U.S. Federal, state and local tax returns that may be required of such Class A shareholder.

We may not be able to furnish to each Class A shareholder specific tax information within 90 days after the close of each calendar year, which means that holders of Class A shares who are U.S. taxpayers should anticipate the need to file annually a request for an extension of the due date of their income tax return. In addition, it is possible that Class A shareholders may be required to file amended income tax returns.

As a publicly traded partnership, our operating results, including distributions of income, dividends, gains, losses or deductions and adjustments to carrying basis, will be reported on Schedule K-1 and distributed to each Class A shareholder annually. It may require longer than 90 days after the end of our fiscal year to obtain the requisite information from all lower-tier entities so that K-1s may be prepared for us. For this reason, Class A shareholders who are U.S. taxpayers should anticipate the need to file annually with the IRS (and certain states) a request for an extension past April 15 or the otherwise applicable due date of their income tax return for the taxable year.

In addition, it is possible that a Class A shareholder will be required to file amended income tax returns as a result of adjustments to items on the corresponding income tax returns of the partnership. Any obligation for a Class A shareholder to file amended income tax returns for that or any other reason, including any costs incurred in the preparation or filing of such returns, are the responsibility of each Class A shareholder.

You may be subject to an additional U.S. Federal income tax on net investment income allocated to you by us and on gain on the sale of the Class A shares.

As of 2013, individuals, estates and trusts are subject to an additional 3.8% tax on “net investment income” (or undistributed “net investment income,” in the case of estates and trusts) for each taxable year, with such tax applying to the lesser of such income or the excess of such person’s adjusted gross income (with certain adjustments) over a specified amount. Net investment income includes net income from interest, dividends, annuities, royalties and rents and net gain attributable to the disposition of investment property. It is anticipated that net income and gain attributable to an investment in us will be included in a holder of the Class A share's “net investment income” subject to this additional tax.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive offices are located in leased office space at 9 West 57th Street, New York, New York 10019. We also lease the space for our offices in New York, Los Angeles, Houston, Bethesda, Chicago, Toronto, London, Singapore, Frankfurt, Mumbai, Hong Kong and Luxembourg. We do not own any real property. We consider these facilities to be suitable and adequate for the management and operation of our businesses.

ITEM 3. LEGAL PROCEEDINGS

Litigation and Contingencies—Apollo is, from time to time, party to various legal actions arising in the ordinary course of business including claims and lawsuits, reviews, investigations or proceedings by governmental and self regulatory agencies regarding its business.

In March 2012, plaintiffs filed two putative class actions, captioned Kelm v. Chase Bank (No. 12-cv-332) and Miller v. 1-800-Flowers.com, Inc. (No. 12-cv-396), in the District of Connecticut on behalf of a class of consumers alleging online fraud. The defendants included, among others, Trilegiant Corporation, Inc. ("Trilegiant"), its parent company, Affinion Group, LLC ("Affinion"), and Apollo Global Management, LLC ("AGM"), which is affiliated with funds that are the beneficial owners of 68% of Affinion's common stock. In both cases, plaintiffs allege that Trilegiant, aided by its business partners, who include e-merchants and credit card companies, developed a set of business practices intended to create consumer confusion and ultimately defraud consumers into unknowingly paying fees to clubs for unwanted services. Plaintiffs allege that AGM is a proper defendant because of its indirect stock ownership and ability to appoint the majority of Affinion's board. The complaints assert claims under the Racketeer Influenced Corrupt Organizations Act; the Electronic Communications Privacy Act; the Connecticut Unfair Trade Practices Act; and the California Business and Professional Code, and seek, among other things, restitution or disgorgement, injunctive relief, compensatory, treble and punitive damages, and attorneys' fees. The allegations in Kelm and Miller are substantially similar to those in Schnabel v. Trilegiant Corp. (No. 3:10-cv-957), a putative class action filed in the District of Connecticut in 2010 that names only Trilegiant and Affinion as defendants. The court has consolidated the Kelm, Miller, and Schnabel cases under the caption In re: Trilegiant Corporation, Inc. and ordered that they proceed on the same schedule. On June 18, 2012, the court appointed lead plaintiffs' counsel, and on September 7, 2012, plaintiffs filed their consolidated amended complaint ("CAC"), which alleges the same causes of action against AGM as did the complaints in the Kelm and Miller cases. Defendants filed motions to dismiss on December 7, 2012, plaintiffs filed opposition papers on February 7, 2013, and defendants filed replies on April 5, 2013. On December 5, 2012, plaintiffs filed another putative class action, captioned Frank v. Trilegiant Corp. (No. 12-cv-1721), in the District of Connecticut, naming the same defendants and containing allegations substantially similar to those in the CAC. On January 23, 2013, plaintiffs moved to transfer and consolidate Frank into In re: Trilegiant. On July 24, 2013 the Frank court transferred the case to Judge Bryant, who is presiding over In re: Trilegiant, and on March 28, 2014, Judge Bryant granted the motion to consolidate. On September 25, 2013, the court held oral argument on defendants' motions to dismiss. On March 28, 2014, the court granted in part and denied in part motions to dismiss filed by Affinion and Trilegiant on behalf of all defendants, and also granted separate motions to dismiss filed by certain defendants, including AGM. On that same day, the court directed the clerk to terminate AGM as a defendant in the consolidated action. On April 28, 2014, plaintiffs moved for interlocutory review of certain of the court's motion-to-dismiss rulings, not including its order granting AGM's separate dismissal motion. Defendants filed a response on May 23, 2014, and plaintiffs replied on June 5, 2014. On November 13, 2014, plaintiffs and the remaining defendants filed a Joint Status Report Regarding Discovery stating that no discovery has taken place since plaintiffs filed their interlocutory-review motion.

Various state attorneys general and federal and state agencies have initiated industry-wide investigations into the use of placement agents in connection with the solicitation of investments, particularly with respect to investments by public pension funds. Certain affiliates of Apollo have received subpoenas and other requests for information from various government regulatory agencies and investors in Apollo's funds, seeking information regarding the use of placement agents. CalPERS, one of our Strategic Investors, announced on October 14, 2009, that it had initiated a special review of placement agents and related issues. The report of the CalPERS Special Review was issued on March 14, 2011. That report does not allege any wrongdoing on the part of Apollo or its affiliates. Apollo is continuing to cooperate with all such investigations and other reviews. In addition, on May 6, 2010, the California Attorney General filed a civil complaint against Alfred Villalobos and his company, Arvco Capital Research, LLC ("Arvco") (a placement agent that Apollo has used) and Federico Buenrostro Jr., the former CEO of CalPERS, alleging conduct in violation of certain California laws in connection with CalPERS's purchase of securities in various funds managed by Apollo and another asset manager. Apollo is not a party to the civil lawsuit and the lawsuit does not allege any misconduct on the part of Apollo. Likewise, on April 23, 2012, the SEC filed a lawsuit alleging securities fraud on the part of Arvco, as well as Messrs. Buenrostro and Villalobos, in connection with their activities concerning certain CalPERS investments in funds managed by Apollo. This lawsuit also does not allege wrongdoing on the part of Apollo, and alleges that Apollo was defrauded by Arvco, Villalobos, and Buenrostro. On March 14, 2013, the United States Department of Justice unsealed an indictment against Messrs. Villalobos and Buenrostro alleging, among other crimes, fraud in connection with those same activities; again, Apollo is not accused of any wrongdoing and in fact is alleged to have been defrauded by the defendants. The criminal action was set for trial in a San Francisco federal court in July 2014, but was put on hold after Mr. Buenrostro pleaded guilty on July 11, 2014. As part of Mr. Buenrostro's plea agreement, he admitted to taking cash and other bribes from Mr. Villalobos in exchange for several improprieties, including attempting to influence CalPERS' investing decisions and improperly preparing disclosure letters to satisfy Apollo's requirements. There is no suggestion that Apollo was aware that Mr. Buenrostro had signed the letters with a corrupt motive. The government has indicated that they will file new charges against Mr. Villalobos incorporating Mr. Buenrostro's admissions. On August 7, 2014, the government filed a superseding indictment against Mr. Villalobos asserting additional charges. Trial had been scheduled for February 23, 2015, but Mr. Villalobos passed away on January 13, 2015. Additionally, on April 15, 2013, Mr. Villalobos, Arvco and related entities (the "Arvco Debtors") brought a civil action in the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court") against Apollo. The action is related to the ongoing bankruptcy proceedings of the Arvco Debtors. This action alleges that Arvco served as a placement agent for Apollo in connection with several funds associated with Apollo, and seeks to recover purported fees the Arvco Debtors claim Apollo has not paid them for a portion of Arvco's placement agent services. In addition, the Arvco Debtors allege that Apollo has interfered with the Arvco Debtors'

commercial relationships with third parties, purportedly causing the Arvco Debtors to lose business and to incur fees and expenses in the defense of various investigations and litigations. The Arvco Debtors also seek compensation from Apollo for these alleged lost profits and fees and expenses. The Arvco Debtors' complaint asserts various theories of recovery under the Bankruptcy Code and common law. Apollo denies the merit of all of the Arvco Debtors' claims and will vigorously contest them. The Bankruptcy Court has stayed this action pending the result in the criminal case against Mr. Villalobos. For these reasons, no estimate of possible loss, if any, can be made at this time.

On June 18, 2014, BOKF N.A. (the "First Lien Trustee"), the successor indenture trustee under the indenture governing the First Lien Notes issued by Momentive Performance Materials, Inc. ("Momentive"), commenced a lawsuit in the Supreme Court for the State of New York, New York County against AGM and members of an ad hoc group of Second Lien Noteholders (including, but not limited to, Euro VI (BC) S.a.r.l.). The First Lien Trustee amended its complaint on July 2, 2014 (the "First Lien Intercreditor Action"). In the First Lien Intercreditor Action, the First Lien Trustee seeks, among other things, a declaration that the defendants violated an intercreditor agreement entered into between holders of the first lien notes and holders of the second lien notes. On July 16, 2014, the successor indenture trustee under the indenture governing the 1.5 Lien Notes (the "1.5 Lien Trustee," and, together with the First Lien Trustee, the "Indenture Trustees") filed an action in the Supreme Court of the State of New York, New York County that is substantially similar to the First Lien Intercreditor Action (the "1.5 Lien Intercreditor Action," and, together with the First Lien Intercreditor Action, the "Intercreditor Actions"). AGM subsequently removed the Intercreditor Actions to federal district court, and the Intercreditor Actions were automatically referred to the Bankruptcy Court adjudicating the Momentive chapter 11 bankruptcy cases. The Indenture Trustees then filed motions with the Bankruptcy Court to remand the Intercreditor Actions back to the state court (the "Remand Motions"). On September 9, 2014, the Bankruptcy Court denied the Remand Motions. On August 15, 2014, the defendants in the Intercreditor Actions (including AGM) filed a motion to dismiss the 1.5 Lien Intercreditor Action and a motion for judgment on the pleadings in the First Lien Intercreditor Action (the "Dismissal Motions"). On September 30, 2014, the Bankruptcy Court granted the Dismissal Motions. In its order granting the Dismissal Motions, the Bankruptcy Court gave the Indenture Trustees until mid-November 2014 to move to amend some, but not all, of the claims alleged in their respective complaints. On November 14, 2014, the Indenture Trustees moved to amend their respective complaints pursuant to the Bankruptcy Court's order (the "Motions to Amend"). On January 9, 2015, the defendants filed their oppositions to the Motions to Amend. On January 16, 2015, the Bankruptcy Court denied the Motions to Amend. The Bankruptcy Court gave the Indenture Trustees until March 2, 2015 to seek to amend their respective complaints. The Indenture Trustees have not yet indicated whether they intend to file additional motions to amend. Accordingly, we are unable at this time to assess a potential risk of loss. In addition, we do not believe that AGM is a proper defendant in these actions.

On June 13, 2014, plaintiffs Stark Master Fund Ltd and Stark Global Opportunities Master Fund Ltd filed a lawsuit in the United States District Court for the Eastern District of Wisconsin against AGM and Apollo Management Holdings, L.P. (the "Apollo Defendants"), as well as Credit Suisse Securities (USA) LLC and Deutsche Bank Securities (USA) LLC (the "Bank Defendants"). The complaint alleges that AGM and the other defendants entered into an undisclosed and improper agreement concerning the financing of a potential acquisition by Hexion Specialty Chemicals Inc., and on this basis alleges a variety of common law misrepresentation claims, both intentional and negligent. The Apollo Defendants and Bank Defendants filed motions to dismiss the complaint on October 15, 2014. Rather than respond to the motions, plaintiffs filed an Amended Complaint on November 5, 2014. The Apollo Defendants and Bank Defendants filed motions to dismiss the Amended Complaint on December 23, 2014. Plaintiffs filed a motion for leave to conduct jurisdictional discovery on February 2, 2015, and pursuant to the parties' stipulation approved by the court the motion shall be fully briefed on or before March 9, 2015. Plaintiffs must file their opposition to Defendants' motion to dismiss the Amended Complaint on or before 30 days following either a decision from the Court on Plaintiffs' motion for jurisdictional discovery or the close of jurisdictional discovery, whichever is later. Because the claims against the Apollo Defendants are in their early stages, no reasonable estimate of possible loss, if any, can be made at this time.

There are several pending actions concerning transactions related to Caesars Entertainment Operating Company, Inc.'s ("CEOC") restructuring efforts. Apollo is not a defendant in these matters.

- In re: Caesars Entertainment Operating Company, Inc. bankruptcy proceedings, No. 15-10047 (Del. Bk.) (the "Delaware Bankruptcy Action") and No. 15-01145 (N.D. Ill. Bk.) (the "Illinois Bankruptcy Action"). On January 12, 2015, three holders of CEOC second lien notes issued filed an involuntary bankruptcy petition against CEOC in the United States Bankruptcy Court for the District of Delaware.

- On February 2, 2015, the court in the Delaware Bankruptcy Action ordered that all CEOC bankruptcy proceedings should take place in the Illinois Bankruptcy Action.

- Wilmington Savings Fund Society, FSB v. Caesars Entertainment Corp. et al., No. 10004-CVG (Del. Ch.) (the "Trustee Action"). On August 4, 2014, Wilmington Savings Fund Society, FSB

("WSFS"), as trustee for certain CEOC second-lien notes, sued Caesars Entertainment Corporation ("Caesars Entertainment"), Caesars Entertainment's subsidiary, CEOC, other Caesars Entertainment-affiliated entities, and certain of Caesars Entertainment's directors, including Marc Rowan, Eric Press, David Sambur (each an Apollo Partner) and Jeff Benjamin (an Apollo consultant), in the Delaware Chancery Court. WSFS (i) asserts claims (against some or all of the defendants) for fraudulent conveyance, breach of fiduciary duty, breach of contract, corporate waste and aiding and abetting related to certain transactions between CEOC and other Caesars Entertainment affiliates, and (ii) requests (among other things) that the court unwind the challenged transactions and award damages. Defendants filed a motion to dismiss or stay the Trustee Action in favor of the Caesars Action, which was argued on December 5, 2014.

- Caesars Entertainment Operating Co., et al. v. Appaloosa Investment Ltd. P'ship et al., No. 652392/2014 (N.Y. Sup. Ct.) (the "Caesars Action"). On August 5, 2014, Caesars Entertainment Corporation and Caesars Entertainment's subsidiary CEOC sued certain institutional CEOC second-lien noteholders and CEOC first-lien noteholder Elliott Management Corporation ("EMC"). On September 15, 2014, an amended complaint was filed adding WSFS as a defendant. The amended complaint asserts claims for (among other things) tortious interference with prospective economic advantage, a declaratory judgment that certain transactions related to CEOC's restructuring are valid and appropriate and that there has not been a default under the indentures governing the notes. On October 15, 2014, defendants moved to dismiss the complaint, and the motion was fully briefed on December 1, 2014. On January 15, 2015, Caesars Entertainment and CEOC agreed to voluntarily dismiss their claims against EMC without prejudice, and EMC agreed to withdraw its motion to dismiss without prejudice. The remaining parties in the Caesars Action and the parties in the Trustee action described below have agreed to stay discovery pending decision on the respective motions to dismiss.

- Meehancombs Global Credit Opportunities Master Fund, L.P., et al. v. Caesars Entertainment Corp., et al., No. 14-cv-7091 (S.D.N.Y.) (the "Meehancombs Action"). On September 3, 2014, institutional investors allegedly holding approximately $137 million in CEOC unsecured senior notes sued CEOC and Caesars Entertainment for breach of contract and the implied covenant of good faith, Trust Indenture Act violations and a declaratory judgment challenging the August 2014 private financing transaction in which a portion of outstanding senior unsecured notes were purchased by Caesars Entertainment, and a majority of the noteholders agreed to amend the indenture to terminate Caesars Entertainment's guarantee of the notes and modify certain restrictions on CEOC's ability to sell assets. On October 2, 2014, a related putative class action complaint was filed on behalf of the holders of these notes captioned Danner v. Caesars Entertainment Corp., et al., No. 14-cv-7973 (S.D.N.Y.) (the "Danner Action"), against Caesars Entertainment alleging similar claims to the Meehancombs Action. Caesars Entertainment and CEOC filed a motion to dismiss on November 12, 2014. On January 15, 2015, the court granted the motion with respect to a Trust Indenture Act claim by Meehancombs but otherwise denied the motion. On January 30, 2015, plaintiffs filed an amended complaint seeking relief against Caesars Entertainment only, which Caesars Entertainment answered on February 12, 2015.

- UMB Bank v. Caesars Entertainment Corporation, et al., No. 10393 (Del. Ch.) (the "UMB Action."). On November 25, 2014, UMB Bank, as trustee for certain CEOC notes, sued Caesars Entertainment, CEOC, other Caesars Entertainment-affiliated entities, and certain of Caesars Entertainment's directors, including Marc Rowan, Eric Press, David Sambur (each an Apollo Partner) and Jeffrey Benjamin (an Apollo consultant), in Delaware Chancery Court. The lawsuit alleges claims for actual and constructive fraudulent conveyance and transfer, insider preferences, illegal dividends, breach of contract, intentional interference with contractual relations, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, usurpation of corporate opportunities, and unjust enrichment. The UMB Action seeks appointment of a receiver for CEOC, a constructive trust, and other relief. The UMB Action has been assigned to the same judge overseeing the Trustee Action. Upon filing the complaint, UMB Bank moved to expedite is claim seeking a receiver, on which the court held oral argument on December 17, 2014. On January 15, 2015, the court entered a stipulated order staying the UMB Action as to all parties due to CEOC's bankruptcy filing.

- Koskie v. Caesars Acquisition Company, et al., No. A-14-711712-C (Clark Cnty Nev. Dist. Ct.) (the "Koskie Action"). On December 30, 2014, Nicholas Koskie brought a shareholder class action on behalf of shareholders of Caesars Acquisition Company ("CAC") against CAC, Caesars Entertainment, and members of CAC's Board of Directors, including Marc Rowan and David Sambur (each an Apollo partner). The lawsuit challenges CAC and Caesars Entertainment's plan to merge, alleging that the proposed transaction will not give CAC shareholders fair value. Koskie asserts claims for breach of fiduciary duty relating to the director defendants' interrelationships with the entities involved the proposed transaction.

- Apollo believes that the claims in the Trustee Action, the UMB Action, the Meehancombs Action, the Danner Action, and the Koskie Action are without merit. For this reason, and because the claims are in their early stages, and because of pending bankruptcy proceedings involving CEOC, no reasonable estimate of possible loss, if any, can be made at this time.

Following the January 16, 2014 announcement that CEC Entertainment, Inc. ("CEC") had entered into a merger agreement with certain entities affiliated with Apollo (the "Merger Agreement"), four putative shareholder class actions were filed in the District Court of Shawnee County, Kansas on behalf of purported stockholders of CEC against, among others, CEC, its directors and Apollo and certain of its affiliates, which include Queso Holdings Inc., Q Merger Sub Inc., Apollo Management VIII, L.P., and AP VIII Queso Holdings, L.P. The first purported class action, which is captioned Hilary Coyne v. Richard M. Frank et al., Case No. 14C57, was filed on January 21, 2014 (the "Coyne Action"). The second purported class action, which was captioned John Solak v. CEC Entertainment, Inc. et al., Civil Action No. 14C55, was filed on January 22, 2014 (the "Solak Action"). The Solak Action was dismissed for lack of prosecution on October 14, 2014. The third purported class action, which is captioned Irene Dixon v. CEC Entertainment, Inc. et al., Case No. 14C81, was filed on January 24, 2014 and additionally names as defendants Apollo Management VIII, L.P. and AP VIII Queso Holdings, L.P. (the "Dixon Action"). The fourth purported class action, which is captioned Louisiana Municipal Public Employees' Retirement System v. Frank, et al., Case No. 14C97, was filed on January 31, 2014 (the "LMPERS Action") (together with the Coyne and Dixon Actions, the "Shareholder Actions"). A fifth purported class action, which was captioned McCullough v. Frank, et al., Case No. CC-14-00622-B, was filed in the County Court of Dallas County, Texas on February 7, 2014. This action was dismissed for want of prosecution on May 21, 2014. Each of the Shareholder Actions alleges, among other things, that CEC's directors breached their fiduciary duties to CEC's stockholders in connection with their consideration and approval of the Merger Agreement, including by agreeing to an inadequate price, agreeing to impermissible deal protection devices, and filing materially deficient disclosures regarding the transaction. Each of the Shareholder Actions further alleges that Apollo and certain of its affiliates aided and abetted those alleged breaches. As filed, the Shareholder Actions seek, among other things, rescission of the various transactions associated with the merger, damages and attorneys' and experts' fees and costs. On February 7, 2014 and February 11, 2014, the plaintiffs in the Shareholder Actions pursued a consolidated action for damages after the transaction closed. Thereafter, the Shareholder Actions were consolidated under the caption In re CEC Entertainment, Inc. Stockholder Litigation, Case No. 14C57, and the parties have engaged in limited discovery. No defendant has any obligation to answer or otherwise respond to any of the complaints in the consolidated action until the plaintiffs file or designate an operative complaint. Although Apollo cannot predict the ultimate outcome of the above action, it believes that such action is without merit.

On June 10, 2014, Magnetar Global Event Driven Fund Ltd., Spectrum Opportunities Master Fund, Ltd., Magnetar Capital Master Fund, Ltd., and Blackwell Partners LLC, as the purported beneficial owners of shares held as of record by the nominal petitioner Cede & Co., (the "Appraisal Petitioners"), filed an action for statutory appraisal under Kansas state law against CEC in the U.S. District Court for the District of Kansas, captioned Magnetar Global Event Driven Master Fund Ltd, et al. v. CEC Entertainment, Inc., 2:14-cv-02279-RDR-KGS. The Appraisal Petitioners seek appraisal of 750,000 shares of common stock. CEC has answered the complaint and filed a verified list of stockholders, as required under Kansas law. On September 3, 2014, the court entered a scheduling order that contemplated that discovery would commence in the fall of 2014 and would be substantially completed by May 2015. On January 13, 2015, the court entered a revised scheduling order that contemplated that fact discovery would be completed by March 13, 2015, expert discovery would be completed by June 15, 2015, and a pretrial conference would occur on June 29, 2015. Thereafter, the scheduling order contemplates dispositive motion practice and a trial on the merits of the Appraisal Petitioners' claims. Although Apollo cannot predict the ultimate outcome of the above actions, Apollo believes that such actions are without merit.

On September 29, 2014, Athlon Energy Inc. ("Athlon") and Encana Corporation ("Encana") jointly announced that they had entered into an Agreement and Plan of Merger, dated as of September 27, 2014 (the "Merger Agreement"), pursuant to which a wholly-owned subsidiary of Encana ("Merger Sub") would commence a tender offer (the "Offer") to acquire all of the issued and outstanding shares of Athlon common stock. Following completion of the Offer, Merger Sub would be merged with and into Athlon (the "Proposed Transaction"). On October 23, 2014, The City of Cambridge Retirement System filed a putative class action complaint captioned The City of Cambridge Retirement System v. Reeves, et al., C.A. No. 10277-VCG (the "Cambridge

Action") in the Delaware Court of Chancery naming Merger Sub, AGM and members of Athlon's board of directors as defendants. The Cambridge Action alleges, among other things, that members of Athlon's board of directors breached their fiduciary duties in connection with their consideration and approval of the proposed transaction, and that Encana, Merger Sub and AGM aided and abetted those breaches of fiduciary duty. On November 3, 2014, the parties to the Cambridge Action and several other similar actions filed in Delaware and Texas state court before the Cambridge Action (none of which named AGM as a defendant (collectively, the "Actions")), entered into a Memorandum of Understanding to settle the Actions. On December 19, 2014, the parties to the Actions entered into a formal settlement agreement, and on December 22, 2014, the parties submitted the settlement agreement and accompanying papers to the court for its approval. Under the terms of the proposed settlement, AGM will not be required to contribute any cash and will be granted full and customary releases.

Although the ultimate outcome of these matters cannot be ascertained at this time, Apollo is of the opinion, after consultation with counsel, that the resolution of any such matters to which it is a party at this time will not have a material adverse effect on the consolidated financial statements. Legal actions material to Apollo could, however, arise in the future.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II—OTHER INFORMATION

ITEM 5. MARKETS FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Class A shares are traded on the NYSE under the symbol "APO." Our Class A shares began trading on the NYSE on March 30, 2011.

The number of holders of record of our Class A shares as of February 26, 2015 was 20. This does not include the number of shareholders that hold shares in "street name" through banks or broker-dealers. As of February 26, 2015, there was 1 holder of our Class B share.

The following table sets forth the high and low intra-day sales prices per unit of our Class A shares, for the periods indicated, as reported by the NYSE:

	Sales Price	
2014	**High**	**Low**
First Quarter	$ 36.51	$ 29.91
Second Quarter	32.44	24.06
Third Quarter	28.18	22.41
Fourth Quarter	25.18	20.02

	Sales Price	
2013	**High**	**Low**
First Quarter	$ 24.87	$ 17.72
Second Quarter	28.14	20.86
Third Quarter	29.98	22.61
Fourth Quarter	34.88	28.04

Cash Distribution Policy

With respect to fiscal year 2014, we paid four cash distributions of $1.08, $0.84, $0.46 and $0.73 per Class A share on February 26, 2014, May 30, 2014, August 29, 2014, and November 21, 2014, respectively (aggregating to $3.11 per Class A share), and we have declared an additional cash distribution of $0.86 per Class A share in respect of the fourth quarter of 2014 which will be paid on February 27, 2015 to holders of record of Class A shares at the close of business on February 17, 2015.

With respect to fiscal year 2013, we paid four cash distributions of $1.05, $0.57, $1.32 and $1.01 per Class A share on February 28, 2013, May 30, 2013, August 30, 2013, and November 29, 2013, respectively, aggregating to $3.95 per Class A share.

"Distributable Earnings", or "DE", as well as "DE After Taxes and Related Payables", are derived from our segment reported results, and are supplemental measures to assess performance and amounts available for distribution to Class A shareholders, holders of RSUs that participate in distributions and holders of AOG units. DE represents the amount of net realized earnings without the effects of the consolidation of any of the affiliated funds. DE, which is a component of Economic Net Income or "ENI", is the sum across all segments of (i) total management fees and advisory and transaction fees, excluding monitoring fees received from Athene based on its capital and surplus (as defined in Apollo's transaction advisory services agreement with Athene), (ii) other income (loss), excluding the gains (losses) arising from the reversal of a portion of the tax receivable agreement liability, (iii) realized carried interest income, and (iv) realized investment income, less (i) compensation expense, excluding the expense related to equity-based awards, (ii) realized profit sharing expense, and (iii) non-compensation expenses, excluding depreciation and amortization expense. DE After Taxes and Related Payables represents DE less estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.

Our current intention is to distribute to our Class A shareholders on a quarterly basis substantially all of our Distributable Earnings attributable to Class A shareholders, in excess of amounts determined by our manager to be necessary or appropriate to provide for the conduct of our businesses, to make appropriate investments in our businesses and our funds, to comply with applicable law, any of our debt instruments or other agreements, or to provide for future distributions to our Class A shareholders for any ensuing quarter. Because we will not know what our actual available cash flow from operations will be for any year until

sometime after the end of such year, our fourth quarter distribution may be adjusted to take into account actual net after-tax cash flow from operations for that year.

The declaration, payment and determination of the amount of our quarterly distribution will be at the sole discretion of our manager, which may change our cash distribution policy at any time. We cannot assure you that any distributions, whether quarterly or otherwise, will or can be paid. In making decisions regarding our quarterly distribution, our manager will take into account general economic and business conditions, our strategic plans and prospects, our businesses and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, legal, tax and regulatory restrictions, restrictions and other implications on the payment of distributions by us to our common shareholders or by our subsidiaries to us and such other factors as our manager may deem relevant.

Because we are a holding company that owns intermediate holding companies, the funding of each distribution, if declared, will occur in three steps, as follows.

- ***First***, we will cause one or more entities in the Apollo Operating Group to make a distribution to all of its partners, including our wholly-owned subsidiaries APO Corp., APO Asset Co., LLC, APO (FC), LLC and APO (FC II), LLC (as applicable), and Holdings, on a pro rata basis;
- ***Second***, we will cause our intermediate holding companies, APO Corp., APO Asset Co., LLC, APO (FC), LLC and APO (FC II), LLC (as applicable), to distribute to us, from their net after-tax proceeds, amounts equal to the aggregate distribution we have declared; and
- ***Third***, we will distribute the proceeds received by us to our Class A shareholders on a pro rata basis.

Payments that any of our intermediate holding companies make under the tax receivable agreement will reduce amounts that would otherwise be available for distribution by us on our Class A shares. See note 17 to our consolidated financial statements.

Under Delaware law we are prohibited from making a distribution to the extent that our liabilities, after such distribution, exceed the fair value of our assets. Our operating agreement does not contain any restrictions on our ability to make distributions, except that we may only distribute Class A shares to holders of Class A shares. The debt arrangements, as described in note 14 to our consolidated financial statements, do not contain restrictions on our or our subsidiaries' ability to pay distributions; however, instruments governing indebtedness that we or our subsidiaries incur in the future may contain restrictions on our or our subsidiaries' ability to pay distributions or make other cash distributions to equity holders.

In addition, the Apollo Operating Group’s cash flow from operations may be insufficient to enable it to make tax distributions to its partners, in which case the Apollo Operating Group may have to borrow funds or sell assets, and thus our liquidity and financial condition could be materially adversely affected. Furthermore, by paying cash distributions rather than investing that cash in our businesses, we might risk slowing the pace of our growth, or not having a sufficient amount of cash to fund our operations, new investments or unanticipated capital expenditures, should the need arise.

Our cash distribution policy has certain risks and limitations, particularly with respect to liquidity. Although we expect to pay distributions according to our cash distribution policy, we may not pay distributions according to our policy, or at all, if, among other things, we do not have the cash necessary to pay the intended distributions.

As of December 31, 2014, approximately 22.4 million RSUs granted to Apollo employees (net of forfeited awards) were entitled to distribution equivalents, which are paid in cash.

Securities Authorized for Issuance Under Equity Compensation Plans

See the table under “Securities Authorized for Issuance Under Equity Compensation Plans” set forth in “Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.”

Unregistered Sale of Equity Securities

On October 9, 2014, November 4, 2014 and November 12, 2014, we issued 711,805, 2,319,139 and 2,950 Class A shares, net of taxes, to Apollo Management Holdings, L.P., respectively, for an aggregate purchase price of $16,912,487, $52,435,733 and $69,178, respectively. The issuances were exempt from registration under the Securities Act in accordance with Section 4(a)(2) and Rule 506(b) thereof, as transactions by the issuer not involving a public offering. We determined that the purchaser of Class A shares in the transactions, Apollo Management Holdings, L.P., was an accredited investor.

Class A Shares Repurchases in the Fourth Quarter of 2014

No purchases of our Class A shares were made by us or on our behalf in the fourth quarter of the year ended December 31, 2014.

ITEM 6. SELECTED FINANCIAL DATA

The following selected historical consolidated and combined financial and other data of Apollo Global Management, LLC should be read together with "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and the historical financial statements and related notes included in "Item 8. Financial Statements and Supplementary Data."

The selected historical consolidated statements of operations data of Apollo Global Management, LLC for each of the years ended December 31, 2014, 2013 and 2012 and the selected historical consolidated statements of financial condition data as of December 31, 2014 and 2013 have been derived from our audited consolidated financial statements which are included in "Item 8. Financial Statements and Supplementary Data."

We derived the selected historical consolidated statements of operations data of Apollo Global Management, LLC for the years ended December 31, 2011 and 2010 and the selected consolidated statements of financial condition data as of December 31, 2012, 2011 and 2010 from our audited consolidated financial statements which are not included in this report.

	Year Ended December 31,				
	2014	2013	2012	2011	2010
	(in thousands, except per share amounts)				
Statement of Operations Data					
Revenues:					
Advisory and transaction fees from affiliates, net	$ 315,587	$ 196,562	$ 149,544	$ 81,953	$ 79,782
Management fees from affiliates	850,441	674,634	580,603	487,559	431,096
Carried interest income (loss) from affiliates	394,055	2,862,375	2,129,818	(397,880)	1,599,020
Total Revenues	1,560,083	3,733,571	2,859,965	171,632	2,109,898
Expenses:					
Compensation and benefits:					
Equity-based compensation	126,320	126,227	598,654	1,149,753	1,118,412
Salary, bonus and benefits	338,049	294,753	274,574	251,095	249,571
Profit sharing expense	276,190	1,173,255	872,133	(60,070)	575,367
Total Compensation and Benefits	740,559	1,594,235	1,745,361	1,340,778	1,943,350
Interest expense	22,393	29,260	37,116	40,850	35,436
Professional fees	82,030	83,407	64,682	59,277	61,919
General, administrative and other	97,663	98,202	87,961	75,558	65,107
Placement fees	15,422	42,424	22,271	3,911	4,258
Occupancy	40,427	39,946	37,218	35,816	23,067
Depreciation and amortization	45,069	54,241	53,236	26,260	24,249
Total Expenses	1,043,563	1,941,715	2,047,845	1,582,450	2,157,386
Other Income:					
Net gains (losses) from investment activities	213,243	330,235	288,244	(129,827)	367,871
Net gains (losses) from investment activities of consolidated variable interest entities	22,564	199,742	(71,704)	24,201	48,206
Income from equity method investments	53,856	107,350	110,173	13,923	69,812
Interest income	10,392	12,266	9,693	4,731	1,528
Other income, net	60,592	40,114	1,964,679	205,520	195,032
Total Other Income	360,647	689,707	2,301,085	118,548	682,449
Income (loss) before income tax provision	877,167	2,481,563	3,113,205	(1,292,270)	634,961
Income tax provision	(147,245)	(107,569)	(65,410)	(11,929)	(91,737)
Net Income (Loss)	729,922	2,373,994	3,047,795	(1,304,199)	543,224
Net (income) loss attributable to Non-Controlling Interests[1][2]	(561,693)	(1,714,603)	(2,736,838)	835,373	(448,607)
Net Income (Loss) Attributable to Apollo Global Management, LLC	$ 168,229	$ 659,391	$ 310,957	$ (468,826)	$ 94,617
Distributions Declared per Class A Share	$ 3.11	$ 3.95	$ 1.35	$ 0.83	$ 0.21
Net Income (Loss) Available to Class A Share – Basic	$ 0.62	$ 4.06	$ 2.06	$ (4.18)	$ 0.83
Net Income (Loss) Available to Class A Share –Diluted	$ 0.62	$ 4.03	$ 2.06	$ (4.18)	$ 0.83

	As of December 31,				
	2014	2013	2012	2011	2010
	(in thousands)				
Statement of Financial Condition Data					
Total assets	$ 23,178,837	$ 22,477,981	$ 20,636,858	$ 7,975,873	$ 6,552,372
Debt (excluding obligations of consolidated variable interest entities)	1,034,014	750,000	737,818	738,516	751,525
Debt obligations of consolidated variable interest entities	14,123,100	12,423,962	11,834,955	3,189,837	1,127,180
Total shareholders' equity	5,943,461	6,688,722	5,703,383	2,648,321	3,081,419
Total Non-Controlling Interests	4,156,979	4,051,453	3,036,565	1,921,920	2,930,517

(1) Reflects Non-Controlling Interests attributable to AAA, consolidated variable interest entities and the remaining interests held by certain individuals who receive an allocation of income from certain of our credit management companies.

(2) Reflects the Non-Controlling Interests in the net (income) loss of the Apollo Operating Group relating to the AOG Units held by our Managing Partners and Contributing Partners which is calculated by applying the ownership percentage of Holdings in the Apollo Operating Group. Holdings' ownership interest in the Apollo Operating Group was impacted by the Company's initial public offering in April 2011, issuances of Class A shares in settlement of vested RSUs in each of the periods presented, and exchanges of certain AOG Units. See "Item 8. Financial Statements and Supplementary Data" for details of the ownership percentage in Holdings.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with Apollo Global Management, LLC's consolidated financial statements and the related notes as of December 31, 2014 and 2013 and for the years ended December 31, 2014, 2013, and 2012. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those included in the section of this report entitled "Item 1A. Risk Factors." The highlights listed below have had significant effects on many items within our consolidated financial statements and affect the comparison of the current period's activity with those of prior periods.

General

Our Businesses

Founded in 1990, Apollo is a leading global alternative investment manager. We are a contrarian, value-oriented investment manager in private equity, credit and real estate with significant distressed expertise and a flexible mandate in the majority of our funds which enables our funds to invest opportunistically across a company's capital structure. We raise, invest and manage funds on behalf of some of the world's most prominent pension, endowment and sovereign wealth funds as well as other institutional and individual investors. Apollo is led by our Managing Partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 24 years and lead a team of 845 employees, including 320 investment professionals, as of December 31, 2014.

Apollo conducts its management and incentive businesses primarily in the United States and substantially all of its revenues are generated domestically. These businesses are conducted through the following three reportable segments:

(i) ***Private equity***—primarily invests in control equity and related debt instruments, convertible securities and distressed debt instruments;

(ii) ***Credit***—primarily invests in non-control corporate and structured debt instruments; and

(iii) ***Real estate***—primarily invests in real estate equity for the acquisition and recapitalization of real estate assets, portfolios, platforms and operating companies, and real estate debt including first mortgage and mezzanine loans, preferred equity and commercial mortgage backed securities.

These business segments are differentiated based on the varying investment strategies. The performance is measured by management on an unconsolidated basis because management makes operating decisions and assesses the performance of each of Apollo's business segments based on financial and operating metrics and data that exclude the effects of consolidation of any of the managed funds.

Our financial results vary since carried interest, which generally constitutes a large portion of the income we receive from the funds that we manage, as well as the transaction and advisory fees that we receive, can vary significantly from quarter to quarter and year to year. As a result, we emphasize long-term financial growth and profitability to manage our business.

In addition, the growth in our Fee-Generating AUM during the last year has primarily been in our credit segment. The average management fee rate for these new credit products is at market rates for such products and in certain cases is below our historical rates. Also, due to the complexity of these new product offerings, the Company has incurred and will continue to incur additional costs associated with managing these products. To date, these additional costs have been offset by realized economies of scale and ongoing cost management.

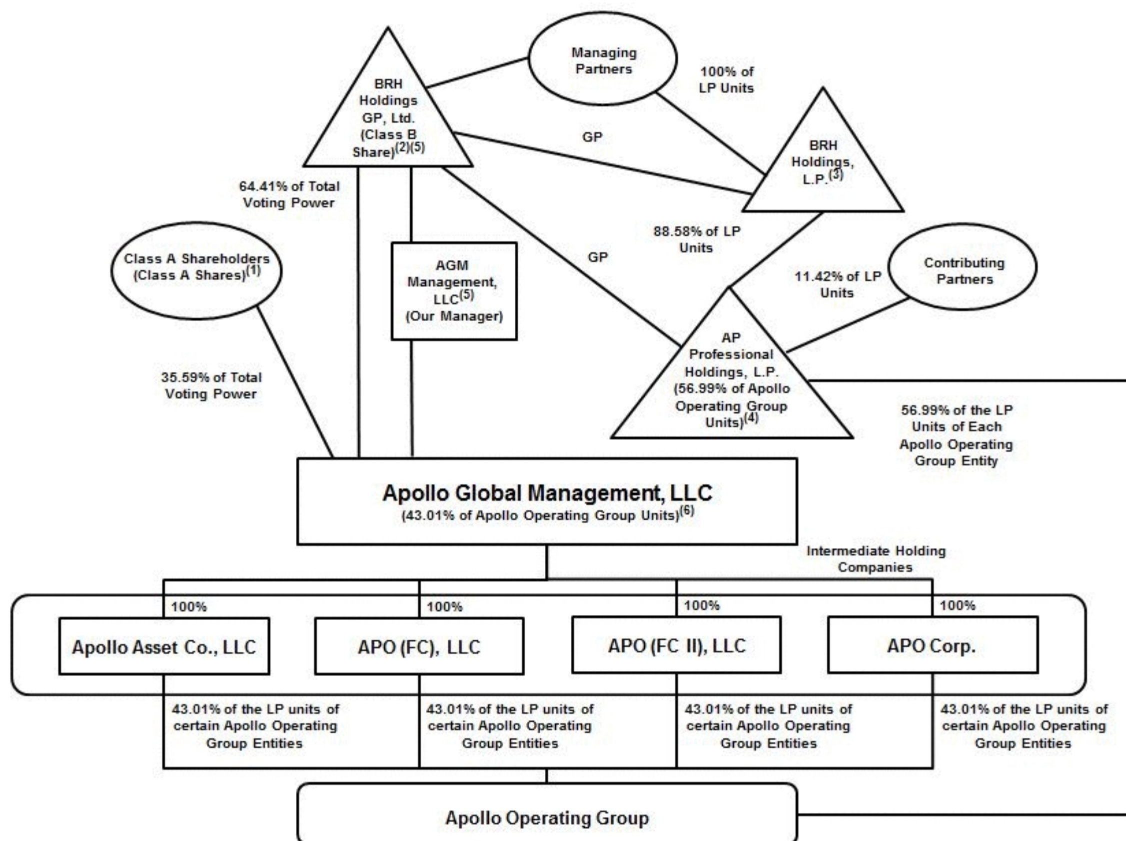
As of December 31, 2014, approximately 96% of our total AUM was in funds with a contractual life at inception of seven years or more, and 45% of our total AUM was considered permanent capital.

As of December 31, 2014, we had total AUM of $159.8 billion across all of our businesses. On December 31, 2013, Fund VIII held a final closing raising a total of $17.5 billion in third-party capital and approximately $880 million of additional

capital from Apollo and affiliated investors, and as of December 31, 2014, Fund VIII had $16.8 billion of uncalled commitments remaining. Additionally, Fund VII held a final closing in December 2008, raising a total of $14.7 billion, and as of December 31, 2014, Fund VII had $3.2 billion of uncalled commitments remaining. We have consistently produced attractive long-term investment returns in our traditional private equity funds, generating a 39% gross IRR and a 25% net IRR on a compound annual basis from inception through December 31, 2014. For further detail related to fund performance metrics across all of our businesses, see "—The Historical Investment Performance of Our Funds."

Holding Company Structure

The diagram below depicts our current organizational structure:



Note: The organizational structure chart above depicts a simplified version of the Apollo structure. It does not include all legal entities in the structure. Ownership percentages are as of the date of the filing of this Annual Report on Form 10-K.

(1) The Strategic Investors hold 26.79% of the Class A shares outstanding and 11.53% of the economic interests in the Apollo Operating Group. The Class A shares held by investors other than the Strategic Investors represent 35.59% of the total voting power of our shares entitled to vote and 31.51% of the economic interests in the Apollo Operating Group. Class A shares held by the Strategic Investors do not have voting rights. However, such Class A shares will become entitled to vote upon transfers by a Strategic Investor in accordance with the agreements entered into in connection with the investments made by the Strategic Investors.

(2) Our Managing Partners own BRH Holdings GP, Ltd., which in turn holds our only outstanding Class B share. The Class B share represents 64.41% of the total voting power of our shares entitled to vote but no economic interest in Apollo Global Management, LLC. Our Managing Partners' economic interests are instead represented by their indirect beneficial ownership, through Holdings, of 50.48% of the limited partner interests in the Apollo Operating Group.

(3) Through BRH Holdings, L.P., our Managing Partners indirectly beneficially own through estate planning vehicles, limited partner interests in Holdings.

(4) Holdings owns 56.99% of the limited partner interests in each Apollo Operating Group entity ("AOG Units"). The AOG Units held by Holdings are exchangeable for Class A shares. Our Managing Partners, through their interests in BRH and Holdings, beneficially own 50.48% of the AOG Units. Our Contributing Partners, through their ownership interests in Holdings, beneficially own 6.51% of the AOG Units.

(5) BRH Holdings GP, Ltd. is the sole member of AGM Management, LLC, our manager. The management of Apollo Global Management, LLC is vested in our manager as provided in our operating agreement.

(6) Represents 43.01% of the limited partner interests in each Apollo Operating Group entity, held through intermediate holding companies. Apollo Global Management, LLC, also indirectly owns 100% of the general partner interests in each Apollo Operating Group entity.

Each of the Apollo Operating Group partnerships holds interests in different businesses or entities organized in different jurisdictions.

Our structure is designed to accomplish a number of objectives, the most important of which are as follows:

- We are a holding company that is qualified as a partnership for U.S. federal income tax purposes. Our intermediate holding companies enable us to maintain our partnership status and to meet the qualifying income exception.
- We have historically used multiple management companies to segregate operations for business, financial and other reasons. Going forward, we may increase or decrease the number of our management companies or partnerships within the Apollo Operating Group based on our views regarding the appropriate balance between (a) administrative convenience and (b) continued business, financial, tax and other optimization.

Business Environment

As a global investment manager, we are affected by numerous factors, including the condition of financial markets and the economy. Price fluctuations within equity, credit, commodity, foreign exchange markets, as well as interest rates, which may be volatile and mixed across geographies, can significantly impact the valuation of our funds' portfolio companies and related income we may recognize. In terms of equity markets, in the U.S., the S&P 500 Index rose 4.4% in the fourth quarter of 2014, bringing the full year appreciation to 11.4%. Outside the U.S., global equity markets depreciated in the fourth quarter of 2014. The MSCI All Country World ex USA Index was down 4.2% in the fourth quarter of 2014, bringing the full year depreciation to 6.3%. Importantly, we believe that the generally positive momentum in the U.S. equity markets is conducive for continued equity capital markets activity, including IPOs and secondary offerings of the portfolio companies within our funds.

Conditions in the credit markets also have a significant impact on our business. Credit indices declined in the fourth quarter of 2014, with the BofAML HY Master II Index down 1.1% and the S&P/LSTA Leveraged Loan Index down 0.5%. For the full year, however, the BofAML HY Master II Index was up 2.5% and the S&P/LSTA Leveraged Loan Index was up 1.6%. Benchmark interest rates continued the year's bearish descent in the fourth quarter. The U.S. 10-year Treasury yield finished the quarter down 35 basis points and the year down more than 85 basis points from its starting point to 2.2%. Commodities generally saw price declines for the full year after a particularly weak fourth quarter that was driven by depreciation in oil. The price of crude oil declined approximately 42% during the fourth quarter and 46% for the full year primarily due to oversupply dynamics.

In terms of economic conditions in the U.S., the Bureau of Economic Analysis reported that real GDP increased at an annual rate of 2.6% in the fourth quarter of 2014 due to increasing consumer spending, despite decreasing government spending, slowing exports, and slowing business investment. For the full year 2014, the BEA reported that real GDP increased at an annual rate of 2.4%. As of January 2015, The International Monetary Fund estimated that the U.S. economy will expand by 3.6% in 2015. Additionally, the U.S. unemployment rate continued to decline and stood at 5.6% as of December 31, 2014, compared to 5.9% as of September 30, 2014, making it the lowest level since July 2008.

Amid the generally favorable backdrop of elevated asset prices and positive equity market momentum, Apollo continued to generate realizations for fund investors. Apollo returned $5.7 billion and $16.4 billion of capital and realized gains to the limited partners of the funds it manages during the fourth quarter of 2014 and full year ended December 31, 2014, respectively. In general, institutional investors continue to allocate capital towards alternative investment managers for more attractive risk-adjusted returns in a low interest rate environment. Apollo reported $1.0 billion and $9.9 billion of new capital raised during the fourth quarter of 2014 and full year ended December 31, 2014, respectively.

Regardless of the market or economic environment at any given time, Apollo relies on its contrarian, value-oriented approach to consistently invest capital on behalf of its fund investors by focusing on opportunities that management believes are often overlooked by other investors. Apollo reported $2.8 billion and $10.0 billion of dollars invested during the fourth quarter of 2014 and full year ended December 31, 2014, respectively. We believe Apollo's expertise in credit and its focus on nine core industry sectors, combined with more than 20 years of investment experience, has allowed Apollo to respond quickly to changing environments. Apollo's core industry sectors include chemicals, natural resources, consumer and retail, distribution and transportation, financial and business services, manufacturing and industrial, media and cable and leisure, packaging and materials and the satellite and wireless industries. Apollo believes that these attributes have contributed to the success of its private equity funds investing in buyouts and credit opportunities during both expansionary and recessionary economic periods.

Managing Business Performance

We believe that the presentation of Economic Net Income (Loss) supplements a reader's understanding of the economic operating performance of each of our segments.

Economic Net Income (Loss)

Economic Net Income, or ENI, is a key performance measure used by management in evaluating the performance of Apollo's private equity, credit and real estate segments. Management also believes the components of ENI such as the amount of management fees, advisory and transaction fees and carried interest income are indicative of Apollo's performance. Management uses these performance measures in making key operating decisions such as the following:

— Decisions related to the allocation of resources such as staffing decisions including hiring and locations for deployment of the new hires;

— Decisions related to capital deployment such as providing capital to facilitate growth for the business and/or to facilitate expansion into new businesses; and

— Decisions related to expenses, such as determining annual discretionary bonuses and equity-based compensation awards to our employees. With respect to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in the funds and those of Apollo's shareholders by providing such individuals a profit sharing interest in the carried interest income earned in relation to the funds. To achieve that objective, a certain amount of compensation is based on Apollo's performance and growth for the year.

ENI has certain limitations in that it does not take into account certain items included under U.S. GAAP. ENI represents segment income (loss) attributable to Apollo Global Management, LLC, which excludes the impact of (i) non-cash charges related to restricted share units ("RSUs") granted in connection with the 2007 private placement and amortization of AOG Units, (ii) income tax expense, (iii) amortization of intangibles associated with the 2007 Reorganization as well as acquisitions, (iv) Non-Controlling Interests (excluding the remaining interest held by certain individuals who receive an allocation of income from certain of our credit management companies) and (v) non-cash revenue and expense related to equity awards granted by unconsolidated affiliates to employees of the Company. In addition, segment data excludes the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements as such carried interest income, management fees and other revenues from these consolidated entities are reflected on an unconsolidated basis. Adjustments relating to income tax expense, intangible asset amortization and Non-Controlling Interests are common in the calculation of supplemental measures of performance in our industry. We believe the exclusion of the non-cash charges related to the 2007 Reorganization for equity-based compensation provides investors with a meaningful indication of our performance because these charges relate to the equity portion of our capital structure and not our core operating performance.

We believe that ENI is helpful for an understanding of our business and that investors should review the same supplemental financial measure that management uses to analyze our segment performance. This measure supplements and should be considered in addition to and not in lieu of the results of operations discussed below in "—Overview of Results of Operations" that have been prepared in accordance with U.S. GAAP.

ENI may not be comparable to similarly titled measures used by other companies and is not a measure of performance calculated in accordance with U.S. GAAP. We use ENI as a measure of operating performance, not as a measure of liquidity. ENI should not be considered in isolation or as a substitute for operating income, net income, operating cash flows, investing and financing activities, or other income or cash flow statement data prepared in accordance with U.S. GAAP. The use of ENI without consideration of related U.S. GAAP measures is not adequate due to the adjustments described above. Management compensates for these limitations by using ENI as a supplemental measure to U.S. GAAP results, to provide a more complete understanding of our performance as management measures it. A reconciliation of ENI to our U.S. GAAP net income (loss) attributable to Apollo Global Management, LLC can be found in the notes to our consolidated financial statements.

Operating Metrics

We monitor certain operating metrics that are common to the alternative investment management industry. These operating metrics include Assets Under Management, private equity dollars invested and uncalled private equity commitments.

Assets Under Management

Assets Under Management, or AUM, refers to the assets we manage for the funds, partnerships and accounts to which we provide investment management services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our AUM equals the sum of:

(i) the fair value of the investments of the private equity funds, partnerships and accounts we manage plus the capital which such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;

(ii) the net asset value ("NAV") of the credit funds, partnerships and accounts for which we provide investment management services, other than certain CLOs and CDOs, which have a fee generating basis other than the mark-to-market value of the underlying assets, plus used or available leverage and/or capital which such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;

(iii) the gross asset value or net asset value of the real estate funds, partnerships and accounts we manage, and the structured portfolio company investments of the funds, partnerships and accounts we manage, which includes the leverage used by such structured portfolio company investments;

(iv) the incremental value associated with the reinsurance investments of the portfolio company assets we manage; and

(v) the fair value of any other assets that we manage for the funds, partnerships and accounts to which we provide investment management services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above.

Our AUM measure includes Assets Under Management for which we charge either no or nominal fees. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our Apollo fund management agreements. We consider multiple factors for determining what should be included in our definition of AUM. Such factors include but are not limited to (1) our ability to influence the investment decisions for existing and available assets; (2) our ability to generate income from the underlying assets in our funds; and (3) the AUM measures that we believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers.

We use AUM as a performance measure of our investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs.

Assets Under Management—Fee-Generating/Non-Fee Generating

Fee-Generating AUM consists of assets we manage for the funds, partnerships and accounts to which we provide investment management services and on which we earn management fees or monitoring fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts we manage. Management fees are normally based on “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” “adjusted assets,” “stockholders’ equity,” “invested capital” or “capital contributions,” each as defined in the applicable management agreement. Monitoring fees, also referred to as advisory fees, with respect to the investments of the funds, partnerships and accounts we manage, are generally based on the total value of such structured portfolio company investments, which normally includes leverage, less any portion of such total value that is already considered in Fee-Generating AUM.

Non-Fee Generating AUM consists of assets that do not produce management fees or monitoring fees. These assets generally consist of the following: (a) fair value above invested capital for those funds that earn management fees based on invested capital, (b) net asset values related to general partner and co-investment ownership, (c) unused credit facilities, (d) available commitments on those funds that generate management fees on invested capital, (e) structured portfolio company investments that do not generate monitoring fees and (f) the difference between gross asset and net asset value for those funds that earn management fees based on net asset value.

Carry Eligible AUM refers to the AUM that may eventually produce carried interest income. All funds for which we are entitled to receive a carried interest income allocation are included in Carry Eligible AUM, which consists of the following:

(i) Carry Generating AUM, which refers to funds' invested capital that is currently above its hurdle rate or preferred return, and the funds' profit is allocated to the general partner in accordance with the applicable limited partnership agreements or other governing agreements;

(ii) AUM Not Currently Generating Carry, which refers to funds' invested capital that is currently below its hurdle rate or preferred return; and

(iii) Uninvested Carry Eligible AUM, which refers to available capital for investment or reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements that are not currently part of the NAV or fair value of investments that may eventually produce carried interest income, which would be allocated to the general partner.

AUM with Future Management Fee Potential refers to the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund.

We use Non-Fee Generating AUM combined with Fee-Generating AUM as a performance measure of our funds' investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs. Non-Fee Generating AUM includes assets on which we could earn carried interest income.

The table below presents Fee-Generating and Non-Fee Generating AUM by segment as of December 31, 2014, 2013 and 2012. Changes in market conditions and additional funds raised have had significant impacts to Apollo's AUM:

	As of December 31,		
	2014	2013	2012
	(in millions)		
Total Assets Under Management	$ 159,797 (1)	$ 161,177 (1)	$ 113,379 (1)
Fee-Generating	128,714	128,368	81,934
Non-fee generating	31,083 (1)	32,809 (1)	31,445 (1)
Private Equity	41,049	49,908	37,832
Fee-Generating	30,285	34,173	27,932
Non-Fee generating	10,764	15,735	9,900
Credit	108,445	100,886	64,406
Fee-Generating	92,192	88,249	49,518
Non-Fee-Generating	16,253	12,637	14,888
Real Estate	9,538	9,289	8,800 (2)
Fee-Generating	6,237	5,946	4,484 (2)
Non-Fee-Generating	3,301	3,343	4,316 (2)

(1) As of December 31, 2014, 2013 and 2012, includes $0.8 billion, $1.1 billion and $2.3 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

(2) Includes Fee-Generating and Non-Fee Generating AUM as of September 30, 2012 for certain publicly traded vehicles managed by Apollo.

The table below sets forth AUM with Future Management Fee Potential for each of Apollo's three segments, which is a component of Non-Fee Generating AUM, as of December 31, 2014, 2013 and 2012.

	As of December 31,		
	2014	2013	2012
	(in millions)		
Private Equity	$ 1,793	$ 4,225	$ 1,158
Credit	4,608	3,312	2,916
Real Estate	623	640	1,051
Total AUM with Future Management Fee Potential	$ 7,785 (1)	$ 9,246 (1)	$ 7,465 (1)

(1) As of December 31, 2014, 2013 and 2012, includes $0.8 billion, $1.1 billion and $2.3 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

The following table presents Carry Eligible AUM and Carry Generating AUM for each of Apollo's three segments as of December 31, 2014, 2013 and 2012:

	Carry Eligible AUM			Carry Generating AUM		
	As of December 31,			As of December 31,		
	2014	2013	2012	2014	2013	2012
	(in millions)					
Private equity	$ 36,128	$ 45,050	$ 36,869	$ 14,463	$ 24,791	$ 28,728
Credit	38,502	34,580	34,461	16,218	23,539	23,693
Real estate	2,614	3,041	3,312	828	941	396
Total(1)(2)	$ 78,003	$ 83,729	$ 76,979	$ 31,509	$ 49,271	$ 52,817

(1) As of December 31, 2014, 2013 and 2012, Carry Eligible AUM includes $0.8 billion, $1.1 billion and $2.3 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

(2) As of December 31, 2014, 2013 and 2012, Carry Eligible AUM includes $28.8 billion, $28.7 billion and $16.5 billion of Uninvested Carry Eligible AUM, respectively, and $17.7 billion, $5.8 billion and $7.7 billion of AUM Not Currently Generating Carry, respectively.

The components of Fee-Generating AUM by segment as of December 31, 2014, 2013 and 2012 are presented below:

	As of December 31, 2014			
	Private Equity	Credit	Real Estate	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 20,080	$ 6,191	$ 173	$ 26,444
Fee-Generating AUM based on invested capital	9,368	3,100	3,968	16,436
Fee-Generating AUM based on gross/adjusted assets	513	75,370	1,961	77,844
Fee-Generating AUM based on leverage	324	215	—	539
Fee-Generating AUM based on NAV	—	7,316	135	7,451
Total Fee-Generating AUM	$ 30,285 (1)	$ 92,192	$ 6,237	$ 128,714

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2014 was 72 months.

	As of December 31, 2013			
	Private Equity	Credit	Real Estate	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 19,630	$ 5,834	$ 156	$ 25,620
Fee-Generating AUM based on invested capital	11,923	1,649	3,753	17,325
Fee-Generating AUM based on gross/adjusted assets	925	72,202	1,769	74,896
Fee-Generating AUM based on leverage	1,695	1,587	—	3,282
Fee-Generating AUM based on NAV	—	6,977	268	7,245
Total Fee-Generating AUM	$ 34,173 (1)	$ 88,249	$ 5,946	$ 128,368

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2013 was 75 months.

	As of December 31, 2012			
	Private Equity	Credit	Real Estate	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 15,854	$ 5,156	$ 194	$ 21,204
Fee-Generating AUM based on invested capital	7,613	3,124	1,866	12,603
Fee-Generating AUM based on gross/adjusted assets	855	31,599	2,134	34,588
Fee-Generating AUM based on leverage	3,610	3,101	—	6,711
Fee-Generating AUM based on NAV	—	6,538	290	6,828
Total Fee-Generating AUM	$ 27,932 (1)	$ 49,518	$ 4,484	$ 81,934

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2012 was 61 months.

The following table presents total AUM and Fee-Generating AUM amounts for our private equity segment by strategy:

	Total AUM			Fee-Generating AUM		
	As of December 31,			As of December 31,		
	2014	2013	2012	2014	2013	2012
	(in millions)					
Traditional Private Equity Funds [1]	$ 35,310	$ 46,998 [2]	$ 35,617 [2]	$ 27,181	$ 31,929 [2]	$ 25,706 [2]
Natural Resources	1,348	1,367	1,284	1,295	1,295	1,295
Other [3]	4,391	1,543 [2]	931 [2]	1,809	949 [2]	931 [2]
Total	$ 41,049	$ 49,908	$ 37,832	$ 30,285	$ 34,173	$ 27,932

(1) Refers to Fund I, Fund II, MIA, Fund III, Fund IV, Fund V, Fund VI, Fund VII and Fund VIII.
(2) Reclassified to conform with current presentation.
(3) Includes co-investments contributed to Athene by AAA, through its investment in AAA Investments as discussed in note 17 of the consolidated financial statements.

The following table presents total AUM and Fee-Generating AUM amounts for our credit segment by strategy:

	Total AUM			Fee-Generating AUM		
	As of December 31,			As of December 31,		
	2014	2013	2012	2014	2013	2012
	(in millions)					
Athene[1]	$ 47,713	$ 50,345	$ 10,970	$ 47,713	$ 50,345	$ 10,845
U.S. Performing Credit	24,882	22,177	27,509	20,031	17,510	20,567
Structured Credit	15,999	12,779	11,436	10,966	9,362	7,589
Opportunistic Credit	10,756	7,068	6,177	6,613	4,763	4,722
Non-Performing Loans	4,976	5,688	6,404	3,744	4,330	4,527
European Credit	4,119	2,829	1,910	3,125	1,939	1,268
Total	$ 108,445	$ 100,886	$ 64,406	$ 92,192	$ 88,249	$ 49,518

(1) Excludes AUM that is either sub-advised by Apollo or invested in Apollo funds and investment vehicles across its private equity, credit and real estate funds.

The following table presents total AUM and Fee-Generating AUM amounts for our real estate segment by strategy:

	Total AUM			Fee-Generating AUM		
	As of December 31,			As of December 31,		
	2014	2013	2012	2014	2013	2012
	(in millions)					
Debt	$ 6,420	$ 5,731	$ 4,826	$ 4,785	$ 3,701	$ 2,332
Equity	3,118	3,558	3,974	1,452	2,245	2,152
Total	$ 9,538	$ 9,289	$ 8,800	$ 6,237	$ 5,946	$ 4,484

The following tables summarize changes in total AUM for each of Apollo's three segments for years ended December 31, 2014, 2013 and 2012:

	For the Year Ended December 31,		
	2014	2013	2012
Change in Total AUM:			
Beginning of Period	$ 161,177 [1]	$ 113,379 [1]	$ 75,222
Income	2,473	15,150	12,038
Subscriptions/Capital raised	9,862 [2]	22,142	9,688
Other inflows/Acquisitions	—	43,832	23,629
Distributions	(16,382)	(22,641)	(10,858)
Redemptions	(718)	(1,508)	(1,221)
Leverage/Other[3]	3,385	(9,177)	4,881
End of Period	$ 159,797 [1]	$ 161,177 [1]	$ 113,379 [1]
Change in Private Equity AUM:			
Beginning of Period	$ 49,908	$ 37,832	$ 35,384
Income	561	10,656	8,108
Subscriptions/Capital raised	3,041 [2]	17,613	662
Distributions	(11,372)	(15,620)	(6,537)
Redemptions[4]	—	(176)	—
Net segment transfers	(1,216)	2,133	317
Leverage	127	(2,530)	(102)
End of Period	$ 41,049	$ 49,908	$ 37,832
Change in Credit AUM:			
Beginning of Period	$ 100,886	$ 64,406	$ 31,867
Income	1,747	4,082	3,274
Subscriptions/Capital raised	6,128 [2]	3,439	5,504
Other inflows/Acquisitions	—	43,832	23,629
Distributions	(3,457)	(5,458)	(3,197)
Redemptions	(583)	(1,042)	(948)
Net segment transfers	216	(2,056)	(1,023)
Leverage/Other[3]	3,508	(6,317)	5,300
End of Period	$ 108,445	$ 100,886	$ 64,406
Change in Real Estate AUM:			
Beginning of Period	$ 9,289	$ 8,800	$ 7,971
Income	244	399	656
Subscriptions/Capital raised	693	1,090	475
Distributions	(1,553)	(1,559)	(1,124)
Redemptions[4]	(135)	(290)	(273)
Net segment transfers	1,250	1,179	1,412
Leverage	(250)	(330)	(317)
End of Period	$ 9,538	$ 9,289	$ 8,800

(1) As of December 31, 2014, 2013 and 2012, includes $0.8 billion, $1.1 billion, and $2.3 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.
(2) For the year ended December 31, 2014, includes $2.5 billion of AUM from co-investment vehicles that was raised in prior periods.
(3) Represents changes in used and available leverage, and includes the changes in NAV on AUM managed by Athene Asset Management that is not sub-advised by Apollo.

(4) Represents release of unfunded commitments primarily related to Fund III in our private equity segment and two legacy CPI real estate funds in our real estate segment that were past their investment periods.

Private Equity

During the year ended December 31, 2014, total AUM in our private equity segment decreased by $8.9 billion, or 17.8%. This decrease was a result of distributions of $11.4 billion primarily attributable to Fund VII and Apollo Investment Fund VI, L.P. ("Fund VI") of $6.4 billion and $3.7 billion, respectively. In addition there were transfers out of $1.2 billion. These decreases were offset by $0.6 billion of income that was primarily attributable to unrealized gains in Fund VII of $1.6 billion offset by unrealized losses in Fund VI and co-investment vehicles, of $0.6 billion and $0.6 billion, respectively, and an increase in subscriptions of $3.0 billion primarily attributable to co-investment vehicles that were raised in prior periods.

During the year ended December 31, 2013, the AUM in our private equity segment increased by $12.1 billion, or 31.9%. This increase was a result of subscriptions of $17.5 billion in Fund VIII and $10.7 billion of income from improved unrealized gains, including $5.9 billion from Fund VII and $4.3 billion from Fund VI. Offsetting this increase was $15.6 billion of distributions, including $8.7 billion from Fund VII and $5.8 billion from Fund VI, and $2.5 billion of decreased leverage.

During the year ended December 31, 2012, the total AUM in our private equity segment increased by $2.4 billion, or 6.9%. This increase was primarily a result of income of $8.1 billion attributable to improved unrealized gains in our private equity funds, including $4.5 billion from Fund VII and $3.1 billion from Fund VI. In addition, contributing to this increase was an additional $0.7 billion in subscriptions from AION and ANRP. Offsetting this increase was $6.5 billion in distributions, including $3.7 billion from Fund VII and $2.1 billion from Fund VI.

Credit

During the year ended December 31, 2014, total AUM in our credit segment increased by $7.6 billion, or 7.5%. This increase was a result of subscriptions of $6.1 billion, $3.5 billion of leverage, $1.7 billion of income and $0.2 billion in net segment transfers. Included in subscriptions was $2.5 billion in COF III, $0.5 billion in FCI II, $0.4 billion in Apollo Structured Credit Recovery Master Fund III, L.P. ("ACRF III") and $0.4 billion from Apollo Investment Europe III, L.P. (“AIE III”). These increases were offset by $3.5 billion of distributions including $1.1 billion and $0.4 billion from Apollo European Principal Finance Fund, L.P. ("EPF I") and Apollo Credit Opportunity Fund I, L.P. ("COF I"), respectively and $0.6 billion in redemptions.

During the year ended December 31, 2013, AUM in our credit segment increased by $36.5 billion, or 56.6%. This increase consisted of $43.8 billion in acquisitions related to the acquisition of Aviva USA by Athene Holding, $4.1 billion in unrealized gains, subscriptions of $3.4 billion, including $0.9 billion in FCI II and $0.6 billion in COF III. This increase in AUM was partially offset by a decrease in leverage of $6.3 billion, including $1.0 billion in the U.S. performing credit strategy from net CLO vehicle wind-downs, $1.3 billion in Apollo Credit Opportunity Fund II, L.P. ("COF II"), and $0.8 billion in AMTG, and $5.5 billion in distributions, including $1.9 billion from COF I, $0.6 billion from EPF I and $1.1 billion from COF II.

During the year ended December 31, 2012, total AUM in our credit segment increased by $32.5 billion, or 102.1%. This increase was primarily attributable to $18.5 billion in acquisitions related to Stone Tower Capital LLC and its related management companies ("Stone Tower"), $5.1 billion in other inflows related to Athene and $5.3 billion in increased leverage, including $3.4 billion from AMTG. The increase was also a result of $5.5 billion of additional subscriptions, including $3.0 billion by EPF II, $0.6 billion by Apollo Centre Street Partnership, L.P. (“ACSP”) and $0.4 billion by AMTG. This increase was partially offset by $3.2 billion of distributions, including $1.5 billion collectively from COF I and COF II and $0.3 billion from EPF I.

Real Estate

During the year ended December 31, 2014, total AUM in our real estate segment increased by $0.2 billion, or 2.7%, this was the result of $1.3 billion of net segment transfers in primarily related to the Athene Accounts, $0.7 billion of subscriptions, including $0.4 billion related to AGRE Debt Fund I, L.P. and $0.2 billion related to ARI, and $0.2 billion of income. These increases were partially offset by $1.6 billion of distributions, of which $0.4 billion was attributable to the Athene Accounts, $0.3 billion was attributable to CPI Capital Partners Europe, L.P., and $0.2 billion was attributable to AGRE 2011 A-4 Fund, LP ("CMBS II"), and a $0.3 billion decrease in leverage.

During the year ended December 31, 2013, AUM in our real estate segment increased by $0.5 billion, or 5.5%. This increase was the result of $1.2 billion in net segment transfers in, including $0.6 billion from Athene Accounts related to subordinate commercial real estate loans ("Athene CRE Lending") and $0.5 billion from Athene Accounts related to commercial mortgage backed securities, $1.1 billion in subscriptions, including $0.7 billion in AGRE Debt Fund I, L.P. and $0.3 billion in ARI. These increases were partially offset by distributions of $1.6 billion, including $0.4 billion from Athene CRE Lending and $0.4 billion from CPI Capital Partners Asia Pacific, L.P.

During the year ended December 31, 2012, total AUM in our real estate segment increased by $0.8 billion, or 10.4%. This increase was primarily a result of $1.4 billion in net transfers from other segments and additional subscriptions of $0.5 billion. Also contributing to this increase was income of $0.7 billion attributable to improved unrealized gains in our real estate funds, including $0.4 billion from CPI Capital Partners North America L.P., CPI Capital Partners Europe L.P., CPI Capital Partners Asia Pacific, L.P. (collectively, the "CPI Funds"). Partially offsetting this increase was $1.1 billion in distributions, including $0.8 billion from the CPI Funds.

The following tables summarize changes in total Fee-Generating AUM for each of Apollo's three segments for the years ended December 31, 2014, 2013, and 2012 :

	For the Year Ended December 31,		
	2014	2013	2012
Change in Total Fee-Generating AUM:			
Beginning of Period	$ 128,368	$ 81,934	58,121
Income	350	2,100	1,390
Subscriptions/Capital raised	3,352	21,104	5,873
Other inflows/Acquisitions	—	43,832 —	21,277
Distributions	(6,184)	(7,517)	(3,728)
Redemptions	(475)	(946)	(909)
Net movements between Fee-Generating and Non-Fee Generating	609	(6,215)	(564)
Leverage/Other[1]	2,694	(5,924)	474
End of Period	$ 128,714	$ 128,368	$ 81,934
Change in Private Equity Fee-Generating AUM:			
Beginning of Period	$ 34,173	$ 27,932	$ 28,031
Income (Loss)	(1)	398	285
Subscriptions/Capital raised	455	17,582	644
Distributions	(2,457)	(3,430)	(1,256)
Redemptions	—	(19)	—
Net segment transfers	(1,277)	482	50
Net movements between Fee-Generating and Non-Fee Generating	(514)	(6,858)	515
Leverage	(94)	(1,914)	(337)
End of Period	$ 30,285	$ 34,173	$ 27,932
Change in Credit Fee-Generating AUM:			
Beginning of Period	$ 88,249	$ 49,518	$ 26,553
Income	377	1,630	988
Subscriptions/Capital raised	2,261	2,504	4,953
Other inflows/Acquisitions	—	43,832	21,277
Distributions	(2,258)	(3,118)	(2,029)
Redemptions	(475)	(927)	(909)
Net segment transfers	129	(1,611)	(1,096)
Net movements between Fee-Generating and Non-Fee Generating	1,121	431	(1,030)
Leverage/Other[1]	2,788	(4,010)	811
End of Period	$ 92,192	$ 88,249	$ 49,518
Change in Real Estate Fee-Generating AUM:			
Beginning of Period	$ 5,946	$ 4,484	$ 3,537
Income (Loss)	(26)	72	117
Subscriptions/Capital raised	636	1,018	276
Distributions	(1,469)	(969)	(443)
Net segment transfers	1,148	1,129	1,045
Net movements between Fee-Generating and Non-Fee Generating	2	212	(48)
End of Period	$ 6,237	$ 5,946	$ 4,484

(1) Represents changes in used and available leverage, and includes the changes in NAV on AUM managed by Athene Asset Management that is not sub-advised by Apollo.

Private Equity

During the year ended December 31, 2014, Fee-Generating AUM in our private equity segment decreased by $3.9 billion, or 11.4%. This decrease was a result of distributions of $2.5 billion from Fund VII, Fund VI and co-investment vehicles. In addition there were net segment transfers out of $1.3 billion attributable to Fund VI and Fund VII, and $0.5 billion of net transfers from fee generating AUM to Non-Fee Generating AUM from Fund V and Fund VII. Offsetting these decreases were subscriptions of $0.5 billion.

During the year ended December 31, 2013, Fee-Generating AUM in our private equity segment increased by $6.2 billion, or 22.3%. This increase was a result of $17.6 billion of subscriptions, primarily from Fund VIII. Offsetting this increase was $6.9 billion of net transfers from Fee-Generating AUM to Non-Fee Generating AUM primarily attributable to Fund VII, $3.4 billion of distributions primarily attributable to Fund VII and Fund VI of $1.0 billion and $2.0 billion, respectively and $1.9 billion decrease in leverage primarily attributable to Fund VII.

During the year ended December 31, 2012, Fee-Generating AUM in our private equity segment decreased by $0.1 billion, or 0.4%. This decrease was a result of $1.3 billion of distributions from Fee-Generating AUM primarily attributable to Fund VI and Fund V of $0.8 billion and $0.3 billion, respectively. Offsetting this decrease was $0.6 billion of subscriptions in ANRP and AION of $0.5 billion and $0.2 billion, respectively and $0.3 billion of unrealized gains.

Credit

During the year ended December 31, 2014, Fee-Generating AUM in our credit segment increased by $3.9 billion, or 4.5%. This increase was a result of $2.8 billion of leverage, subscriptions of $2.3 billion attributable to FCI II of $0.5 billion and COF III of $0.4 billion, $1.1 billion of net transfers in from Non-Fee Generating AUM, including $0.8 billion attributable to COF III and $0.4 billion of income. These increases were offset by $2.3 billion of distributions, including $0.4 billion from EPF I and $0.5 billion in redemptions, primarily from Apollo Credit Master Fund Ltd. ("ACF") of $0.3 billion.

During the year ended December 31, 2013, Fee-Generating AUM in our credit segment increased by $38.7 billion, or 78.2%. This increase consisted of $43.8 billion in acquisitions related to the acquisition of Aviva USA by Athene Holding, a $2.5 billion increase in subscriptions attributable to FCI II and ACF of $0.9 billion and $0.3 billion, respectively, and unrealized gains of $1.6 billion. Offsetting this increase was $3.1 billion of distributions, attributable to COF I and COF II of $0.5 billion and $0.8 billion, respectively, a decrease in leverage of $4.0 billion and $1.6 billion of transfers out to Non-Fee Generating AUM.

During the year ended December 31, 2012, Fee-Generating AUM in our credit segment increased by $22.9 billion, or 86.4%. This increase was a result of $16.2 billion in acquisitions related to Stone Tower, $5.1 billion in other inflows related to Athene, and $5.0 billion of additional subscriptions, including $3.3 billion in EPF II and $0.3 billion in AMTG. Offsetting this increase was $2.0 billion of distributions, including $0.7 billion collectively from COF I and COF II and $0.9 billion of redemptions.

Real Estate

During the year ended December 31, 2014, Fee-Generating AUM in our real estate segment increased by $0.3 billion, or 4.9%, which was primarily the result of $1.1 billion of segment transfers in attributable to the Athene Accounts and $0.6 billion of subscriptions, including $0.4 billion attributable to AGRE Debt Fund I, L.P.. Offsetting these increases were $1.5 billion of distributions primarily attributable to the Athene Accounts, CPI Capital Partners Europe, L.P. and CPI Capital Partners Asia Pacific, L.P. of $0.4 billion, $0.2 billion and $0.2 billion, respectively.

During the year ended December 31, 2013, Fee-Generating AUM in our real estate segment increased by $1.5 billion, or 32.6%, which was primarily the result of $0.7 billion of capital invested by AGRE Debt Fund I, $0.3 billion of capital raised and invested by ARI, net segment transfers of $1.1 billion attributable to the Athene Accounts and $0.2 billion of transfers in from Non-Fee Generating AUM. These increases were partially offset by $1.0 billion of distributions of which $0.5 billion were attributable to the Athene Accounts.

During the year ended December 31, 2012, Fee-Generating AUM in our real estate segment increased by $0.9 billion, or 26.7%, which was primarily the result of transfers of $0.9 billion attributable to the Athene Accounts and $0.3 billion of subscriptions. These increases were partially offset by $0.4 billion of distributions.

Dollars Invested and Uncalled Commitments

Dollars invested is the aggregate amount of capital that has been invested by our multi-year drawdown, commitment-based funds and SIAs that have a defined maturity date and for funds and SIAs in our real estate debt strategy. Uncalled commitments, by contrast, represents unfunded capital commitments that certain of Apollo’s funds and SIAs have received from fund investors to fund future or current investments and expenses.

Dollars invested and uncalled commitments are indicative of the pace and magnitude of fund capital that is deployed or will be deployed, and which therefore could result in future revenues that include transaction fees and incentive income to the extent fee generating. Dollars invested and uncalled commitments can also give rise to future costs that are related to the hiring of additional resources to manage and account for the additional capital that is deployed or will be deployed. Management uses dollars invested and uncalled commitments as key operating metrics since we believe the results measure our investment activities.

Dollars Invested

The following table summarizes by segment the dollars invested for funds and SIAs with a defined maturity date and certain funds and SIAs in Apollo's real estate debt strategy during the specified reporting periods:

	For the Year Ended December 31,		
	2014	**2013**	**2012**
		(in millions)	
Private equity	$ 2,163	$ 2,561	$ 3,191
Credit	5,174	2,865	1,835
Real Estate [1]	2,686	2,534	1,627
Total dollars invested	$ 10,023	$ 7,960	$ 6,653

(1) Included in dollars invested is $2,319.9 million, $2,177.3 million and $1,230.1 million for the years ended December 31, 2014, 2013, and 2012, respectively, for funds in Apollo's real estate debt strategy.

Uncalled Commitments

The following table summarizes the uncalled commitments by segment during the specified reporting periods:

	As of December 31, 2014	**As of December 31, 2013**	**As of December 31, 2012**
		(in millions)	
Private equity	$ 22,383	$ 23,689	$ 7,464
Credit	8,706	7,113	6,171
Real Estate	997	971	1,438
Total uncalled commitments [1][2]	$ 32,841	$ 32,852	$ 17,428

(1) As of December 31, 2014, 2013 and 2012, includes $0.8 billion, $1.1 billion and $2.3 billion of commitments, respectively, that have yet to be deployed to an Apollo fund within Apollo's three segments.

(2) As of December 31, 2014, 2013 and 2012, $29.3 billion, $29.5 billion, and $16.4 billion, respectively, represents the amount of capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements or other governing agreements.

The Historical Investment Performance of Our Funds

Below we present information relating to the historical performance of our funds, including certain legacy Apollo funds that do not have a meaningful amount of unrealized investments, and in respect of which the general partner interest has not been contributed to us.

When considering the data presented below, you should note that the historical results of our funds are not indicative of the future results that you should expect from such funds, from any future funds we may raise or from your investment in our Class A shares.

An investment in our Class A shares is not an investment in any of the Apollo funds, and the assets and revenues of our funds are not directly available to us. The historical and potential future returns of the funds we manage are not directly linked to returns on our Class A shares. Therefore, you should not conclude that continued positive performance of the funds we manage

will necessarily result in positive returns on an investment in our Class A shares. However, poor performance of the funds that we manage would cause a decline in our revenue from such funds, and would therefore have a negative effect on our performance and in all likelihood the value of our Class A shares. There can be no assurance that any Apollo fund will continue to achieve the same results in the future.

Moreover, the historical returns of our funds should not be considered indicative of the future results you should expect from such funds or from any future funds we may raise, in part because:

- market conditions during previous periods were significantly more favorable for generating positive performance, particularly in our private equity business, than the market conditions we have experienced for the last few years and may experience in the future;
- our private equity funds' rates of return, which are calculated on the basis of net asset value of the funds' investments, reflect unrealized gains, which may never be realized;
- our funds' returns have benefited from investment opportunities and general market conditions that may not repeat themselves, including the availability of debt capital on attractive terms and the availability of distressed debt opportunities, and we may not be able to achieve the same returns or profitable investment opportunities or deploy capital as quickly;
- the historical returns that we present are derived largely from the performance of our earlier private equity funds, whereas future fund returns will depend increasingly on the performance of our newer funds, which may have little or no realized investment track record;
- Fund VIII, Fund VII and Fund VI are several times larger than our previous private equity funds, and this additional capital may not be deployed as profitably as our prior funds;
- the attractive returns of certain of our funds have been driven by the rapid return of invested capital, which has not occurred with respect to all of our funds and we believe is less likely to occur in the future;
- our track record with respect to our credit and real estate funds is relatively short as compared to our private equity funds;
- in recent years, there has been increased competition for private equity investment opportunities resulting from the increased amount of capital invested in private equity funds and periods of high liquidity in debt markets, which may result in lower returns for the funds; and
- our newly established funds may generate lower returns during the period that they take to deploy their capital; consequently, we do not provide return information for any funds which have not been actively investing capital for at least 24 months prior to the valuation date as we believe this information is not meaningful.

Finally, our private equity IRRs have historically varied greatly from fund to fund. For example, Apollo Investment Fund IV, L.P. ("Fund IV") has generated a 12% gross IRR and a 9% net IRR since its inception through December 31, 2014, while Apollo Investment Fund V, L.P. ("Fund V") has generated a 61% gross IRR and a 44% net IRR since its inception through December 31, 2014. Accordingly, the IRR going forward for any current or future fund may vary considerably from the historical IRR generated by any particular fund, or for our private equity funds as a whole. Future returns will also be affected by the applicable risks, including risks of the industries and businesses in which a particular fund invests. See "Item 1A. Risk Factors—Risks Related to Our Businesses—The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our Class A shares."

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Investment Record

The following table summarizes the investment record by segment of Apollo's multi-year drawdown, commitment based funds and SIAs that have a defined maturity date in which investors make a commitment to provide capital at the formation of such funds and deliver capital when called as investment opportunities become available. All amounts are as of December 31, 2014, unless otherwise noted:

								As of December 31, 2014		As of December 31, 2013		As of December 31, 2012	
	Strategy	Vintage Year	Committed Capital	Total Invested Capital	Realized	Unrealized[1]	Total Value	Gross IRR	Net IRR	Gross IRR	Net IRR	Gross IRR	Net IRR
					(in millions)								
Private Equity:[2]													
Fund VIII	Traditional Private Equity Funds	2013	$ 18,377	$ 1,266	$ —	$ 1,456	$ 1,456	NM[3]	NM[3]	NM[3]	NM[3]	N/A	N/A
Fund VII	Traditional Private Equity Funds	2008	14,677	15,199	26,006	6,229	32,235	37%	28%	39%	30%	35%	26%
Fund VI	Traditional Private Equity Funds	2006	10,136	12,457	16,339	5,116	21,455	13	11	15	12	11	9
Fund V	Traditional Private Equity Funds	2001	3,742	5,192	12,666	215	12,881	61	44	61	44	61	44
Fund IV	Traditional Private Equity Funds	1998	3,600	3,481	6,776	25	6,801	12	9	12	9	12	9
Fund III	Traditional Private Equity Funds	1995	1,500	1,499	2,695	—	2,695	18	11	18	11	18	11
Fund I, II & MIA[4]	Traditional Private Equity Funds	1990/ 1992	2,220	3,773	7,924	—	7,924	47	37	47	37	47	37
Subtotal			$ 54,252	$ 42,867	$ 72,406	$ 13,041	$ 85,447	39%[5]	25%[5]	39%[5]	26%[5]	39%[5]	25%[5]
AION	Other	2013	825	134	9	160	169	NM[3]	NM[3]	NM[3]	NM[3]	NM[3]	NM[3]
ANRP	Natural Resources	2012	1,323	692	191	675	866	18%	8%	18%	7%[3]	NM[3]	NM[3]
Total Private Equity			$ 56,400	$ 43,693	$ 72,606	$ 13,876	$ 86,482						
Credit:[6]													
ACRF III[7]	Structured Credit	—	$ 488	$ 254	$ 57	$ 213	$ 270	NM[3]	NM[3]	N/A	N/A	N/A	N/A
COF III[7]	Opportunistic Credit	—	3,426	1,579	222	1,222	1,444	NM[3]	NM[3]	NM[3]	NM[3]	N/A	N/A
FCI II	Structured Credit	2013	1,555	653	5	802	807	NM[3]	NM[3]	NM[3]	NM[3]	NM[3]	NM[3]
EPF II[8]	Non-Performing Loans	2012	3,518	2,520	640	2,381	3,021	24%	11%	NM[3]	NM[3]	NM[3]	NM[3]
FCI	Structured Credit	2012	559	443	190	548	738	14	9	NM[3]	NM[3]	NM[3]	NM[3]
AEC	European Credit	2012	292	625	532	177	709	12	7	19%	12%	NM[3]	NM[3]
AIE II[8]	European Credit	2008	250	805	1,206	79	1,285	20	17	20	17	19%	16%
COF I	U.S. Performing Credit	2008	1,485	1,611	4,285	123	4,408	30	27	30	27	31	28
COF II	U.S. Performing Credit	2008	1,583	2,176	2,989	147	3,136	14	11	14	11	14	12
EPF I[8]	Non-Performing Loans	2007	1,567	2,059	2,863	574	3,437	24	17	21	16	19	12
ACLF	U.S. Performing Credit	2007	984	1,449	2,448	136	2,584	13	11	13	11	13	11
Total Credit			$ 15,707	$ 14,174	$ 15,437	$ 6,402	$ 21,839						
Real Estate:[6]													
Apollo U.S. Real Estate Fund II, L.P.[7]	Equity	—	$ 158	$ 39	$ —	$ 39	$ 39	NM[3]	NM[3]	N/A	N/A	N/A	N/A
AGRE U.S. Real Estate Fund, L.P[9]	Equity	2012	864	615	312	488	800	19%	15%	17%	14%	NM[3]	NM[3]
AGRE Debt Fund I, LP	Debt	2011	1,190	1,185	299	1,021	1,320	9	7	13	11	NM[3]	NM[3]
CPI Capital Partners North America[10]	Equity	2006	600	453	352	25	377	15	10	17	13	NM[3]	NM[3]
CPI Capital Partners Asia Pacific[10]	Equity	2006	1,292	1,185	1,470	218	1,688	33	29	37	33	NM[3]	NM[3]
CPI Capital Partners Europe[8][10]	Equity	2006	1,406	928	388	318	706	5	3	2	1	NM[3]	NM[3]
CPI Other[11]	Equity	Various	1,959	N/A	N/A[11]	N/A[11]	N/A[11]	NM[11]	NM[11]	NM	NM[11]	NM[3]	NM[3]
Total Real Estate			$ 7,469	$ 4,405	$ 2,821	$ 2,109	$ 4,930						

(1) Figures include the market values, estimated fair value of certain unrealized investments and capital committed to investments.

(2) Amounts presented are computed based on actual timing of the funds' cash inflows and outflows.

(3) Returns have not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.

(4) Fund I and Fund II were structured such that investments were made from either fund depending on which fund had available capital. Apollo does not differentiate between Fund I and Fund II investments for purposes of performance figures because they are not meaningful on a separate basis and do not demonstrate the progression of returns over time. The general partners and managers of Funds I, II and MIA, as well as the general partner of Fund III were excluded assets in connection with the 2007 Reorganization.

As a result, Apollo Global Management, LLC did not receive the economics associated with these entities. The investment performance of these funds is presented to illustrate fund performance associated with Apollo's Managing Partners and other investment professionals.

(5) Total IRR is calculated based on total cash flows for all funds presented.

(6) The investment record table for the credit and real estate funds and SIAs presented is computed based on the actual dates of capital contributions, distributions and ending limited partners' capital as of the specified date.

(7) COF III, ACRF III and Apollo U.S. Real Estate Fund II were launched prior to December 31, 2014 and have not established their vintage year.

(8) Funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.21 as of December 31, 2014.

(9) AGRE U.S. Real Estate Fund, L.P., a closed-end private investment fund has $149 million of co-invest commitments raised, which are included in the figures in the table above. A co-invest entity within AGRE U.S. Real Estate Fund, L.P. is denominated in GBP and translated into U.S. dollars at an exchange rate of £1.00 to $1.56 as of December 31, 2014.

(10) As part of the CPI acquisition, Apollo acquired general partner interests in fully invested funds. The gross and net IRRs are presented in the investment record table above since acquisition on November 12, 2010. The net IRRs from the inception of the respective fund to December 31, 2014 were (7)%, 7% and (7)% for the CPI Capital Partners North America, Asia Pacific and Europe funds, respectively. These net IRRs were primarily achieved during a period in which Apollo did not make the initial investment decisions and Apollo only became the general partner or manager of these funds upon completing the acquisition on November 12, 2010.

(11) CPI Other consists of funds or individual investments of which Apollo is not the general partner or manager and only receives fees pursuant to either a sub-advisory agreement or an investment management and administrative agreement. CPI Other fund performance is a result of invested capital prior to Apollo's management of these funds. Return and certain other performance data are therefore not considered meaningful as Apollo performs primarily an administrative role.

The following table summarizes the investment record for distressed investments made in our traditional private equity fund portfolios, since the Company's inception. All amounts are as of December 31, 2014:

	Total Invested Capital	Total Value	Gross IRR[1]
	(in millions)		
Distressed for Control	$ 6,308	$ 17,601	29%
Non-Control Distressed	5,733	8,502	71
Total	12,041	26,103	49
Buyout Equity, Portfolio Company Debt and Other Credit[2]	30,826	59,344	22
Total	$ 42,867	$ 85,447	39%

(1) IRR information is presented gross and does not give effect to management fees, incentive compensation, certain other expenses and taxes.
(2) Other Credit is defined as investments in debt securities of issuers other than portfolio companies that are not considered to be distressed.

The following tables provide additional detail on the composition of our Fund VIII, Fund VII, Fund VI and Fund V private equity portfolios based on investment strategy. All amounts are as of December 31, 2014:

Fund VIII[1]

	Total Invested Capital	Total Value
	(in millions)	
Buyout Equity and Portfolio Company Debt	$ 1,266	$ 1,456
Total	$ 1,266	$ 1,456

Fund VII[1]

	Total Invested Capital	Total Value
	(in millions)	
Buyout Equity and Portfolio Company Debt	$ 10,865	$ 25,106
Other Credit and Classic Distressed[2]	4,334	7,129
Total	$ 15,199	$ 32,235

Fund VI

	Total Invested Capital	Total Value
	(in millions)	
Buyout Equity and Portfolio Company Debt	$ 10,312	$ 17,755
Other Credit and Classic Distressed[2]	2,145	3,700
Total	$ 12,457	$ 21,455

Fund V

	Total Invested Capital	Total Value
	(in millions)	
Buyout Equity	$ 4,412	$ 11,907
Classic Distressed[2]	780	974
Total	$ 5,192	$ 12,881

(1) Committed capital less unfunded capital commitments for Fund VIII and Fund VII was $1.6 billion and $13.1 billion, respectively, which represents capital commitments from limited partners to invest in such funds less capital that is available for investment or reinvestment subject to the provisions of the applicable limited partnership agreement or other governing agreements.

(2) Classic Distressed is defined as investments in debt securities of issuers other than portfolio companies that are considered to be distressed.

During the recovery and expansionary periods of 1994 through 2000 and late 2003 through the first half of 2007, our private equity funds invested or committed to invest approximately $13.6 billion primarily in traditional and corporate partner buyouts. During the recessionary periods of 1990 through 1993, 2001 through late 2003 and the recessionary and post recessionary periods beginning the second half of 2007 through December 31, 2014, our private equity funds have invested $31.3 billion, of which $16.8 billion was in distressed buyouts and debt investments when the debt securities of quality companies traded at deep discounts to par value. Our average entry multiple for Fund VIII, VII, VI and V was 5.6x, 6.1x, 7.7x and 6.6x, respectively, as of the date of the filing of this Annual Report on Form 10-K. The average entry multiple for a private equity fund is the average of the total enterprise value over an applicable earnings before interest, taxes, depreciation and amortization ("EBITDA"), which we believe captures the true economics of our funds' purchases of portfolio companies.

Credit

The following table summarizes the investment record for certain funds and SIAs within Apollo's credit segment with no maturity date. All amounts are as of December 31, 2014, unless otherwise noted:

	Strategy	Vintage Year	Net Asset Value as of December 31, 2014	Net Return: Since Inception to December 31, 2014	Net Return: For the Year Ended December 31, 2014	Net Return: For the Year Ended December 31, 2013	Net Return: For the Year Ended December 31, 2012
			(in millions)				
TRF[1]	U.S. Performing Credit	2014	$ 353	NM [1]	NM [1]	N/A	N/A
ACSF[2]	Opportunistic Credit	2011	449	23% [2]	1 % [2]	NM [2]	NM [2]
SOMA[3]	Opportunistic Credit	2007	832	59	—	9%	15%
ACF[2]	U.S. Performing Credit	2005	1,977	35 [2]	6 [2]	NM [2]	NM [2]
Value Funds[4]	Opportunistic Credit	2003/2006	217	64	(6)	5	11
Totals			$ 3,828				

(1) Apollo Total Return Fund ("TRF") returns have not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.

(2) As part of the Stone Tower acquisition, Apollo acquired the manager of Apollo Credit Strategies Master Fund Ltd. ("ACSF") and ACF. The net returns are presented in the investment record table above since acquisition on April 2, 2012. As of December 31, 2014, the net returns from inception for ACSF and ACF were 39% and 9%, respectively. These returns were primarily achieved during a period in which Apollo did not make the initial investment decisions. Apollo became the manager of these funds upon completing the acquisition on April 2, 2012.

(3) Net asset value and returns are for the primary mandate and excludes Apollo Special Opportunities Managed Account, L.P.'s ("SOMA") investments in other Apollo funds.

(4) Value Funds consist of Apollo Strategic Value Master Fund, L.P., together with its feeder funds, and Apollo Value Investment Master Fund, L.P., together with its feeder funds.

The following table summarizes the investment record for the publicly traded vehicles that Apollo manages by segment as of December 31, 2014:

						Total Returns[1]			
	Strategy	IPO Year [2]	Raised Capital [3]	Gross Assets	Current NAV	Since Inception to December 31, 2014	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012
			(in millions)						
Private Equity:									
AAA[4]	Other	2006	$ 1,823	$ 2,144	$ 2,144	47%	4%	91%	75%
Credit:									
AIF[5]	U.S. Performing Credit	2013	276	402	264	NM [6]	NM [6]	NM [6]	N/A
AFT[5]	U.S. Performing Credit	2011	295	434	285	8	(1)	NM [6]	NM [6]
AMTG	Structured Credit	2011	791	4,348	786	28	18	(17)	NM [6]
AINV	Opportunistic Credit	2004	3,080	3,701	1,997	50	(4)	12	43
Real Estate:									
ARI[7]	Debt	2009	886	1,744	856	33	11	10	36
Totals			$ 7,151	$ 12,773	$ 6,332				

(1) Total returns are based on the change in closing trading prices during the respective periods presented taking into account dividends and distributions, if any, as if they were reinvested without regard to commissions.

(2) An initial public offering ("IPO") year represents the year in which the vehicle commenced trading on a national securities exchange. Apollo Tactical Income Fund Inc. ("AIF"), Apollo Senior Floating Rate Fund Inc. ("AFT"), AMTG and ARI are publicly traded vehicles traded on the New York Stock Exchange ("NYSE"). AINV is a public company traded on the National Association of Securities Dealers Automated Quotation. AAA is a publicly traded vehicle traded on NYSE Euronext in Amsterdam.

(3) Amounts represent raised capital net of offering and issuance costs.

(4) AAA is the sole limited partner in AAA Investments. Athene was AAA Investments' only investment as of December 31, 2014. During the second quarter of 2014, Athene Holding raised $1.2 billion of net equity commitments primarily from third-party institutional investors, certain existing investors in Athene, and employees of Athene and its affiliates (the "Athene Private Placement"). For the period December 31, 2013 through December 31, 2014, AAA Investments' ownership stake in Athene was reduced as a result of the Athene Private Placement, the issuance of shares under the Amended AAA Services Agreement and the issuance of 3.7 million unrestricted common shares of Athene Holding under Athene's management equity plan and was increased by the conversion to common shares of AAA Investments' note receivable from Athene, resulting in an approximate 47.7% economic ownership stake (calculated as if the commitments in the Athene Private Placement closed through December 31, 2014 were fully drawn down but without giving effect to (i) restricted common shares issued under Athene's management equity plan or (ii) common shares to be issued after December 31, 2014 under the Amended AAA Services Agreement or the Amended Athene Services Agreement) and effectively 45% of the voting power of Athene.

(5) Gross Assets presented for AFT and AIF represents total managed assets of these closed-end funds.

(6) Returns have not been presented as the publicly traded vehicle commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.

(7) Refer to www.apolloreit.com for the most recent financial information on ARI. The information contained on ARI's website is not part of this Annual Report on Form 10-K. All amounts are as of September 30, 2014 except for total returns.

Athene and SIAs

As of December 31, 2014, Athene Asset Management had $60.3 billion of total AUM in accounts owned by or related to Athene, of which approximately $12.6 billion, was either sub-advised by Apollo or invested in Apollo funds and investment vehicles. Of the approximately $12.6 billion of assets, the vast majority were in sub-advisory managed accounts that manage high grade credit asset classes, such as collateralized loan obligation ("CLO") debt, commercial mortgage backed securities, and insurance-linked securities.

Apollo also manages CLOs within Apollo's credit segment, with such CLOs representing a total AUM of approximately $13.5 billion as of December 31, 2014. Such CLO performance information is not included in the above investment record tables.

As of December 31, 2014, approximately $15 billion of total AUM was managed through SIAs, which include certain SIAs in the investment record tables above and capital deployed from certain SIAs across Apollo's private equity, credit

and real estate funds. The above investment record tables exclude certain funds with an aggregate AUM of approximately $5.1 billion as of December 31, 2014 because management deemed them to be immaterial.

Overview of Results of Operations

Revenues

Advisory and Transaction Fees from Affiliates, Net. As a result of providing advisory services with respect to actual and potential private equity, credit, and real estate investments, we are entitled to receive fees for transactions related to the acquisition and, in certain instances, disposition of portfolio companies as well as fees for ongoing monitoring of portfolio company operations and directors' fees. We also receive an advisory fee for advisory services provided to certain credit funds. In addition, monitoring fees are generated on certain structured portfolio company investments. Under the terms of the limited partnership agreements for certain funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage of such advisory and transaction fees, net of applicable broken deal costs ("Management Fee Offset"). Such amounts are presented as a reduction to advisory and transaction fees from affiliates, net, in the consolidated statements of operations. See note 2 to our consolidated financial statements for more detail.

The Management Fee Offsets are calculated for each fund as follows:

- 65%-100% for private equity funds, gross advisory, transaction and other special fees;
- 65%-100% for certain credit funds, gross advisory, transaction and other special fees; and
- 100% for certain real estate funds, gross advisory, transaction and other special fees.

Additionally, during the normal course of business, the Company incurs certain costs related to certain transactions that are not consummated ("broken deal costs"). These costs (e.g. research costs, due diligence costs, professional fees, legal fees and other related items) are determined to be broken deal costs upon management's decision to no longer pursue the transaction. In accordance with the related fund agreement, in the event the deal is deemed broken, all of the costs are reimbursed by the funds and then included as a component of the calculation of the Management Fee Offset. If a deal is successfully completed, Apollo is reimbursed by the fund or fund's portfolio company for all costs incurred and no offset is generated.

As the Company acts as an agent for the funds it manages, any transaction costs incurred and paid by the Company on behalf of the respective funds relating to successful or broken deals are presented net on the Company's consolidated statements of operations, and any receivable from the respective funds is presented in Due from Affiliates on the consolidated statements of financial condition.

Management Fees from Affiliates. The significant growth of the assets we manage has had a positive effect on our revenues. Management fees are typically calculated based upon any of "net asset value," "gross assets," "adjusted par asset value," "adjusted costs of all unrealized portfolio investments," "capital commitments," "invested capital," "adjusted assets," "capital contributions," or "stockholders' equity," each as defined in the applicable limited partnership agreement and/or management agreement of the unconsolidated funds.

Carried Interest Income from Affiliates. The general partners of our funds, in general, are entitled to an incentive return that can normally amount to as much as 20% of the total returns on fund capital, depending upon performance of the underlying funds and subject to preferred returns and high water marks, as applicable. The carried interest income from affiliates is recognized in accordance with U.S. GAAP guidance applicable to accounting for arrangement fees based on a formula. In applying the U.S. GAAP guidance, the carried interest from affiliates for any period is based upon an assumed liquidation of the funds' assets at the reporting date, and distribution of the net proceeds in accordance with the funds' allocation provisions.

As of December 31, 2014, approximately 66% of the value of our funds' investments on a gross basis was determined using market-based valuation methods (i.e., reliance on broker or listed exchange quotes) and the remaining 34% was determined primarily by comparable company and industry multiples or discounted cash flow models. For our private equity, credit and real estate segments, the percentage determined using market-based valuation methods as of December 31, 2014 was 45%, 78% and 48%, respectively. See "Item 1A. Risk Factors—Risks Related to Our Businesses—Our private equity funds' performance, and our performance, may be adversely affected by the financial performance of our funds' portfolio companies and the industries in which our funds invest" for a discussion regarding certain industry-specific risks that could affect the fair value of our private equity funds' portfolio company investments.

Carried interest income fee rates can be as much as 20% for our private equity funds. In our private equity funds, the Company does not earn carried interest income until the investors in the fund have achieved cumulative investment returns on invested capital (including management fees and expenses) in excess of an 8% hurdle rate. Additionally, certain of our credit and

real estate funds have various carried interest rates and hurdle rates. Certain of our credit and real estate funds allocate carried interest to the general partner in a similar manner as the private equity funds. In our private equity, certain credit and real estate funds, so long as the investors achieve their priority returns, there is a catch-up formula whereby the Company earns a priority return for a portion of the return until the Company's carried interest income equates to its incentive fee rate for that fund; thereafter, the Company participates in returns from the fund at the carried interest income rate. Carried interest income is subject to reversal to the extent that the carried interest income distributed exceeds the amount due to the general partner based on a fund's cumulative investment returns. The Company recognizes potential repayment of previously received carried interest income as a general partner obligation representing all amounts previously distributed to the general partner that would need to be repaid to the Apollo funds if these funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. This actual general partner obligation, however, would not become payable or realized until the end of a fund's life or as otherwise set forth in the respective limited partnership agreement of the fund.

The table below presents an analysis of Apollo's (i) carried interest receivable on an unconsolidated basis and (ii) realized and unrealized carried interest income (loss) for Apollo's combined segments' Incentive Business as of December 31, 2014 and 2013 and for the years ended December, 31 2014, 2013 and 2012:

	As of December 31, 2014	As of December 31, 2013	For the Year Ended December 31, 2014			For the Year Ended December 31, 2013			For the Year Ended December 31, 2012		
	Carried Interest Receivable on an Unconsolidated Basis	Carried Interest Receivable on an Unconsolidated Basis	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income	Total Carried Interest Income (Loss)	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income	Total Carried Interest Income (Loss)	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income	Total Carried Interest Income (Loss)
	(in millions)										
Private Equity Funds:											
Fund VII	$ 288.2	$ 890.8	$ (602.6)	$ 902.4	$ 299.8	$ (13.6)	$ 1,163.6	$ 1,150.0	$ 435.5	$ 472.1	$ 907.6
Fund VI	183.4 (1)	697.6	(514.1)	401.4	(112.7)	427.3	760.3	1,187.6 (4)	345.6 (5)	294.0	639.6
Fund V	3.2	43.0	(39.9)	44.9	5.0	(91.2)	99.1	7.9	9.3	33.4	42.7
Fund IV	5.6	7.7	(2.1)	—	(2.1)	(3.2)	1.7	(1.5)	(7.0)	2.9	(4.1)
AAA/Other(2)(3)	191.5	228.7	(37.4)	79.4	42.0	135.4 (5)	37.9	173.3	71.5 (5)	10.2	81.7
Total Private Equity Funds	671.9	1,867.8	(1,196.1)	1,428.1	232.0	454.7	2,062.6	2,517.3	854.9	812.6	1,667.5
Credit Funds:(6)											
U.S. Performing Credit	54.1	179.9	(109.3)	119.7	10.4	(164.1)	284.6	120.5	206.3	154.3	360.6
Opportunistic Credit	26.6	59.8	(8.5)	6.2	(2.3)	20.4 (5)	36.7	57.1	7.7 (5)	41.5	49.2
Structured Credit	36.1	54.3	(14.7)	5.9	(8.8)	32.7	11.2	43.9	18.5	13.4	31.9
European Credit	8.4	35.6	(11.2)	14.8	3.6	2.1	27.8	29.9	18.0	8.5	26.5
Non-Performing Loans	141.6	154.2	(13.0)	134.4	121.4	52.3	33.0	85.3	50.6	—	50.6
Total Credit Funds	266.8	483.8	(156.7)	281.0	124.3	(56.6)	393.3	336.7	301.1	217.7	518.8
Real Estate Funds:											
CPI Funds	1.5	5.3	(3.8)	0.6	(3.2)	(5.2)	0.5	(4.7)	10.4	4.7	15.1
AGRE U.S. Real Estate Fund, L.P.	11.4	5.6	5.8	2.7	8.5	5.6	—	5.6	—	—	—
Other	7.2	4.3	3.0	0.7	3.7	4.3	—	4.3	—	—	—
Total Real Estate Funds	20.1	15.2	5.0	4.0	9.0	4.7	0.5	5.2	10.4	4.7	15.1
Total	$ 958.8 (7)	$ 2,366.8 (7)	$ (1,347.8)	$ 1,713.1	$ 365.3	$ 402.8	$ 2,456.4	$ 2,859.2	$ 1,166.4	$ 1,035.0	$ 2,201.4

(1) Fund VI's remaining investments and escrow cash were valued at 104% of the funds unreturned capital, which was below a specified return ratio of 115%. As a result, Fund VI is required to place in escrow current and future carried interest income distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation of Fund VI. As of December 31, 2014, Fund VI carried interest receivable includes $165.6 million of carried interest income in escrow.

(2) Includes certain SIAs.

(3) Includes $121.5 million of carried interest receivable from AAA Investments which will be paid in common shares of Athene Holding (valued at the then fair market value) if there is a distribution in kind of shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended), or paid in cash if AAA sells the shares of Athene Holding.

(4) Includes $452.3 million for Fund VI related to the catch-up formula whereby the Company earns a disproportionate return (typically 80%) for a portion of the return until the Company's carried interest income equates to its 20% of cumulative profits of the funds.

(5) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $3.4 million in aggregate for two of our credit funds. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2013 was a reversal of $19.3 million and $0.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to SOMA and APC, respectively. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2012 was a reversal of $75.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to Fund VI and reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $1.2 million and $0.3 million with respect to SOMA and APC, respectively.

(6) As of December 31, 2014, two of our credit funds had an aggregate $3.4 million general partner obligation to return carried interest income that was previously distributed. The fair value gain on investments and income at the fund level needed to reverse the general partner obligations for these two credit funds was $7.0 million and $2.2 million, respectively as of December 31, 2014.

(7) There was a corresponding profit sharing payable of $434.9 million and $992.2 million as of December 31, 2014 and 2013, respectively, that resulted in a net carried interest receivable on an unconsolidated basis of $523.9 million and $1,374.6 million as of December 31, 2014 and 2013, respectively. Included within profit sharing payable are contingent consideration obligations of $96.1 million and $135.5 million as of December 31, 2014 and 2013, respectively, and profit sharing payable related to amounts in escrow.

The general partners of the private equity, credit and real estate funds listed in the table above were accruing carried interest income as of December 31, 2014. The investment manager of AINV accrues carried interest in the management business as it is earned. The general partners of certain of our credit funds accrue carried interest when the fair value of investments exceeds the cost basis of the individual investors' investments in the fund, including any allocable share of expenses incurred in connection with such investments, which we refer to as "high water marks." These high water marks are applied on an individual investor basis. Certain of our credit funds have investors with various high water marks, the achievement of which are subject to market conditions and investment performance.

Carried interest income from our private equity funds and certain credit and real estate funds is subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative carried interest distributed from inception to date exceeds the amount computed as due to the general partner at the final distribution. These general partner obligations, if applicable, are included in due to affiliates on the consolidated statements of financial condition. As of December 31, 2014, there was a $3.4 million general partner obligation to return previously distributed carried interest income related to our funds recorded in due to affiliates in the consolidated statement of financial condition. Carried interest receivable is reported on a separate line item within the consolidated statements of financial condition.

The following table summarizes our carried interest income since inception for our combined segments through December 31, 2014:

	Carried Interest Income Since Inception (1)				
	Undistributed by Fund and Recognized	Distributed by Fund and Recognized (2)	Total Undistributed and Distributed by Fund and Recognized(3)	General Partner Obligation as of December 31, 2014(3)	Maximum Carried Interest Income Subject to Potential Reversal(4)
	(in millions)				
Private Equity Funds:					
Fund VII	$ 288.2	$ 2,862.1	$ 3,150.3	$ —	$ 917.7
Fund VI	183.4	1,580.1	1,763.5	—	1,246.1
Fund V	3.2	1,455.0	1,458.2	—	33.0
Fund IV	5.6	597.2	602.8	—	5.6
AAA/Other(5)	191.5	144.9	336.4	—	194.8
Total Private Equity Funds	671.9	6,639.3	7,311.2	—	2,397.2
Credit Funds:					
U.S. Performing Credit	54.1	756.8	810.9	2.5	149.5
Opportunistic Credit(6)	16.1	183.7	199.8	0.9	48.4
Structured Credit	36.1	30.8	66.9	—	38.3
European Credit	8.4	67.5	75.9	—	67.9
Non-Performing Loans	141.6	155.1	296.7	—	170.4
Total Credit Funds	256.3	1,193.9	1,450.2	3.4	474.5
Real Estate Funds:					
CPI Funds	1.5	5.8	7.3	—	2.2
AGRE U.S. Real Estate Fund, L.P.	11.4	2.7	14.1	—	11.1
Other	7.2	0.6	7.8	—	7.8
Total Real Estate Funds	20.1	9.1	29.2	—	21.1
Total	$ 948.3	$ 7,842.3	$ 8,790.6	$ 3.4	$ 2,892.8

(1) Certain funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.21 as of December 31, 2014.

(2) Amounts in “Distributed by Fund and Recognized” for the CPI, Gulf Stream and Stone Tower funds and SIAs are presented for activity subsequent to the respective acquisition dates.

(3) Amounts were computed based on the fair value of fund investments on December 31, 2014. Carried interest income has been allocated to and recognized by the general partner. Based on the amount of carried interest income allocated, a portion is subject to potential reversal or, to the extent applicable, has been reduced by the general partner obligation to return previously distributed carried interest income or fees at December 31, 2014. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of the fund’s investments based on contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund.

(4) Represents the amount of carried interest income that would be reversed if remaining fund investments became worthless on December 31, 2014. Amounts subject to potential reversal of carried interest income include amounts undistributed by a fund (i.e., the carried interest receivable), as well as a portion of the amounts that have been distributed by a fund, net of taxes not subject to a general partner obligation to return previously distributed carried interest income, except for those funds that are gross of taxes as defined in the respective funds' management agreement.

(5) Includes $121.5 million of carried interest receivable from AAA Investments which will be paid in common shares of Athene Holding (valued at the then fair market value) if there is a distribution in kind of shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended), or paid in cash if AAA sells the shares of Athene Holding.

(6) Amounts exclude AINV, as carried interest income from this entity is not subject to contingent repayment.

Expenses

Compensation and Benefits. Our most significant expense is compensation and benefits expense. This consists of fixed salary, discretionary and non-discretionary bonuses, profit sharing expense associated with the carried interest income earned from private equity, credit and real estate funds and compensation expense associated with the vesting of non-cash equity-based awards.

Our compensation arrangements with certain partners and employees contain a significant performance-based incentive component. Therefore, as our net revenues increase, our compensation costs also rise or can be lower when net revenues decrease. In addition, our compensation costs reflect the increased investment in people as we expand geographically and create new funds. All payments for services rendered by our Managing Partners prior to the 2007 Reorganization have been accounted for as partnership distributions rather than compensation and benefits expense. See note 1 to our consolidated financial statements for further discussion of the 2007 Reorganization. Subsequent to the 2007 Reorganization, our Managing Partners are considered employees of Apollo. As such, payments for services made to these individuals, including the expense associated with the AOG Units described below, have been recorded as compensation expense. The AOG Units were granted to the Managing Partners and Contributing Partners at the time of the 2007 Reorganization, as discussed in note 1 to our consolidated financial statements.

In addition, certain professionals and selected other individuals have a profit sharing interest in the carried interest income earned in relation to our private equity, certain credit and real estate funds in order to better align their interests with our own and with those of the investors in these funds. Profit sharing expense is part of our compensation and benefits expense and is generally based upon a fixed percentage of private equity, credit and real estate carried interest income on a pre-tax and a pre-consolidated basis. Profit sharing expense can reverse during periods when there is a decline in carried interest income that was previously recognized. Profit sharing amounts are normally distributed to employees after the corresponding investment gains have been realized and generally before preferred returns are achieved for the investors. Therefore, changes in our unrealized gains (losses) for investments have the same effect on our profit sharing expense. Profit sharing expense increases when unrealized gains increase. Realizations only impact profit sharing expense to the extent that the effects on investments have not been recognized previously. If losses on other investments within a fund are subsequently realized, the profit sharing amounts previously distributed are normally subject to a general partner obligation to return carried interest income previously distributed back to the funds. This general partner obligation due to the funds would be realized only when the fund is liquidated, which generally occurs at the end of the fund's term. However, indemnification obligations also exist for pre-reorganization realized gains, which, although our Managing Partners and Contributing Partners would remain personally liable, may indemnify our Managing Partners and Contributing Partners for 17.5% to 100% of the previously distributed profits regardless of the fund's future performance. See note 17 to our consolidated financial statements for further discussion of indemnification.

Each Managing Partner receives $100,000 per year in base salary for services rendered to us. Additionally, our Managing Partners can receive other forms of compensation. In connection with the 2007 Reorganization, the Managing Partners and Contributing Partners received AOG Units with a vesting period of five to six years (all of which have fully vested) and certain employees were granted RSUs with a vesting period of typically six years (all of which have also fully vested). Managing Partners, Contributing Partners and certain employees have also been granted AAA restricted depositary units ("RDUs"), or incentive units that provide the right to receive AAA RDUs, which both represent common units of AAA and generally vest over three years for employees and are fully-vested for Managing Partners and Contributing Partners on the grant date. In addition, AHL Awards (as defined in note 16 to our consolidated financial statements) and other equity-based compensation awards have been granted to the Company and certain employees, which amortize over the respective vesting periods. In addition, the Company grants equity awards to certain employees, including RSUs and options, that generally vest and become exercisable in quarterly installments or annual installments depending on the contract terms over a period of three to six years. See note 16 to our consolidated financial statements for further discussion of AOG Units and other equity-based compensation.

Other Expenses. The balance of our other expenses includes interest, professional fees, placement fees, occupancy, depreciation and amortization and other general operating expenses. Interest expense consists primarily of interest related to the 2007 AMH Credit Agreement, the 2013 AMH Credit Facilities and the 2024 Senior Notes as discussed in note 14 to our consolidated financial statements. Placement fees are incurred in connection with our capital raising activities. Occupancy expense represents charges related to office leases and associated expenses, such as utilities and maintenance fees. Depreciation and amortization of fixed assets is normally calculated using the straight-line method over their estimated useful lives, ranging from two to sixteen years, taking into consideration any residual value. Leasehold improvements are amortized over the shorter of the useful life of the asset or the expected term of the lease. Intangible assets are amortized based on the future cash flows over the expected useful lives of the assets. Other general operating expenses normally include costs related to travel, information technology and administration.

Other Income (Loss)

Net Gains (Losses) from Investment Activities. The performance of the consolidated Apollo funds has impacted our net gains (losses) from investment activities. Net gains (losses) from investment activities include both realized gains and losses

and the change in unrealized gains and losses in our investment portfolio between the opening reporting date and the closing reporting date. Net unrealized gains (losses) are a result of changes in the fair value of unrealized investments and reversal of unrealized gains (losses) due to dispositions of investments during the reporting period. For results of AAA, a portion of the net gains (losses) from investment activities are attributable to Non-Controlling Interests in the consolidated statements of operations. Significant judgment and estimation goes into the assumptions that drive these models and the actual values realized with respect to investments could be materially different from values obtained based on the use of those models. The valuation methodologies applied impact the reported value of investment company holdings and their underlying portfolios in our consolidated financial statements.

Net Gains (Losses) from Investment Activities of Consolidated Variable Interest Entities. Changes in the fair value of the consolidated VIEs' assets and liabilities and related interest, dividend and other income and expenses subsequent to consolidation are presented within net gains (losses) from investment activities of consolidated variable interest entities and are attributable to Non-Controlling Interests in the consolidated statements of operations.

Interest Income. The Company recognizes security transactions on the trade date. Interest income is recognized as earned on an accrual basis. Discounts and premiums on securities purchased are accreted or amortized over the life of the respective securities using the effective interest method. Interest income also includes payment-in-kind interest (or "PIK" interest) on a convertible note and from one of our credit funds.

Other Income (Losses), Net. Other income (losses), net includes the recognition of bargain purchase gains as a result of Apollo acquisitions, gains (losses) arising from the remeasurement of foreign currency denominated assets and liabilities of foreign subsidiaries, reversal of a portion of the tax receivable agreement liability (see note 17 to our consolidated financial statements), gains (losses) arising from the remeasurement of derivative instruments associated with fees from certain of the Company's affiliates and other miscellaneous non-operating income and expenses.

Income Taxes. The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. federal income tax purposes. As a result, except as described below, the Apollo Operating Group has not been subject to U.S. income taxes. However, these entities in some cases are subject to New York City unincorporated business taxes ("NYC UBT"), and non-U.S. entities, in some cases, are subject to non-U.S. corporate income taxes. In addition, APO Corp., a wholly-owned subsidiary of the Company, is subject to U.S. federal, state and local corporate income tax, and the Company's provision for income taxes is accounted for in accordance with U.S. GAAP.

As significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties, we recognize the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained upon examination, including resolutions of any related appeals or litigation, based on the technical merits of the position. The tax benefit is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. If a tax position is not considered more likely than not to be sustained, then no benefits of the position are recognized. The Company's tax positions are reviewed and evaluated quarterly to determine whether or not we have uncertain tax positions that require financial statement recognition.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amount of assets and liabilities and their respective tax basis using currently enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Non-Controlling Interests

For entities that are consolidated, but not 100% owned, a portion of the income or loss and corresponding equity is allocated to owners other than Apollo. The aggregate of the income or loss and corresponding equity that is not owned by the Company is included in Non-Controlling Interests in the consolidated financial statements. The Non-Controlling Interests relating to Apollo Global Management, LLC primarily include the 57.7% and 61.0% ownership interest in the Apollo Operating Group held by the Managing Partners and Contributing Partners through their limited partner interests in Holdings as of December 31, 2014 and 2013, respectively, and other ownership interests in consolidated entities, which primarily consist of the approximate 97.5% and 97.4% ownership interests held by limited partners in AAA as of December 31, 2014 and 2013, respectively. Non-Controlling Interests also include limited partner interests of Apollo managed funds in certain consolidated VIEs.

The authoritative guidance for Non-Controlling Interests in the consolidated financial statements requires reporting entities to present Non-Controlling Interest as equity and provides guidance on the accounting for transactions between an entity and Non-Controlling Interests. According to the guidance, (1) Non-Controlling Interests are presented as a separate component of shareholders' equity on the Company's consolidated statements of financial condition, (2) net income (loss) includes the net

income (loss) attributable to the Non-Controlling Interest holders on the Company's consolidated statements of operations, (3) the primary components of Non-Controlling Interest are separately presented in the Company's consolidated statements of changes in shareholders' equity to clearly distinguish the interests in the Apollo Operating Group and other ownership interests in the consolidated entities and (4) profits and losses are allocated to Non-Controlling Interests in proportion to their ownership interests regardless of their basis.

Results of Operations

Below is a discussion of our consolidated results of operations for the years ended December 31, 2014, 2013, and 2012. For additional analysis of the factors that affected our results at the segment level, see "—Segment Analysis" below:

	Year Ended December 31,		Amount Change	Percentage Change	Year Ended December 31,		Amount Change	Percentage Change
	2014	2013			2013	2012		
	(dollars in thousands)				(dollars in thousands)			
Revenues:								
Advisory and transaction fees from affiliates, net	$ 315,587	$ 196,562	$ 119,025	60.6 %	$ 196,562	$ 149,544	$ 47,018	31.4 %
Management fees from affiliates	850,441	674,634	175,807	26.1	674,634	580,603	94,031	16.2
Carried interest income from affiliates	394,055	2,862,375	(2,468,320)	(86.2)	2,862,375	2,129,818	732,557	34.4
Total Revenues	1,560,083	3,733,571	(2,173,488)	(58.2)	3,733,571	2,859,965	873,606	30.5
Expenses:								
Compensation and benefits:								
Equity-based compensation	126,320	126,227	93	0.1	126,227	598,654	(472,427)	(78.9)
Salary, bonus and benefits	338,049	294,753	43,296	14.7	294,753	274,574	20,179	7.3
Profit sharing expense	276,190	1,173,255	(897,065)	(76.5)	1,173,255	872,133	301,122	34.5
Total Compensation and Benefits	740,559	1,594,235	(853,676)	(53.5)	1,594,235	1,745,361	(151,126)	(8.7)
Interest expense	22,393	29,260	(6,867)	(23.5)	29,260	37,116	(7,856)	(21.2)
Professional fees	82,030	83,407	(1,377)	(1.7)	83,407	64,682	18,725	28.9
General, administrative and other	97,663	98,202	(539)	(0.5)	98,202	87,961	10,241	11.6
Placement fees	15,422	42,424	(27,002)	(63.6)	42,424	22,271	20,153	90.5
Occupancy	40,427	39,946	481	1.2	39,946	37,218	2,728	7.3
Depreciation and amortization	45,069	54,241	(9,172)	(16.9)	54,241	53,236	1,005	1.9
Total Expenses	1,043,563	1,941,715	(898,152)	(46.3)	1,941,715	2,047,845	(106,130)	(5.2)
Other Income:								
Net gains from investment activities	213,243	330,235	(116,992)	(35.4)	330,235	288,244	41,991	14.6
Net gains (losses) from investment activities of consolidated variable interest entities	22,564	199,742	(177,178)	(88.7)	199,742	(71,704)	271,446	NM
Income from equity method investments	53,856	107,350	(53,494)	(49.8)	107,350	110,173	(2,823)	(2.6)
Interest income	10,392	12,266	(1,874)	(15.3)	12,266	9,693	2,573	26.5
Other income, net	60,592	40,114	20,478	51.0	40,114	1,964,679	(1,924,565)	(98.0)
Total Other Income	360,647	689,707	(329,060)	(47.7)	689,707	2,301,085	(1,611,378)	(70.0)
Income before income tax provision	877,167	2,481,563	(1,604,396)	(64.7)	2,481,563	3,113,205	(631,642)	(20.3)
Income tax provision	(147,245)	(107,569)	(39,676)	36.9	(107,569)	(65,410)	(42,159)	64.5
Net Income	729,922	2,373,994	(1,644,072)	(69.3)	2,373,994	3,047,795	(673,801)	(22.1)
Net income attributable to Non-controlling Interests	(561,693)	(1,714,603)	1,152,910	(67.2)	(1,714,603)	(2,736,838)	1,022,235	(37.4)
Net Income Attributable to Apollo Global Management, LLC	$ 168,229	$ 659,391	$ (491,162)	(74.5)%	$ 659,391	$ 310,957	$ 348,434	112.1 %

Note: "NM" denotes not meaningful. Changes from negative to positive amounts and positive to negative amounts are not considered meaningful. Increases or decreases from zero and changes greater than 500% are also not considered meaningful.

Revenues

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Our revenues and other income include fixed components that result from measures of capital and asset valuations and variable components that result from realized and unrealized investment performance, as well as the value of successfully completed transactions.

Advisory and transaction fees from affiliates, net, increased by $119.0 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was attributable to an increase in the credit segment of $140.5 million offset by a decrease in the private equity segment of $20.1 million. The increase in the credit segment was primarily attributable to an increase in monitoring fees from Athene of $118.5 million as a result of Athene's acquisition of Aviva USA. The decrease in the private equity segment was primarily attributable to lower net advisory fees due to the realization of underlying investments, termination fees and waived fees related to debt investment vehicles, Taminco, Realogy and Caesars Entertainment that occurred during the year ended December 31, 2013 and lower net transaction fees earned for the year ended December 31, 2014 compared to 2013. Advisory and transaction fees are reported net of Management Fee Offsets as calculated under the terms of the applicable limited partnership agreements. See "—Overview of Results of Operations—Revenues—Advisory and Transaction Fees from Affiliates, Net" for a description of how the Management Fee Offsets are calculated.

Management fees from affiliates increased by $175.8 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to an increase in management fees earned by our credit and private equity segments of $146.3 million and $30.2 million, respectively. The primary driver of the increase in management fees earned from the credit funds was an increase in management fees earned from Athene of $126.1 million during the year ended December 31, 2014 as compared to the same period in 2013 as a result of Athene's acquisition of Aviva USA. The primary driver of the increase in management fees earned form the private equity funds was an increase in management fees earned from Fund VIII in the amount of $126.4 million during the year ended December 31, 2014, partially offset by decreased management fees earned from Fund VII of $92.9 million as a result of a change in the management fee rate and basis upon which management fees are earned from capital commitments to invested capital, due to the fund coming to the end of the fund's investment period.

Carried interest income from affiliates decreased by $2.5 billion for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to decreased carried interest income from Fund VI, Fund VII, AAA Investments (Co-Invest VI), L.P. ("AAA Co-Invest VI"), COF I, certain sub-advisory arrangements, SOMA, and EPF I of $1.3 billion, $850.1 million, $121.7 million, $46.2 million, $42.3 million, $38.8 million and $25.7 million, respectively.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Advisory and transaction fees from affiliates, net, increased by $47.0 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This was attributable to an increase in advisory and transaction fees, net in the credit segment of $87.1 million, offset by a decrease in advisory and transaction fees, net in the private equity segment of $43.4 million. During the year ended December 31, 2013, gross and net advisory fees, including directors' fees, were $213.3 million and $140.0 million, respectively, and gross and net transaction fees were $133.5 million and $56.6 million, respectively. During the year ended December 31, 2012, gross and net advisory fees, including directors' fees, were $152.1 million and $66.3 million, respectively, and gross and net transaction fees were $176.7 million and $88.5 million, respectively. The net transaction and advisory fees were further offset by $5.2 million and $5.3 million in broken deal costs during the years ended December 31, 2013 and 2012, respectively, primarily relating to Fund VII.

Management fees from affiliates increased by $94.0 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to an increase in management fees earned by our credit, private equity and real estate segments of $92.8 million, $7.8 million and $7.1 million, respectively, as a result of corresponding increases in the net assets managed and Fee-Generating invested capital with respect to these segments during the period. Part of the increase in management fees earned from the credit funds was attributable to an increase of $13.6 million of fees earned from consolidated VIEs which are included in the credit segment results but were eliminated in consolidation.

Carried interest income from affiliates increased by $732.6 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to increased carried interest income driven by increases in the fair value of portfolio investments held by certain funds and certain co-invest vehicles, primarily Fund VI, Fund VII, AAA Co-Invest VI, SOMA and EPF I which had increased carried interest income of $548.1 million, $242.4 million, $115.7 million, $40.0 million and $34.5 million, respectively. This was offset by COF I, COF II, certain CLOs and Fund V, which had decreased carried interest income of $100.1 million, $48.3 million, $44.5 million and $34.8 million, respectively, during the year ended December 31, 2013 as compared to the same period in 2012. The remaining change was attributable to an overall increase in the fair value of portfolio investments of the other funds, which generated increased carried interest income of $17.5 million

during the period. Part of the change in carried interest income from affiliates was attributable to a decrease in carried interest income of $37.9 million earned from consolidated VIEs which are included in the credit segment results but were eliminated in consolidation during the year ended December 31, 2013 as compared to the same period in 2012.

Expenses

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Compensation and benefits decreased by $853.7 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to a decrease in profit sharing expense of $897.1 million due to lower carried interest income during the year ended December 31, 2014 as compared to the year ended December 31, 2013. In any year the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds that are generating carried interest in the period. During the year ended December 31, 2014, the fair value of Fund VII's underlying fund investments appreciated while Fund VI's underlying fund investments depreciated, which contributed to an increased profit sharing percentage compared to the year ended December 31, 2013. Included within profit sharing expense was $62.0 million and $62.4 million related to the Incentive Pool (as defined below) for the year ended December 31, 2014 and 2013, respectively. The Incentive Pool is separate from the fund related profit sharing expense and, as described below, may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular quarter. The decrease in profit sharing expense was offset by an increase in salary, bonus and benefits of $43.3 million during the year ended December 31, 2014.

In June 2011, the Company adopted a performance based incentive arrangement (the "Incentive Pool") whereby certain partners and employees earned discretionary compensation based on carried interest realizations earned by the Company during the year, which amounts are reflected as profit sharing expense in the Company's consolidated financial statements. The Company adopted the Incentive Pool to attract and retain, and provide incentive to, partners and employees of the Company and to more closely align the overall compensation of partners and employees with the overall realized performance of the Company. Allocations to the Incentive Pool and to its participants contain both a fixed and a discretionary component and may vary year-to-year depending on the overall realized performance of the Company and the contributions and performance of each participant. There is no assurance that the Company will continue to compensate individuals through performance-based incentive arrangements in the future and there may be periods when the executive committee of the Company's manager determines that allocations of realized carried interest income are not sufficient to compensate individuals, which may result in an increase in salary, bonus and benefits.

Interest expense decreased by $6.9 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to a lower margin rate incurred from the 2013 AMH Credit Facilities as compared to the 2007 AMH Credit Agreement during the year ended December 31, 2014 as compared to the same period in 2013 (see note 14 to our consolidated financial statements).

Placement fees decreased by $27.0 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Placement fees are incurred in connection with the raising of capital for new and existing funds. The fees are normally payable to placement agents, who are third parties that assist in identifying potential investors, securing commitments to invest from such potential investors, preparing or revising offering marketing materials, developing strategies for attempting to secure investments by potential investors and/or providing feedback and insight regarding issues and concerns of potential investors. This change was primarily attributable to decreases in placement fees with respect to EPF II and Fund VIII of $14.1 million and $13.2 million, respectively, during the year ended December 31, 2014 as compared to the same period in 2013.

Depreciation and amortization expense decreased by $9.2 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to lower amortization of intangible assets during the year ended December 31, 2014 as compared to the year ended December 31, 2013 as certain intangible assets were fully amortized in 2014.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Compensation and benefits decreased by $151.1 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a reduction of equity-based compensation by $472.4 million, specifically the amortization of AOG Units which decreased by $450.9 million due to the expiration of the vesting period for the Managing Partners in June 2013. This was partially offset by an increase in profit sharing expense of $301.1 million as a result of the favorable performance of certain of our private equity and credit funds during the period. Included in profit sharing expense was $62.4 million and $62.1 million of expenses related to the Incentive Pool (as defined below) for the year ended

December 31, 2013 and 2012, respectively. In addition, salary, bonus and benefits increased by $20.2 million as a result of an increase in headcount during the period as compared to the same period in 2012.

Interest expense decreased by $7.9 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to decreased interest expense related to expiring of interest rate swaps and a lower margin rate on the 2007 AMH Credit Agreement during the year ended December 31, 2013 as compared to the same period in 2012.

Professional fees increased by $18.7 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was attributable to higher legal and consulting fees incurred during the year ended December 31, 2013, as compared to the same period in 2012 due to the continued expansion of our global investment platform.

General, administrative and other expenses increased by $10.2 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to an increase in costs associated with the launch of new funds, increased travel, information technology, recruiting and other expenses incurred during the year ended December 31, 2013 as compared to the same period in 2012.

Placement fees increased by $20.2 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to $15.4 million related to the launch of Fund VIII during the year ended December 31, 2013.

Occupancy expense increased by $2.7 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to additional expenses incurred from the extension of existing leases along with additional office space leased as a result of the increase in our headcount to support the expansion of our global investment platform during the year ended December 31, 2013 as compared to the same period in 2012.

Other Income (Loss)

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net gains from investment activities decreased by $117.0 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to a $137.9 million decrease in net unrealized gains related to changes in the fair value of investments held by AAA, offset by a decrease in losses on the investment in HFA Holdings Limited ("HFA") of $21.4 million (see note 4 to the consolidated financial statements).

Net gains from investment activities of consolidated VIEs decreased by $177.2 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. The decrease was primarily attributable to a $238.5 million net loss from investment activities for the year ended December 31, 2014 as compared to a $54.2 million net gain from investment activities for the year ended December 31, 2013. The decrease was also driven by a $7.8 million decrease in interest and other income and a $74.6 million increase in other expenses for the year ended December 31, 2014 as compared to the same period in 2013. These changes were offset by a $102.5 million net gain from debt for the year ended December 31, 2014 as compared to a $95.4 million net loss from debt for the year ended December 31, 2013.

Income from equity method investments decreased by $53.5 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily driven by lower appreciation in the net asset value of entities in which the Company has a direct interest for the year ended December 31, 2014 as compared to the year ended December 31, 2013. Fund VI and Fund VII had the most significant impact and together had a reduction of $53.9 million of income from equity method investments during the year ended December 31, 2014 as compared to the same period in 2013.

Interest income decreased by $1.9 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013 primarily due to the decrease of payment-in-kind interest income as a result of the sale of the Company's investment in HFA during July 2014 as compared to the same period in 2013 (see note 4 to the consolidated financial statements).

Other income, net increased by $20.5 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to a gain from the reduction of the tax receivable agreement liability during the year ended December 31, 2014 resulting from changes in projected income estimates and in estimated tax rates (see note 17 to our consolidated financial statements) and a gain on extinguishment of a portion of the contingent consideration obligation related to the acquisition of Stone Tower (see note 18 to our consolidated financial statements) during the period. These increases were offset by losses resulting from fluctuations in exchange rates of foreign denominated assets and liabilities of subsidiaries during the year ended December 31, 2014.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net gains from investment activities increased by $42.0 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a $54.3 million increase in net unrealized gains related to changes in the fair value of AAA Investments' portfolio investments, partially offset by an $11.5 million decrease in unrealized gains related to the change in the fair value of the investment in HFA during the year ended December 31, 2013 as compared to the same period in 2012.

Net gains (losses) from investment activities of consolidated VIEs increased by $271.4 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a decrease in net realized and unrealized losses relating to the debt held by the consolidated VIEs of $402.3 million and higher interest and other income of $92.7 million during the period. This was offset by a decrease in the fair values of investments held by the consolidated VIEs of $191.9 million and an increase in other expenses of $31.7 million during the year ended December 31, 2013 as compared to the same period in 2012.

Income from equity method investments decreased by $2.8 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily driven by changes in the fair values of certain Apollo funds in which the Company has a direct interest. Fund VII, COF I and EPF I had the most significant impact and together generated $81.9 million of income from equity method investments during the year ended December 31, 2013 as compared to a $84.2 million of income from equity method investments during the year ended December 31, 2012, resulting in a net decrease of $2.3 million.

Other income, net decreased by $1,924.6 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a gain on acquisition of $1,951.1 million recorded on the Stone Tower acquisition during April 2012. See note 3 to our consolidated financial statements for further discussion of the Stone Tower acquisition. The remaining offset was primarily attributable to income related to the reduction of the tax receivable agreement liability due to a change in estimated tax rates, and an unrealized gain on Athene related derivative contracts (see note 17 to our consolidated financial statements) during the year ended December 31, 2012 as compared to the same period in 2011. See note 12 to our consolidated financial statements for a complete summary of other income, net, for the years ended December 31, 2013 and 2012.

Income Tax Provision

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Income tax provision increased by $39.7 million primarily due to an increase in management business income subject to corporate level taxation. There was also a reduction of the Company's blended state tax rate which caused the Company to reduce its deferred tax assets and increased income tax expense. The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. federal income tax purposes. Due to our legal structure, only a portion of the income we earn is subject to corporate-level tax rates in the United States and foreign jurisdictions. The provision for income taxes includes federal, state and local income taxes in the United States and foreign income taxes at an effective tax rate of 16.8% and 4.3% for the years ended December 31, 2014 and 2013, respectively. The reconciling items between our statutory tax rate and our effective tax rate were due to the following: (i) income passed through to Non-Controlling Interests; (ii) income passed through to Class A shareholders; (iii) amortization of AOG Units that are non-deductible for income tax purposes which were fully amortized as of June 30, 2013; and (iv) state and local income taxes including NYC UBT.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

The income tax provision increased by $42.2 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. As discussed in note 13 to our consolidated financial statements, the Company's income tax provision primarily relates to the earnings generated by APO Corp., a wholly-owned subsidiary of Apollo Global Management, LLC that is subject to U.S. federal, state and local taxes. APO Corp. had taxable income of $209.5 million and $130.8 million for the year ended December 31, 2013 and 2012, respectively, after adjusting for permanent tax differences. The $78.7 million change in income before taxes resulted in increased federal, state and local taxes of $42.6 million during the period utilizing a marginal corporate tax rate and adjusting the estimated rate of tax Apollo expects to pay in the future. This was partially offset by a decrease in the income tax provision of $0.5 million which primarily resulted from a decrease in the NYC UBT, as well as taxes on foreign subsidiaries.

Non-Controlling Interests

The table below presents equity interests in Apollo's consolidated, but not wholly-owned, subsidiaries and funds.

Net income attributable to Non-Controlling Interests consisted of the following:

	For the Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
AAA[1]	$ (196,964)	$ (331,504)	(278,454)
Interest in management companies and a co-investment vehicle[2]	(13,186)	(18,872)	(7,307)
Other consolidated entities	(17,590)	43,357	50,956
Net income attributable to Non-Controlling Interests in consolidated entities	(227,740)	(307,019)	(234,805)
Net (income) loss attributable to Appropriated Partners' Capital[3]	70,729	(149,934)	(1,816,676)
Net income attributable to Non-Controlling Interests in the Apollo Operating Group	(404,682)	(1,257,650)	(685,357)
Net Income attributable to Non-Controlling Interests	$ (561,693)	$ (1,714,603)	$ (2,736,838)
Net income (loss) attributable to Appropriated Partners' Capital[4]	(70,729)	149,934	1,816,676
Other Comprehensive (income) loss attributable to Non-Controlling Interests	591	(41)	(2,010)
Comprehensive Income Attributable to Non-Controlling Interests	$ (631,831)	$ (1,564,710)	$ (922,172)

(1) Reflects the Non-Controlling Interests in the net (income) loss of AAA and is calculated based on the Non-Controlling Interests' ownership percentage in AAA, which was approximately 97.5%, 97.4% and 97.3% as of December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, 2013 and 2012, Apollo owned approximately 2.5%, 2.6% and 2.7% of AAA, respectively.
(2) Reflects the remaining interest held by certain individuals who receive an allocation of income from certain of our credit funds.
(3) Reflects net (income) loss of the consolidated CLOs classified as VIEs.
(4) Appropriated Partners' Capital is included in total Apollo Global Management, LLC shareholders' equity and is therefore not a component of comprehensive income attributable to Non-Controlling Interests on the consolidated statements of comprehensive income.

Net income attributable to Non-Controlling Interests in the Apollo Operating Group consisted of the following:

	For the Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Net income	$ 729,922	$ 2,373,994	$ 3,047,795
Net income attributable to Non-Controlling Interests in consolidated entities	(157,011)	(456,953)	(2,051,481)
Net income after Non-Controlling Interests in consolidated entities	572,911	1,917,041	996,314
Adjustments:			
Income tax provision[1]	147,245	107,569	65,410
NYC UBT and foreign tax provision[2]	(10,995)	(10,334)	(10,889)
Net (income) loss in non-Apollo Operating Group entities	(31,150)	(11,774)	948
Total adjustments	105,100	85,461	55,469
Net income after adjustments	678,011	2,002,502	1,051,783
Approximate weighted average ownership percentage of Apollo Operating Group	57.8%	61.0%	64.9%
Net income attributable to Non-Controlling Interests in Apollo Operating Group	$ 404,682	$ 1,257,650	$ 685,357

(1) Reflects all taxes recorded in our consolidated statements of operations. Of this amount, U.S. federal, state, and local corporate income taxes attributable to APO Corp. are added back to income of the Apollo Operating Group before calculating Non-Controlling Interests as the income allocable to the Apollo Operating Group is not subject to such taxes.
(2) Reflects NYC UBT and foreign taxes that are attributable to the Apollo Operating Group and its subsidiaries related to its operations in the U.S. as partnerships and in non-U.S. jurisdictions as corporations. As such, these amounts are considered in the income attributable to the Apollo Operating Group.

Segment Analysis

Discussed below are our results of operations for each of our reportable segments. They represent the segment information available and utilized by our executive management, which consists of our Managing Partners, who operate collectively as our chief operating decision maker, to assess performance and to allocate resources. Management divides its operations into three reportable segments: private equity, credit and real estate. These segments were established based on the nature of investment activities in each underlying fund, including the specific type of investment made, the frequency of trading, and the level of control over the investment. Segment results do not consider consolidation of funds, equity-based compensation expense comprised of AOG Units, income taxes, amortization of intangibles associated with the 2007 Reorganization and acquisitions, Non-Controlling Interests with the exception of allocations of income to certain individuals and non-cash revenue and expense related to equity awards granted by unconsolidated affiliates to employees of the Company.

In addition to providing the financial results of our three reportable business segments, we further evaluate our individual reportable segments based on what we refer to as our management and incentive businesses. Our management business is generally characterized by the predictability of its financial metrics, including revenues and expenses. The management business includes management fee revenues, advisory and transaction fee revenues, carried interest income from one of our opportunistic credit funds and expenses, each of which we believe are more stable in nature. The financial performance of our incentive business is partially dependent upon quarterly mark-to-market unrealized valuations in accordance with U.S. GAAP guidance applicable to fair value measurements. The incentive business includes carried interest income, income from equity method investments and profit sharing expense that are associated with our general partner interests in the Apollo funds, which are generally less predictable and more volatile in nature.

Our financial results vary, since carried interest, which generally constitutes a large portion of the income from the funds that we manage, as well as the transaction and advisory fees that we receive, can vary significantly from quarter to quarter and year to year. As a result, we emphasize long-term financial growth and profitability to manage our business.

Private Equity

The following tables set forth our segment statement of operations information and our supplemental performance measure, ENI, for our private equity segment, further broken out by our "management" and "incentive" businesses, for the years ended December 31, 2014, 2013 and 2012, respectively.

	For the Year Ended December 31, 2014			For the Year Ended December 31, 2013			For the Year Ended December 31, 2012		
	Management	Incentive	Total	Management	Incentive	Total	Management	Incentive	Total
	(in thousands)								
Private Equity:									
Revenues:									
Advisory and transaction fees from affiliates, net	$ 58,241	$ —	$ 58,241	$ 78,371	$ —	$ 78,371	$ 121,744	$ —	$ 121,744
Management fees from affiliates	315,069	—	315,069	284,833	—	284,833	277,048	—	277,048
Carried interest income (loss) from affiliates:									
Unrealized gains (losses)(1)	—	(1,196,093)	(1,196,093)	—	454,722	454,722	—	854,919	854,919
Realized gains	—	1,428,076	1,428,076	—	2,062,525	2,062,525	—	812,616	812,616
Total Revenues	373,310	231,983	605,293	363,204	2,517,247	2,880,451	398,792	1,667,535	2,066,327
Expenses:									
Compensation and Benefits:									
Equity-based compensation	49,526	—	49,526	31,967	—	31,967	31,213	—	31,213
Salary, bonus and benefits	96,689	—	96,689	109,761	—	109,761	104,068	—	104,068
Profit sharing expense	—	178,373	178,373	—	1,030,404	1,030,404	—	726,874	726,874
Total compensation and benefits	146,215	178,373	324,588	141,728	1,030,404	1,172,132	135,281	726,874	862,155
Other expenses	78,735	—	78,735	112,525	—	112,525	83,311	—	83,311
Total Expenses	224,950	178,373	403,323	254,253	1,030,404	1,284,657	218,592	726,874	945,466
Other Income:									
Income from equity method investments	—	30,418	30,418	—	78,811	78,811	—	74,038	74,038
Other income, net	12,976	1,617	14,593	13,006	1,695	14,701	4,653	—	4,653
Total Other Income	12,976	32,035	45,011	13,006	80,506	93,512	4,653	74,038	78,691
Economic Net Income	$ 161,336	$ 85,645	$ 246,981	$ 121,957	$ 1,567,349	$ 1,689,306	$ 184,853	$ 1,014,699	$ 1,199,552

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2012 was a $75.3 million reversal of the entire general partner obligation to return previously distributed carried interest income with respect to Fund VI. The general partner obligation is recognized based upon a hypothetical liquidation of the funds' net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund.

	For the Year Ended December 31,				For the Year Ended December 31,			
	2014	**2013**	**Amount Change**	**Percentage Change**	**2013**	**2012**	**Amount Change**	**Percentage Change**
	(dollars in thousands)				(dollars in thousands)			
Private Equity:								
Revenues:								
Advisory and transaction fees from affiliates, net	$ 58,241	$ 78,371	$ (20,130)	(25.7)%	$ 78,371	$ 121,744	$ (43,373)	(35.6)%
Management fees from affiliates	315,069	284,833	30,236	10.6	284,833	277,048	7,785	2.8
Carried interest income (loss) from affiliates:								
Unrealized gains (losses)[1]	(1,196,093)	454,722	(1,650,815)	NM	454,722	854,919	(400,197)	(46.8)
Realized gains	1,428,076	2,062,525	(634,449)	(30.8)	2,062,525	812,616	1,249,909	153.8
Total carried interest income from affiliates	231,983	2,517,247	(2,285,264)	(90.8)	2,517,247	1,667,535	849,712	51.0
Total Revenues	605,293	2,880,451	(2,275,158)	(79.0)	2,880,451	2,066,327	814,124	39.4
Expenses:								
Compensation and benefits:								
Equity-based compensation	49,526	31,967	17,559	54.9	31,967	31,213	754	2.4
Salary, bonus and benefits	96,689	109,761	(13,072)	(11.9)	109,761	104,068	5,693	5.5
Profit sharing expense	178,373	1,030,404	(852,031)	(82.7)	1,030,404	726,874	303,530	41.8
Total compensation and benefits expense	324,588	1,172,132	(847,544)	(72.3)	1,172,132	862,155	309,977	36.0
Other expenses	78,735	112,525	(33,790)	(30.0)	112,525	83,311	29,214	35.1
Total Expenses	403,323	1,284,657	(881,334)	(68.6)	1,284,657	945,466	339,191	35.9
Other Income:								
Income from equity method investments	30,418	78,811	(48,393)	(61.4)	78,811	74,038	4,773	6.4
Other income, net	14,593	14,701	(108)	(0.7)	14,701	4,653	10,048	215.9
Total Other Income	45,011	93,512	(48,501)	(51.9)	93,512	78,691	14,821	18.8
Economic Net Income	$ 246,981	$ 1,689,306	$ (1,442,325)	(85.4)%	$ 1,689,306	$ 1,199,552	$ 489,754	40.8 %

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2012 was a $75.3 million reversal of the entire general partner obligation to return previously distributed carried interest income with respect to Fund VI. The general partner obligation is recognized based upon a hypothetical liquidation of the funds' net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund.

Revenues

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Advisory and transaction fees from affiliates, net, decreased by $20.1 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to lower net advisory fees driven by the realization of underlying investments, termination fees and waived fees related to debt investment vehicles, EP Energy, Taminco, Realogy and Caesars Entertainment that occurred during the year ended December 31, 2013 and lower net transaction fees for the year ended December 31, 2014 compared to 2013.

Management fees from affiliates increased by $30.2 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This increase was primarily attributable to increased management fees earned from Fund VIII in the amount of $126.4 million during the year ended December 31, 2014. This increase was partially offset by decreased management fees earned from Fund VII of $92.9 million as a result of a change in the management fee rate and basis upon which management fees are earned from capital commitments to invested capital, due to the fund coming to the end of the fund's investment period.

Carried interest income from affiliates decreased by $2.3 billion for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to decreases in carried interest income earned from Fund VI and Fund VII of $1.3 billion and $850.1 million, respectively. Realized carried interest income decreased $634.4 million, driven by decreased realized carried interest with respect to Fund VI and Fund VII of $358.9 million and $261.0 million, respectively, primarily due to decreased dispositions of underlying portfolio investments held during the year as compared to the prior year. Unrealized carried interest income decreased by $1.7 billion during the year ended December 31, 2014, driven by decreases in unrealized carried interest income with respect to Fund VI and Fund VII of $941.4 million and $589.2 million, respectively. These decreases were a result of decreases in the fair value of portfolio investments of Fund VI and Find VII and reversals of unrealized carried interest income to realized carried interest income.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Advisory and transaction fees from affiliates, net, decreased by $43.4 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a decrease of $35.4 million in net transaction and termination fees driven by the portfolio company investments of Fund VI, AAA Investments and Fund VII. The net transaction and termination fees related to Fund VI and AAA Investments decreased by $17.9 million and $8.8 million, respectively, due to termination fees earned in 2012 from Realogy, Rexnord and Smart & Final, compared to zero termination fees earned during the year ended December 31, 2013. For the years ended December 31, 2013 and 2012, the net transaction and termination fees related to Fund VII were $42.2 million and $50.9 million, respectively, a decrease of $8.7 million. For 2012, the fees related to Fund VII were driven by net transaction fees earned from EP Energy LLC and Great Wolf Resorts of $42.4 million, whereas during 2013 the fees were driven by net transaction fees earned from McGraw-Hill Education of $14.8 million and net termination fees earned from Taminco and Constellium (formerly Alcan) of $20.6 million. Net advisory fees also decreased by $8.0 million mainly due to decreased monitoring fees earned from portfolio company investments of Fund VI and AAA Investments, which include Berry Plastics, CEVA Logistics, Momentive Performance Materials and Caesars Entertainment. Included in advisory and transaction fees from affiliates is $19.1 million and $0.5 million recognized as a reversal of the Management Fee Offset for Fund V and Fund IV, respectively, and $18.5 million of additional Management Fee Offsets related to director fees, net of director fee income.

Management fees from affiliates increased by $7.8 million for year ended December 31, 2013 as compared to the year ended December 31, 2012. This increase was primarily attributable to Fund VIII, which launched in August 2013 and generated $65.0 million in management fees during the year ended December 31, 2013. The increase was also attributed to the Contributed Partnerships, which began earning fees in the fourth quarter 2012 as a result of the AAA Transaction and generated $10.3 million of management fees during the year ended December 31, 2013. See notes 4 and 17 to our consolidated financial statements for a complete summary of the AAA Transaction and fee arrangements related to management fees earned from the Contributed Partnerships. This increase was partially offset by decreased management fees earned from Fund VII of $42.4 million as a result of a change in the management fee rate and basis from capital commitments to invested capital due to the end of its investment period. Management fees earned from Fund VI also decreased by $8.3 million due to lower invested capital during the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Carried interest income from affiliates increased by $849.7 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to increases in carried interest income earned from Fund VI of $548.1 million, Fund VII of $242.4 million and AAA Co-Invest VI of $115.7 million, partially offset by a decrease of $34.8 million from Fund V. Included in carried interest income from affiliates was an increase of $1,249.9 million in realized gains mainly driven by increased dispositions of underlying portfolio investments held during the year by Fund VII, Fund VI, Fund V and AAA Co-Invest VI of $691.3 million, $466.3 million, $65.7 million and $37.9 million, respectively. The remaining change was attributable to a decrease in net unrealized carried interest income of $400.2 million mainly driven by Fund VII and Fund V of $449.0 million and $100.5 million, respectively, resulting from the reversal of unrealized carried interest income to realized carried interest income due to the realization of underlying portfolio investments held during the year. Partly offsetting the decrease in net unrealized carried interest income were increases by Fund VI and AAA Co-Invest VI of $81.7 million and $77.7 million, respectively, due to increases in the fair values of the underlying portfolio investments held during the year.

Expenses

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Compensation and benefits expense decreased by $847.5 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to a decrease in profit sharing expense of $852.0 million, due to lower carried interest income during the year ended December 31, 2014 as compared to the year ended December 31, 2013. In any year, the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating

carried interest in the period. During the year ended December 31, 2014, the fair value of Fund VII's underlying fund investments appreciated while Fund VI's underlying fund investments depreciated, which contributed to an increased profit sharing percentage compared to the year ended December 31, 2013. This decrease was partially offset by increased equity-based compensation of $17.6 million, driven by non-cash expense related to equity-based compensation in connection with the departure of an executive officer during the year ended December 31, 2014. Included in profit sharing expense is $55.5 million and $46.0 million related to the Incentive Pool for the years ended December 31, 2014 and December 31, 2013, respectively.

Other expenses decreased by $33.8 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to decreased organizational expenses and legal and consulting fees, as well as a reduction in placement fees relating to Fund VIII.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Compensation and benefits expense increased by $310.0 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily a result of an increase of $303.5 million in profit sharing expense driven by an increase in carried interest income earned by certain of our private equity funds during the year. Also, salary, bonus and benefits and equity-based compensation increased by $5.7 million and $0.8 million, respectively, due to an increase in headcount during the year ended December 31, 2013 as compared to the year ended December 31, 2012. Included in profit sharing expense is $46.0 million and $50.3 million related to the Incentive Pool for the years ended December 31, 2013 and 2012, respectively.

Other expenses increased by $29.2 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to increased placement fees and organizational expenses incurred in connection with the capital raising activities for Fund VIII. Professional fees also increased due to higher external accounting, tax, audit, legal and consulting fees incurred during the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Other Income

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Income from equity method investments decreased by $48.4 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily driven by lower appreciation in the net asset value, primarily from Apollo's ownership interests in Fund VI and Fund VII, in the amounts of $4.6 million and $49.3 million, respectively, for the year ended December 31, 2014 as compared to the year ended December 31, 2013, which was offset by an increase in the fair value of Apollo's ownership interest in AION in the amount of $5.8 million.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Income from equity method investments increased by $4.8 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was driven by increases in the fair values of our private equity investments held, primarily from Apollo's ownership interest in Fund VII, Vantium A/B, C and D and AAA Investments which in total contributed to increased income from equity method investments of $5.6 million during the year. The increase in income from equity method investments was partially offset by a decrease of $1.2 million from the equity investment held in AION for the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Other income, net increased by $10.0 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to gains resulting from fluctuations in exchange rates of foreign denominated assets and liabilities of subsidiaries and reduction of the tax receivable agreement liability due to a change in estimated tax rates. See note 17 to our consolidated financial statements for more information on the tax receivable agreement.

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Credit

The following tables set forth segment statement of operations information and ENI for our credit segment, further broken out by our "management" and "incentive" businesses, for the years ended December 31, 2014, 2013 and 2012, respectively.

	For the Year Ended December 31, 2014			For the Year Ended December 31, 2013			For the Year Ended December 31, 2012		
	Management	Incentive	Total	Management	Incentive	Total	Management	Incentive	Total
	(in thousands)								
Credit:									
Revenues:									
Advisory and transaction fees from affiliates, net	$ 255,186	$ —	$ 255,186	$ 114,643	$ —	$ 114,643	$ 27,551	$ —	$ 27,551
Management fees from affiliates	538,742	—	538,742	392,433	—	392,433	299,667	—	299,667
Carried interest income from affiliates:									—
Unrealized gains (losses) [(1)]	—	(156,644)	(156,644)	—	(56,568)	(56,568)	—	301,077	301,077
Realized gains	41,199	281,034	322,233	36,922	393,338	430,260	37,842	179,933	217,775
Total Revenues	835,127	124,390	959,517	543,998	336,770	880,768	365,060	481,010	846,070
Expenses:									
Compensation and Benefits:									
Equity-based compensation	48,737	—	48,737	24,167	—	24,167	26,988	—	26,988
Salary, bonus and benefits	210,546	—	210,546	153,056	—	153,056	139,895	—	139,895
Profit sharing expense	—	95,070	95,070	—	142,728	142,728	—	138,444	138,444
Total compensation and benefits	259,283	95,070	354,353	177,223	142,728	319,951	166,883	138,444	305,327
Other expenses	163,082	—	163,082	162,064	—	162,064	149,051	—	149,051
Total Expenses	422,365	95,070	517,435	339,287	142,728	482,015	315,934	138,444	454,378
Other Income:									
Net gains (losses) from investment activities	—	9,062	9,062	—	(12,593)	(12,593)	—	(1,142)	(1,142)
Income from equity method investments	—	18,812	18,812	—	30,678	30,678	—	46,100	46,100
Other income, net	28,538	22,674	51,212	28,540	8,508	37,048	15,008	—	15,008
Total Other Income	28,538	50,548	79,086	28,540	26,593	55,133	15,008	44,958	59,966
Non-Controlling Interests	(12,688)	—	(12,688)	(13,985)	—	(13,985)	(8,730)	—	(8,730)
Economic Net Income	$ 428,612	$ 79,868	$ 508,480	$ 219,266	$ 220,635	$ 439,901	$ 55,404	$ 387,524	$ 442,928

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $3.4 million in aggregate with respect to two of our credit funds. Included in unrealized carried interest income from affiliates for the year ended December 31, 2013 was a reversal of $19.3 million and $0.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to SOMA and APC, respectively. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2012 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income with respect to SOMA and APC of $1.2 million and $0.3 million, respectively. The general partner obligation is recognized based upon a hypothetical liquidation of the funds' net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund’s investments based on the contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund.

	For the Year Ended December 31,				For the Year Ended December 31,			
	2014	2013	Amount Change	Percentage Change	2013	2012	Amount Change	Percentage Change
	(dollars in thousands)				(dollars in thousands)			
Credit:								
Revenues:								
Advisory and transaction fees from affiliates, net	$ 255,186	$ 114,643	$ 140,543	122.6 %	$ 114,643	$ 27,551	$ 87,092	316.1 %
Management fees from affiliates	538,742	392,433	146,309	37.3	392,433	299,667	92,766	31.0
Carried interest income (loss) from affiliates:								
Unrealized gains (losses) [1]	(156,644)	(56,568)	(100,076)	176.9	(56,568)	301,077	(357,645)	NM
Realized gains	322,233	430,260	(108,027)	(25.1)	430,260	217,775	212,485	97.6
Total carried interest income from affiliates	165,589	373,692	(208,103)	(55.7)	373,692	518,852	(145,160)	(28.0)
Total Revenues	959,517	880,768	78,749	8.9	880,768	846,070	34,698	4.1
Expenses:								
Compensation and benefits								
Equity-based compensation	48,737	24,167	24,570	101.7	24,167	26,988	(2,821)	(10.5)
Salary, bonus and benefits	210,546	153,056	57,490	37.6	153,056	139,895	13,161	9.4
Profit sharing expense	95,070	142,728	(47,658)	(33.4)	142,728	138,444	4,284	3.1
Total compensation and benefits	354,353	319,951	34,402	10.8	319,951	305,327	14,624	4.8
Other expenses	163,082	162,064	1,018	0.6	162,064	149,051	13,013	8.7
Total Expenses	517,435	482,015	35,420	7.3	482,015	454,378	27,637	6.1
Other Income:								
Net gains (losses) from investment activities	9,062	(12,593)	21,655	NM	(12,593)	(1,142)	(11,451)	NM
Income from equity method investments	18,812	30,678	(11,866)	(38.7)	30,678	46,100	(15,422)	(33.5)
Other income, net	51,212	37,048	14,164	38.2	37,048	15,008	22,040	146.9
Total Other Income	79,086	55,133	23,953	43.4	55,133	59,966	(4,833)	(8.1)
Non-Controlling Interests	(12,688)	(13,985)	1,297	(9.3)	(13,985)	(8,730)	(5,255)	60.2
Economic Net Income	$ 508,480	$ 439,901	$ 68,579	15.6 %	$ 439,901	$ 442,928	$ (3,027)	(0.7)%

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $3.4 million in aggregate with respect to two of our credit funds. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2013 was a reversal of $19.3 million and $0.3 million of the entire general partner obligation to return previously distributed carried interest income to SOMA and APC, respectively. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2012 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income with respect to SOMA and APC of $1.2 million and $0.3 million, respectively. The general partner obligation is recognized based upon a hypothetical liquidation of the funds' net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund.

Revenues

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Advisory and transaction fees from affiliates, net, increased by $140.5 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013. The increase was primarily driven by an increase in monitoring fees from Athene of $118.5 million as a result of Athene's acquisition of Aviva USA and an increase in net transaction fees with respect to EPF II and FCI II during the year ended December 31, 2014 compared to the same period in 2013.

Management fees from affiliates increased by $146.3 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to increases in management fees earned from Athene (as a result of Athene's acquisition of Aviva USA) and AINV of $126.1 million and $8.4 million, respectively, during the year ended December 31, 2014 compared to the same period in 2013.

Carried interest income from affiliates decreased by $208.1 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to decreased carried interest income related to COF I of $46.2 million, certain sub-advisory arrangements of $42.3 million, SOMA of $38.8 million, EPF I of $25.7 million, certain CLOs of $20.6 million, Apollo Offshore Credit Fund of $18.0 million, ACLF of $12.6 million, COF II of $11.4 million and Apollo Investment Europe II, L.P. ("AIE II") of $11.3 million during the year ended December 31, 2014 compared to the same period in 2013. These decreases were partially offset by increased carried interest income related to EPF II of $59.4 million. Included in carried interest income from affiliates was realized carried interest income which decreased $108.0 million primarily resulting from lower realizations from COF I of $127.4 million, COF II of $29.2 million, SOMA of $15.5 million, AIE II of $14.1 million and Apollo Offshore Credit Fund of $11.6 million, partially offset by increased realized carried interest income from EPF I of $100.1 million. Also included in carried interest income was unrealized carried interest income which decreased $100.1 million during the year ended December 31, 2014 compared to the same period in 2013, mainly driven by decreases with respect to EPF I of $125.8 million, certain sub-advisory arrangements of $39.1 million, certain CLOs of $34.7 million, SOMA of $23.2 million, partially offset by a decrease in unrealized carried interest losses with respect to COF I of $81.2 million and an increase in unrealized carried interest income with respect to EPF II of $59.4 million.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Advisory and transaction fees from affiliates, net, increased by $87.1 million, during the year ended December 31, 2013 as compared to the year ended December 31, 2012. Net advisory fees earned were $108.5 million and $21.5 million during the years ended December 31, 2013 and 2012, respectively, which was mainly driven by an increase in monitoring fees based on Athene capital and surplus fees of $91.1 million. Net transaction fees earned were $6.1 million and $6.0 million during the years ended December 31, 2013 and 2012, respectively. Advisory and transaction fees, including directors' fees, are reported net of Management Fee Offsets which totaled $28.0 million and $26.6 million for the years ended December 31, 2013 and 2012, respectively, a decrease of $1.4 million.

Management fees from affiliates increased by $92.8 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to increases in management fees earned from Athene, EPF II, certain CLOs, and ACF of $72.5 million, $14.0 million, $10.4 million, and $8.7 million, respectively during the year ended December 31, 2013 compared to the same period in 2012. The increase in management fees was partially offset by a $7.8 million decrease in fees generated from COF II and a $7.7 million decrease in fees generated from SVF, compared to the same period in 2012. The remaining change was attributable to other credit funds, collectively, which contributed to an increase of $2.7 million in management fees during the year ended December 31, 2013 compared to the same period in 2012.

Carried interest income from affiliates decreased by $145.2 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to lower carried interest income related to COF I of $100.1 million, COF II of $48.3 million, certain CLOs of $44.5 million, offset by higher carried interest income related to SOMA of $40.0 million and EPF I of $34.5 million for the year ended December 31, 2013 compared to 2012. Included in carried interest income from affiliates was realized carried interest income which increased by $212.5 million, primarily resulting from increased dividends, interest income, and dispositions of portfolio investments held by COF I of $79.0 million, EPF I of $33.0 million, certain CLOs of $29.4 million, SOMA of $17.4 million, and CLF of $17.1 million as compared to 2012. The remaining change was attributable to other credit funds, which in aggregate contributed to an increase of $36.6 million in realized carried interest income. The increase in realized carried interest income was offset by a $357.6 million decrease in net unrealized carried interest loss. This offset primarily resulted from reversals of unrealized carried interest income to realized carried interest income due to the realization of underlying portfolio investments held during the period by COF I, certain CLOs, CLF, and COF II.

Expenses

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Compensation and benefits expense increased by $34.4 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily due to an increase in salary, bonus and benefits of $57.5 million due to increased headcount and an increase in equity-based compensation of $24.6 million. The increase in equity-based compensation was driven by non-cash expense of $23.2 million related to equity-based compensation in connection with the departure of an executive officer during the year ended December 31, 2014 as compared to the same period in 2013. These increases were offset by a decrease in profit sharing expense of $47.7 million during the year ended December 31, 2014 as compared to the same period in 2013, primarily attributable to a corresponding decrease in carried interest income. Within our credit segment, the Company is seeking to further align total compensation for investment professionals with the profitability of the credit business as a whole rather than on a fund-by-fund basis. As a result, the Company incurred approximately $22.0 million of additional profit sharing expense at the inception of the compensation plan during 2014. Additionally, included within profit sharing expense is

the Incentive Pool, which resulted in additional profit sharing expense of $6.3 million and $16.3 million for the year ended December 31, 2014 and 2013, respectively.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Compensation and benefits expense increased by $14.6 million for the year ended December 31, 2013, as compared to the year ended December 31, 2012. The change was primarily due to an increase in salary, bonus, and benefits of $13.2 million during the period, due to increased headcount, and an increase in profit-sharing expense of $4.3 million during the year ended December 31, 2013 as compared to the same period in 2012. Included in the profit sharing expense is the Incentive Pool, with expenses of $16.3 million and $11.8 million for the years ended December 31, 2013 and 2012, respectively.

Other expenses increased by $13.0 million during the year ended December 31, 2013, as compared to the year ended December 31, 2012. The change was driven by a $7.1 million increase in placement fees mainly due to AIF, and a $5.0 million increase in professional fees attributable to higher legal and IT consulting fees during the year ended December 31, 2013 as compared to the same period in 2012.

Other Income

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Net gains from investment activities of $9.1 million increased by $21.7 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013 as a result of appreciation in the Company's investment in HFA during the year ended December 31, 2014 prior to the sale of the investment in HFA (see note 4 to the consolidated financial statements.)

Income from equity method investments decreased by $11.9 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was driven by decreases in the fair values of investments held by certain of our credit funds, primarily COF I, EPF I, AIE II, COF III and Apollo Palmetto Strategic Partnership, L.P. which resulted in decreases in income from equity method investments of $6.1 million, $2.2 million, $1.8 million, $1.6 million and $1.1 million, respectively, during the year ended December 31, 2014 as compared to the same period in 2013.

Other income increased by $14.2 million during the year ended December 31, 2014, as compared to the year ended December 31, 2013, mainly due to a gain from the reduction of the tax receivable agreement liability during the year ended December 31, 2014 resulting from changes in projected income estimates and estimated tax rates (see note 17 to our consolidated financial statements) and a gain on extinguishment of a portion of the contingent consideration obligation related to the acquisition of Stone Tower (see note 18 to our consolidated financial statements).

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Net losses from investment activities increased by $11.5 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was related to an increase in unrealized loss resulting from the change in the fair value of the investment in HFA as of December 31, 2013 as compared to the same period in 2012.

Income from equity method investments decreased by $15.4 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was driven by decreases in the fair values of investments held by certain of our credit funds, primarily COF I and COF II, which resulted in decreases in income from equity method investments of $13.3 million, and $4.0 million, respectively, during the year ended December 31, 2013 as compared to the same period in 2012.

Other income increased by $22.0 million during the year ended December 31, 2013, as compared to December 31, 2012, primarily due to a reduction of the tax receivable agreement liability due to a change in estimated tax rates and a $8.5 million unrealized gain on Athene-related derivative contracts (see note 17 to our consolidated financial statements).

Real Estate

The following tables set forth our segment statement of operations information and ENI for our real estate segment, further broken out by our "management" and "incentive" businesses, for the years ended December 31, 2014, 2013 and 2012, respectively.

	For the Year Ended December 31, 2014			For the Year Ended December 31, 2013			For the Year Ended December 31, 2012		
	Management	Incentive	Total	Management	Incentive	Total	Management	Incentive	Total
	(in thousands)								
Real Estate:									
Revenues:									
Advisory and transaction fees from affiliates, net	$ 2,655	$ —	$ 2,655	$ 3,548	$ —	$ 3,548	$ 749	$ —	$ 749
Management fees from affiliates	47,213	—	47,213	53,436	—	53,436	46,326		46,326
Carried interest income from affiliates:									
Unrealized gains	—	4,951	4,951	—	4,681	4,681	—	10,401	10,401
Realized gains	—	3,998	3,998	—	541	541	—	4,673	4,673
Total Revenues	49,868	8,949	58,817	56,984	5,222	62,206	47,075	15,074	62,149
Expenses:									
Compensation and Benefits:									
Equity-based compensation	8,849	—	8,849	10,207	—	10,207	10,741	—	10,741
Salary, bonus and benefits	32,611	—	32,611	31,936	—	31,936	30,611	—	30,611
Profit sharing expense	—	2,747	2,747	—	123	123	—	6,815	6,815
Total compensation and benefits	41,460	2,747	44,207	42,143	123	42,266	41,352	6,815	48,167
Other expenses	23,784	—	23,784	27,620	—	27,620	24,270	—	24,270
Total Expenses	65,244	2,747	67,991	69,763	123	69,886	65,622	6,815	72,437
Other Income:									
Income from equity method investments	—	5,675	5,675	—	3,722	3,722	—	982	982
Other income, net	3,584	—	3,584	2,402	—	2,402	1,271	—	1,271
Total Other Income	3,584	5,675	9,259	2,402	3,722	6,124	1,271	982	2,253
Economic Net Income (Loss)	$ (11,792)	$ 11,877	$ 85	$ (10,377)	$ 8,821	$ (1,556)	$ (17,276)	$ 9,241	$ (8,035)

	For the Year Ended December 31,				For the Year Ended December 31,			
	2014	2013	Amount Change	Percentage Change	2013	2012	Amount Change	Percentage Change
	(dollars in thousands)				(dollars in thousands)			
Real Estate:								
Revenues:								
Advisory and transaction fees from affiliates, net	$ 2,655	$ 3,548	$ (893)	(25.2)%	$ 3,548	$ 749	$ 2,799	373.7 %
Management fees from affiliates	47,213	53,436	(6,223)	(11.6)	53,436	46,326	7,110	15.3
Carried interest income from affiliates:								
Unrealized gains	4,951	4,681	270	5.8	4,681	10,401	(5,720)	(55.0)
Realized gains	3,998	541	3,457	NM	541	4,673	(4,132)	(88.4)
Total carried interest income from affiliates	8,949	5,222	3,727	71.4	5,222	15,074	(9,852)	(65.4)
Total Revenues	58,817	62,206	(3,389)	(5.4)	62,206	62,149	57	0.1
Expenses:								
Compensation and Benefits:								
Equity-based compensation	8,849	10,207	(1,358)	(13.3)	10,207	10,741	(534)	(5.0)
Salary, bonus and benefits	32,611	31,936	675	2.1	31,936	30,611	1,325	4.3
Profit sharing expense	2,747	123	2,624	NM	123	6,815	(6,692)	(98.2)
Total compensation and benefits	44,207	42,266	1,941	4.6	42,266	48,167	(5,901)	(12.3)
Other expenses	23,784	27,620	(3,836)	(13.9)	27,620	24,270	3,350	13.8
Total Expenses	67,991	69,886	(1,895)	(2.7)	69,886	72,437	(2,551)	(3.5)
Other Income:								
Income from equity method investments	5,675	3,722	1,953	52.5	3,722	982	2,740	279.0
Other income, net	3,584	2,402	1,182	49.2	2,402	1,271	1,131	89.0
Total Other Income	9,259	6,124	3,135	51.2	6,124	2,253	3,871	171.8
Economic Net Income (Loss)	$ 85	$ (1,556)	$ 1,641	NM	$ (1,556)	$ (8,035)	$ 6,479	(80.6)%

Revenues

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Advisory and transaction fees from affiliates, net, decreased by $0.9 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was attributable to a decrease in capital raised and invested and the realization of underlying investments for which transaction fees and exit fees, respectively, were earned during the year ended December 31, 2013.

Management fees decreased by $6.2 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. The decrease in management fees was primarily due to decreased management fees from the CPI Funds for the year ended December 31, 2014 as compared to the year ended December 31, 2013.

Carried interest income from affiliates increased by $3.7 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to an increase in carried interest income relating to the AGRE U.S. Real Estate Fund, L.P. in the amount of $2.8 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Advisory and transaction fees from affiliates, net, increased by $2.8 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was attributable to additional capital raised and invested and the realization of underlying investments for which transaction fees and exit fees, respectively, were earned during the year.

Management fees increased by $7.1 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. Of this increase, $2.4 million was due to management fees earned from certain sub-advisory agreements and $1.2 million due to fees earned from 2012 CMBS-I Fund, L.P. and 2012 CMBS-II Fund, L.P., which began generating fees in the

third quarter of 2012. Additionally, during 2013, ARI invested additional capital and AGRE Debt Fund I, L.P. raised additional fee generating capital which resulted in higher management fees earned during the year of $5.6 million. The increase in management fees was partially offset by a decrease in management fees earned from the CPI Funds of $2.4 million as a result of the realization of underlying investments during the year ended December 31, 2013. Further offsetting the increase was a decrease of $0.5 million in management fees from AGRE U.S. Real Estate Fund, L.P. which generated higher management fees in 2012 due to new commitments to the fund for which the management fees were calculated retrospectively back to the initial closing date of the fund.

Carried interest income from affiliates decreased by $9.9 million for the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a $5.7 million decrease in net unrealized carried interest income driven by a decrease in the fair values of the underlying portfolio investments for certain of the CPI Funds, partially offset by increases in the fair values of the underlying investments of AGRE U.S. Real Estate Fund, L.P. Also driving the change was a decrease in realized carried interest of $4.1 million from the CPI Funds during the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Expenses

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Compensation and benefits increased by $1.9 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was primarily attributable to an increase of $2.6 million in profit sharing expense, driven by the increase in carried interest income earned from our real estate funds, and a decrease in equity-based compensation of $1.4 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013.

Other expenses decreased by $3.8 million during the year ended December 31, 2014 as compared to the year ended December 31, 2013, primarily attributable to decreased legal fees and organizational expenses, offset by higher consulting fees and technology expenses.

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Compensation and benefits decreased by $5.9 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to a decrease in profit sharing expense of $6.7 million driven by the decreased carried interest income earned from our real estate funds during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This decrease was partially offset by an increase of $1.3 million in salary, bonus and benefits mainly driven by an increase in headcount during the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Other expenses increased by $3.4 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to increased professional fees of $3.4 million due to higher external accounting, tax, audit, legal and consulting fees incurred during the year ended December 31, 2013 as compared to the year ended December 31, 2012. Also, general and administrative expenses increased by $1.8 million due to higher fund-related organizational expenses incurred during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This increase was partially offset by a decrease in interest expense of $1.5 million due to the expiring of interest rate swaps and due to a lower margin rate on the 2007 AMH Credit Agreement during the year ended December 31, 2013 as compared to the year ended December 31, 2012.

Other Income

Year Ended December 31, 2014 Compared to Year Ended December 31, 2013

Other income increased by $3.1 million for the year ended December 31, 2014 as compared to the year ended December 31, 2013. This change was driven by an increase in income from equity method investments of $2.0 million due to an increase in the fair values of our real estate investments held, primarily from Apollo's ownership interest in ARI, and an increase in other income, net primarily due to a gain resulting from the reduction of the tax receivable agreement liability during the year ended December 31, 2014 as a result of a change in projected income estimates and estimated tax rates (see note 17 to our consolidated financial statements).

Year Ended December 31, 2013 Compared to Year Ended December 31, 2012

Income from equity method investments increased by $2.7 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily driven by an increase of $2.2 million in income from equity method investments in AGRE U.S. Real Estate Fund, L.P.

Other income, net increased by $1.1 million during the year ended December 31, 2013 as compared to the year ended December 31, 2012. This change was primarily attributable to gains resulting from fluctuations in exchange rates of foreign denominated assets and liabilities of subsidiaries and reduction of the tax receivable agreement liability due to a change in estimated tax rates. See note 17 in the consolidated financial statements for additional information on the tax receivable agreement.

Summary Combined Segment Results for Management Business and Incentive Business

The following tables combine our reportable segments' statements of operations information and supplemental performance measure, ENI, for our management and incentive businesses for the years ended December 31, 2014, 2013 and 2012, respectively. ENI represents segment income (loss), excluding the impact of (i) non-cash charges related to RSUs granted in connection with the 2007 private placement and amortization of AOG Units, (ii) income tax expense, (iii) amortization of intangibles associated with the 2007 Reorganization as well as acquisitions (iv) Non-Controlling Interests excluding the remaining interest held by certain individuals who receive an allocation of income from certain of our credit management companies and (v) non-cash revenue and expense related to equity awards granted by unconsolidated affiliates to employees of the Company. In addition, segment data excludes the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements. In addition, segment data excludes the assets, liabilities and operating results of the Apollo funds and consolidated VIEs that are included in the consolidated financial statements. ENI is not a U.S. GAAP measure.

In addition to providing the financial results of our three reportable business segments, we evaluate our reportable segments based on what we refer to as our management and incentive businesses. Our management business is generally characterized by the predictability of its financial metrics, including revenues and expenses. This business includes management fee revenues, advisory and transaction fee revenues, carried interest income from one of our opportunistic credit funds and expenses, each of which we believe are more stable in nature.

	For the Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Management Business			
Revenues:			
Advisory and transaction fees from affiliates, net	$ 316,082	$ 196,562	$ 150,044
Management fees from affiliates	901,024	730,702	623,041
Carried interest income from affiliates	41,199	36,922	37,842
Total Revenues	1,258,305	964,186	810,927
Expenses:			
Equity-based compensation	107,112	66,341	68,942
Salary, bonus and benefits	339,846	294,753	274,574
Interest expense	22,394	29,260	37,116
Professional fees[1]	80,607	82,448	63,250
General, administrative and other[2]	96,485	97,085	86,550
Placement fees	15,422	42,424	22,271
Occupancy	40,511	39,946	37,218
Depreciation and amortization	10,182	11,046	10,227
Total Expenses	712,559	663,303	600,148
Other Income:			
Interest income	9,194	10,763	8,149
Other income, net	35,904	33,185	12,783
Total Other Income	45,098	43,948	20,932
Non-Controlling Interests	(12,688)	(13,985)	(8,730)
Economic Net Income	$ 578,156	$ 330,846	$ 222,981

(1) Excludes professional fees related to the consolidated funds.
(2) Excludes general and administrative expenses and interest income related to the consolidated funds.

The financial performance of our incentive business, which is dependent upon quarterly mark-to-market unrealized valuations in accordance with U.S. GAAP guidance applicable to fair value measurements, includes carried interest income, income from equity method investments, other income, net and profit sharing expenses that are associated with our general partner interests in the Apollo funds, which are generally less predictable and more volatile in nature.

	For the Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Incentive Business			
Revenues:			
Carried interest income (loss) from affiliates:			
Unrealized gains (losses)[1]	$ (1,347,786)	$ 402,835	$ 1,166,397
Realized gains	1,713,108	2,456,404	997,222
Total Revenues	365,322	2,859,239	2,163,619
Expenses:			
Compensation and Benefits:			
Profit sharing expense:			
Unrealized profit sharing expense[2]	(506,026)	195,298	426,098
Realized profit sharing expense	782,216	977,957	446,035
Total Profit Sharing Expense	276,190	1,173,255	872,133
Other Income:			
Other income, net	24,291	10,203	—
Net gains (losses) from investment activities[3]	9,062	(12,593)	(1,142)
Income from equity method investments	54,905	113,211	121,120
Total Other Income	88,258	110,821	119,978
Economic Net Income	$ 177,390	$ 1,796,805	$ 1,411,464

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $3.4 million in aggregate with respect to two of our credit funds. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2013 was a reversal of $19.3 million and $0.3 million of the entire general partner obligation to return previously distributed carried interest income to SOMA and APC, respectively. Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2012 was a reversal of $75.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to Fund VI and reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $1.2 million and $0.3 million with respect to SOMA and APC, respectively. The general partner obligation is recognized based upon a hypothetical liquidation of the funds' net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund.

(2) Included in unrealized profit sharing expense for the year ended December 31, 2012 was a reversal of the entire receivable from Contributing Partners and certain employees of $22.1 million due to the reversal of the general partner obligation to return previously distributed carried interest income with respect to Fund VI.

(3) Excludes investment income and net gains from investment activities related to consolidated funds and the consolidated VIEs.

Summary

Below is the summary of our total reportable segments, including management and incentive businesses, and a reconciliation of ENI to Net Income Attributable to Apollo Global Management, LLC reported in our consolidated statements of operations:

	For the Year Ended December 31,		
	2014	**2013**	**2012**
	(in thousands)		
Revenues	$ 1,623,627	$ 3,823,425	$ 2,974,546
Expenses	988,749	1,836,558	1,472,281
Other income	133,356	154,769	140,910
Non-Controlling Interests	(12,688)	(13,985)	(8,730)
Economic Net Income	755,546	2,127,651	1,634,445
Non-cash charges related to equity-based compensation	(502)	(59,847)	(529,712)
Income tax provision	(147,245)	(107,569)	(65,410)
Net income attributable to Non-Controlling Interests in Apollo Operating Group	(404,682)	(1,257,650)	(685,357)
Amortization of intangible assets	(34,888)	(43,194)	(43,009)
Net Income Attributable to Apollo Global Management, LLC	$ 168,229	$ 659,391	$ 310,957

Summary of Distributable Earnings and Economic Net Income

"Distributable Earnings," or "DE," as well as "DE After Taxes and Related Payables", are derived from our segment reported results, and are supplemental measures to assess performance and amounts available for distribution to Class A shareholders, holders of RSUs that participate in distributions and holders of AOG Units. DE represents the amount of net realized earnings without the effects of the consolidation of any of the affiliated funds. DE, which is a component of ENI, is the sum across all segments of (i) total management fees and advisory and transaction fees, excluding monitoring fees received from Athene based on its capital and surplus (as defined in Apollo's transaction advisory services agreement with Athene), (ii) other income (loss), excluding the gains (losses) arising from the reversal of a portion of the tax receivable agreement liability, (iii) realized carried interest income, and (iv) realized investment income, less (i) compensation expense, excluding the expense related to equity-based awards, (ii) realized profit sharing expense, and (iii) non-compensation expenses, excluding depreciation and amortization expense. DE After Taxes and Related Payables represents DE less estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.

The following table is a summary of DE for the years ended December 31, 2014, 2013 and 2012.

	For the Year Ended December 31,		
	2014	2013	2012
	(in thousands)		
Management Business Economic Net Income	$ 578,156	$ 330,846	$ 222,981
Net realized carried interest income	930,892	1,478,447	551,187
Realized investment income[1]	63,951	107,615	66,063
Athene capital and surplus fees[2]	(228,331)	(110,132)	—
Reversal of tax receivable agreement liability[3][5]	(32,182)	(13,038)	(3,937)
Equity-based compensation	107,112	66,341	68,942
Depreciation and amortization	10,182	11,046	10,227
Distributable Earnings	1,429,780	1,871,125	915,463
Taxes and related payables[4]	(73,565)	(41,151)	(40,800)
Distributable Earnings After Taxes and Related Payables	$ 1,356,215	$ 1,829,974	$ 874,663
Net unrealized carried interest income (loss)	(841,760)	207,537	740,299
Unrealized investment and other income (loss)	24,307	3,206	53,915
Add back: Athene capital and surplus fees[2]	228,331	110,132	—
Add back: Reversal of tax receivable agreement liability[3][5]	32,182	13,038	3,937
Add back: Taxes and related payables[4]	73,565	41,151	40,800
Less: Equity-based compensation	(107,112)	(66,341)	(68,942)
Less: Depreciation and amortization	(10,182)	(11,046)	(10,227)
Total Economic Net Income	$ 755,546	$ 2,127,651	$ 1,634,445

(1) Represents realized gains from our general partner investments in our funds and other balance sheet investments.

(2) Represents monitoring fees paid by Athene to Apollo by delivery of common shares of Athene Holding, calculated based on Athene's capital and surplus, as defined in our transaction and advisory services agreement with Athene.

(3) Represents gains resulting from reductions of the tax receivable agreement liability due to changes in projected income estimates and estimated tax rates.

(4) Represents the estimated current corporate, local and Non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.

(5) During the year ended December 31, 2014, the calculation of Distributable Earnings was revised to exclude the gains (losses) arising from the reversal of a portion of the tax receivable agreement liability. The prior period financial data was recast to conform to the revised definition of Distributable Earnings. The difference in Distributable Earnings After Taxes and Related Payables under the revised definition as compared to the previous methodology was $13.0 million and $3.9 million for the year ended December 31, 2013 and 2012, respectively.

The following table is a reconciliation of Distributable Earnings per share of common and equivalents[1] to net distribution per share of common and equivalents for the years ended December 31, 2014, 2013 and 2012.

	For the Year Ended December 31,		
	2014	2013	2012
Distributable Earnings After Taxes and Related Payables	$ 1,356,215	$ 1,829,974	$ 874,663
Add back: Tax related payables attributable to common and equivalents	66,429	32,192	40,800
Distributable Earnings before certain payables[2]	1,422,644	1,862,166	915,463
Percent to common and equivalents	45%	42%	39%
Distributable Earnings before other payables attributable to common and equivalents	633,380	784,268	357,725
Less: Tax related payables attributable to common and equivalents	(66,429)	(32,192)	(40,800)
Distributable Earnings attributable to common and equivalents	566,951	752,076	316,925
Distributable Earnings per share of common and equivalent[3]	$ 3.13	$ 4.49	$ 2.02
Retained capital per share of common and equivalent[3]	(0.24)	(0.51)	(0.08)
Net distribution per share of common and equivalent[3]	$ 2.89	$ 3.98	$ 1.94

(1) Common and equivalents refers to Class A shares and RSUs that participate in distributions.

(2) Distributable Earnings before certain payables represents distributable earnings before the deduction for the estimated current corporate taxes and the payable under Apollo's tax receivable agreement.

(3) Per share calculations are based on total Class A shares outstanding and RSUs that participate in distributions.

Summary of Fee-Related EBITDA and Fee-Related EBITDA + 100% of Net Realized Carried Interest

Fee-related EBITDA is a non-GAAP performance measure used to understand the performance of our operations and represents management business ENI (pre-tax), with amounts for equity-based compensation, interest expense and depreciation and amortization added to management business ENI. Fee-related EBITDA plus realized carried interest less realized profit sharing (referred to as "fee-related EBITDA +100% of net realized carried interest") is a non-GAAP performance measure that combines operating results of the management business and incentive business. These performance measures are used to compare our current and potential debt service. See note 14 to our consolidated financial statements for more detail on our outstanding debt.

The table below sets forth fee-related EBITDA and fee-related EBITDA + 100% of net realized carried interest for the years ended December 31, 2014, 2013 and 2012, and a reconciliation of net income attributable to Apollo Global Management, LLC to ENI, fee-related EBITDA and fee-related EBITDA + 100% of net realized carried interest.

	Year Ended December 31,		
	2014	2013	2012
Management Business Economic Net Income	$ 578,156	$ 330,846	$ 222,981
Equity-based compensation[1]	107,112	66,341	68,942
Interest expense	22,393	29,260	37,116
Depreciation and amortization[2]	10,182	11,046	10,227
Fee-Related EBITDA	717,843	437,493	339,266
Total realized carried interest	1,713,108	2,456,404	997,222
Total realized profit sharing expense	(782,216)	(977,957)	(446,035)
Net realized carried interest	930,892	1,478,447	551,187
Fee-Related EBITDA + 100% of Net Realized Carried Interest	1,648,735	1,915,940	890,453
Net unrealized carried interest (loss) income	(841,760)	207,537	740,299
Net investment income	88,258	110,821	119,978
Net interest expense	(22,393)	(29,260)	(37,116)
Depreciation and amortization[2]	(10,182)	(11,046)	(10,227)
Equity-based compensation[1]	(107,112)	(66,341)	(68,942)
Economic Net Income	755,546	2,127,651	1,634,445
Income tax provision	(147,245)	(107,569)	(65,410)
Net (income) attributable to non-controlling interests in Apollo Operating Group	(404,682)	(1,257,650)	(685,357)
Charges related to equity-based compensation[3]	(502)	(59,847)	(529,712)
Amortization of intangible assets	(34,888)	(43,194)	(43,009)
Net income attributable to Apollo Global Management, LLC	$ 168,229	$ 659,391	$ 310,957

(1) Includes RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options. Excludes equity-based compensation expense comprising amortization of AOG Units.

(2) Includes amortization of leasehold improvements.

(3) Includes amortization amounts related to AOG Units.

Liquidity and Capital Resources

Historical

Although we have managed our historical liquidity needs by looking at deconsolidated cash flows, our historical consolidated statements of cash flows reflects the cash flows of Apollo, as well as those of the consolidated Apollo funds.

The primary cash flow activities of Apollo are:

- Generating cash flow from operations;
- Making investments in Apollo funds;
- Meeting financing needs through credit agreements; and
- Distributing cash flow to equity holders and Non-Controlling Interests.

Primary cash flow activities of the consolidated Apollo funds and VIEs are:

- Raising capital from their investors, which have been reflected historically as Non-Controlling Interests of the consolidated subsidiaries in our financial statements;
- Using capital to make investments;
- Generating cash flow from operations through distributions, interest and the realization of investments;
- Distributing cash flow to investors; and
- Issuing debt to finance investments (CLOs).

While primarily met by cash flows generated through fee income and carried interest income received, working capital needs have also been met (to a limited extent) through borrowings as follows:

	As of December 31, 2014		As of December 31, 2013	
	Outstanding Balance	Annualized Weighted Average Interest Rate	Outstanding Balance	Annualized Weighted Average Interest Rate
2013 AMH Credit Facilities - Term Facility	$ 500,000	1.36%	$ 750,000	1.37%
2024 Senior Notes[1]	499,058	4.00	N/A	N/A
2014 AMI Term Facility[2]	16,204	2.34	N/A	N/A
2014 AMI Term Facility II[3]	18,752	1.93	N/A	N/A
Total Debt	$ 1,034,014		$ 750,000	

(1) Includes impact of any amortization of note discount and interest rate hedge.
(2) On July 3, 2014, Apollo Management International LLP ("AMI"), a subsidiary of the Company, entered into a €13.4 million five year credit agreement (the "2014 AMI Term Facility"). Proceeds from the borrowing were used to fund the Company's investment in a CLO.
(3) On December 9, 2014, AMI entered into a €15.5 million five year credit agreement (the "2014 AMI Term Facility II"). Proceeds from the borrowing were used to fund the Company's investment in a CLO.

Additionally the 2013 AMH Credit Facilities provide for a $500 million revolving credit facility, which was undrawn as of December 31, 2014. See note 14 of our consolidated financial statements for information regarding the Company's debt arrangements.

We determine whether to make capital commitments to our funds in excess of our minimum required amounts based on a variety of factors, including estimates regarding our liquidity resources over the estimated time period during which commitments will have to be funded, estimates regarding the amounts of capital that may be appropriate for other funds that we are in the process of raising or are considering raising, and our general working capital requirements.

Cash Flows

Significant amounts from our consolidated statements of cash flows for the years ended December 31, 2014, 2013 and 2012 are summarized and discussed within the table and corresponding commentary below:

	Year Ended December 31,		
	2014	2013	2012
		(in thousands)	
Operating Activities	$ (372,917)	$ 1,134,458	$ 331,614
Investing Activities	13,432	2,651	(150,854)
Financing Activities	485,611	(1,005,023)	21,960
Net Increase in Cash and Cash Equivalents	$ 126,126	$ 132,086	$ 202,720

Operating Activities

Net cash used in operating activities was $372.9 million during the year ended December 31, 2014. During this period, there was $729.9 million in net income, to which $126.3 million of equity-based compensation and $83.7 million cash distributions of earnings from equity method investments were added to reconcile net income to net cash provided by operating activities. Additional adjustments to reconcile cash provided by operating activities during the year ended December 31, 2014 included $8,509.4 million in proceeds from sales of investments held by consolidated VIEs, $113.4 million in net unrealized losses from investments held by the consolidated funds and VIEs, a $1,375.4 million decrease in carried interest receivable, a $169.8 million increase in other liabilities of Apollo funds and a $34.0 million increase in accounts payable and accrued expenses. These favorable cash adjustments were offset by $10,330.1 million of purchases of investments held by the consolidated VIEs, a $13.8 million increase in cash held at consolidated VIEs, a $24.9 million increase in other assets, a $252.3 million increase in due from affiliates, a $43.5 million increase in other assets of Apollo funds, a $79.9 million decrease in deferred revenue, $101.7 million in net realized gains on debt of the consolidated funds and VIEs, a $97.5 million decrease in due to affiliates, a $518.0 million decrease in profit sharing payable, and $53.9 million of income from equity method investments.

Net cash provided by operating activities was $1,134.5 million during the year ended December 31, 2013. During this period, there was $2,374.0 million in net income, to which $126.2 million of equity-based compensation and a $60.8 million change in fair value of contingent obligations were added to reconcile net loss to net cash provided by operating activities. Additional adjustments to reconcile cash provided by operating activities during the year ended December 31, 2013 included $8,422.2 million in proceeds from sales of investments held by the consolidated VIEs, a $27.3 million change in deferred revenue, $66.8 million of distributions from investment activities, a $232.5 million increase in net unrealized losses on debt, a $587.5 million change in cash held at consolidated VIEs, a $141.2 million increase in profit sharing payable and $109.1 million relating to cash distributions of earnings from equity method investments. These favorable cash adjustments were offset by $309.1 million in net unrealized gains from investments held by the consolidated funds and VIEs, $107.4 million of income from equity method investments, a $44.2 million decrease in due to affiliates, a $130.5 million decrease in due from affiliates, $137.1 million of net realized gains on debt, a $64.1 million change in other liabilities of Apollo funds, a $408.8 million increase in carried interest receivable and $9,841.8 million of purchases of investments held by the consolidated VIEs.

Net cash provided by operating activities was $331.6 million during the year ended December 31, 2012. During this period, there was $3,047.8 million in net income, to which $598.7 million of equity-based compensation and a $1,951.9 million gain on business acquisitions and non-cash expenses were added to reconcile net loss to net cash provided by operating activities. Additional adjustments to reconcile cash provided by operating activities during the year ended December 31, 2012 included $7,182.4 million in proceeds from sales of investments held by the consolidated VIEs, a $497.7 million increase in net unrealized losses on debt, a $361.6 million increase in profit sharing payable and $66.0 million relating to cash distributions of earnings from equity method investments. These favorable cash adjustments were offset by $458.0 million in net unrealized gains from investments held by the consolidated funds and VIEs, a $103.8 million decrease in due to affiliates, a $348.1 million change in cash held at consolidated VIEs, a $973.6 million increase in carried interest receivable and $7,525.5 million of purchases of investments held by the consolidated VIEs.

Investing Activities

Net cash provided by investing activities was $13.4 million for the year ended December 31, 2014, which was primarily comprised of $76.3 million of cash distributions received from equity method investments, $50.0 million of proceeds from sales of investments, primarily offset by $109.9 million of cash contributions to equity method investments. Additional adjustments to reconcile cash provided by investing activities were $5.9 million of purchases of fixed assets. Cash contributions to equity method

investments were primarily related to Fund VIII, EPF II, COF III, AESI, ACSP and AION. Cash distributions from equity method investments were primarily related to Fund VII, Fund VIII, EPF I, EPF II and AION.

Net cash provided by investing activities was $2.6 million for the year ended December 31, 2013, which was primarily comprised of $107.2 million relating to cash distributions received from equity method investments offset by $98.4 million of cash contributions to equity method investments. Cash contributions to equity method investments were primarily related to Fund VII, Fund VIII, COF III, EPF I, EPF II, AESI, ACSP, AION, AGRE U.S. Real Estate Fund, L.P. and Apollo SPN Investments I, L.P. Cash distributions from equity method investments were primarily related to Fund VI, Fund VII, COF I, COF II, Vantium C, ACLF, AIE II, ACSP and EPF II.

Net cash used in investing activities was $150.8 million for the year ended December 31, 2012, which was primarily comprised of $11.3 million in purchases of fixed assets, $99.2 million relating to the acquisition of Stone Tower (see note 3 to our consolidated financial statements), $126.9 million of cash contributions to equity method investments, partially offset by $86.6 million of cash distributions from equity method investments. Cash contributions to equity method investments were primarily related to EPF I, EPF II, ASCP, Fund VII, AINV and AGRE U.S. Real Estate Fund, L.P. Cash distributions from equity method investments were primarily related to Fund VII, ACLF, AGRE U.S. Real Estate Fund, L.P., COF I, COF II, Artus, EPF I and EPF II.

Financing Activities

Net cash provided by financing activities was $485.6 million for the year ended December 31, 2014, which was primarily comprised of $4,225.5 million related to issuance of debt by consolidated VIEs, $534.0 million of issuance of debt by AMH, and $889.7 million in contributions from Non-Controlling Interests in consolidated VIEs. This amount was offset by $2,371.5 million in repayment of debt held by consolidated VIEs, $32.0 million related to satisfaction of tax receivable agreement liabilities, $250 million in principal repayments of debt, $816.4 million of distributions paid to Non-Controlling Interests in the Apollo Operating Group, $506.0 million in distributions, $37.3 million in satisfaction of contingent obligations, $703.0 million in distributions paid to consolidated VIEs and $450.4 million of distributions paid to Non-Controlling Interests in consolidated VIEs.

Net cash used in financing activities was $1,005.0 million for the year ended December 31, 2013, which was primarily comprised of $2,747.0 million related to issuance of debt by consolidated VIEs, $750.0 million related to debt refinancing and $688.9 million in contributions from Non-Controlling Interests in consolidated variable interest entities. This amount was offset by $2,218.1 million in repayment of term loans by consolidated VIEs, $334.2 million in distributions to consolidated VIEs, $147.4 million of distributions paid to Non-Controlling Interests in consolidated VIEs, $975.5 million of distributions paid to Non-Controlling Interests in the Apollo Operating Group, $584.5 million in distributions, $85.9 million related to employee tax withholding payments in connection with deliveries of Class A shares in settlement of RSUs, $12.2 million in distributions to Non-Controlling Interests in consolidated entities, $737.8 million in principal repayments of debt and repurchases of debt, $30.4 million in satisfaction of tax receivable agreements, $67.5 million in satisfaction of contingent obligations and $62.3 million in purchases of AAA units.

Net cash provided by financing activities was $22.0 million for the year ended December 31, 2012, which was primarily comprised of $1,413.3 million related to issuance of debt by consolidated VIEs and $4.1 million in contributions from Non-Controlling Interests in consolidated entities. This amount was offset by $515.9 million in repayment of term loans by consolidated VIEs, $486.7 million in distributions by consolidated VIEs, $335.0 million of distributions paid to Non-Controlling Interests in the Apollo Operating Group, $202.4 million in distributions, $26.0 million related to employee tax withholding payments in connection with deliveries of Class A shares in settlement of RSUs, $8.8 million in distributions to Non-Controlling Interests in consolidated entities and $102.1 million in purchases of AAA units.

Distributions

In addition to other distributions such as payments pursuant to the tax receivable agreement, the table below presents information regarding the quarterly distributions which were made at the sole discretion of the Company's manager during for the years ended December 31, 2014, 2013 and 2012 (in millions, except per share amounts):

Distribution Declaration Date	Distribution per Class A Share	Distribution Payment Date	Distribution to Class A Shareholders	Distribution to Non-Controlling Interest Holders in the Apollo Operating Group	Total Distributions from Apollo Operating Group	Distribution Equivalents on Participating Securities
February 10, 2012	$ 0.46	February 29, 2012	$ 58.1	$ 110.4	$ 168.5	$ 10.3
April 13, 2012	—	April 13, 2012	—	11.0	11.0	—
May 8, 2012	0.25	May 30, 2012	31.6	60.0	91.6	6.2
August 2, 2012	0.24	August 31, 2012	31.2	57.6	88.8	5.3
November 9, 2012	0.40	November 30, 2012	52.0	96.0	148.0	9.4
For the year ended December 31, 2012	$ 1.35		$ 172.9	$ 335.0	$ 507.9	$ 31.2
February 8, 2013	$ 1.05	February 28, 2013	$ 138.7	$ 252.0	$ 390.7	$ 25.0
April 12, 2013	—	April 12, 2013	—	55.2 (1)	55.2	—
May 6, 2013	0.57	May 30, 2013	80.8	131.8	212.6	14.3
August 8, 2013	1.32	August 30, 2013	189.7	305.2	494.9	30.8
November 7, 2013	1.01	November 29, 2013	147.7	231.2	378.9	24.1
For the year ended December 31, 2013	$ 3.95		$ 556.9	$ 975.4	$ 1,532.3	$ 94.2
February 7, 2014	$ 1.08	February 26, 2014	$ 160.9	$ 247.3	$ 408.2	$ 25.5
April 3, 2014	—	April 3, 2014	—	49.5 (1)	49.5	—
May 8, 2014	0.84	May 30, 2014	130.0	188.4	318.4	20.9
June 16, 2014	—	June 16, 2014	—	28.5 (1)	28.5	—
August 6, 2014	0.46	August 29, 2014	73.6	102.5	176.1	10.2
September 11, 2014	—	September 11, 2014	—	12.4 (1)	12.4	—
October 30, 2014	0.73	November 21, 2014	119.0	162.6	281.6	15.5
December 15, 2014	—	December 15, 2014	—	25.2 (1)	25.2	—
For the year ended December 31, 2014	$ 3.11		$ 483.5	$ 816.4	$ 1,299.9	$ 72.1

(1) On April 13, 2012, April 12, 2013, April 3, 2014, June 16, 2014, September 11, 2014 and December 15, 2014, the Company made a $0.05, $0.23, $0.22, $0.13, $0.06 and $0.11 distribution per AOG Unit, respectively, to the non-controlling interest holders in the Apollo Operating Group.

Future Cash Flows

Our ability to execute our business strategy, particularly our ability to increase our AUM, depends on our ability to establish new funds and to raise additional investor capital within such funds. Our liquidity will depend on a number of factors, such as our ability to project our financial performance, which is highly dependent on our funds and our ability to manage our projected costs, fund performance, having access to credit facilities, being in compliance with existing credit agreements, as well as industry and market trends. Also during economic downturns the funds we manage might experience cash flow issues or liquidate entirely. In these situations we might be asked to reduce or eliminate the management fee and incentive fees we charge, which could adversely impact our cash flow in the future.

An increase in the fair value of our funds' investments, by contrast, could favorably impact our liquidity through higher management fees where the management fees are calculated based on the net asset value, gross assets and adjusted assets. Additionally, higher carried interest income not yet realized would generally result when investments appreciate over their cost basis which would not have an impact on the Company's cash flow.

As of December 31, 2014, Fund VI's remaining investments and escrow cash were valued at 104% of the funds unreturned capital, which was below a specified return ratio of 115%. As a result, Fund VI is required to place in escrow all current and future carried interest income distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation of Fund VI.

On April 20, 2010, the Company announced that it entered into a strategic relationship agreement with CalPERS. The strategic relationship agreement provides that Apollo will reduce fees charged to CalPERS on funds it manages, or in the future will manage, solely for CalPERS by $125 million over a five-year period or as close a period as required to provide CalPERS with that benefit. The agreement further provides that Apollo will not use a placement agent in connection with securing any future capital commitments from CalPERS. As of December 31, 2014, the Company had reduced fees charged to CalPERS on the funds it manages by approximately $95.9 million. Based on the Company's current estimates, the reduction of fees will extend until 2017 in order for CalPERS to receive the full benefit of this arrangement.

The Company granted approximately 7.0 million RSUs during the year ended December 31, 2014. The average estimated fair value per share on the grant date was $21.16, per RSU with a total fair value of the grants of $149.1 million at December 31, 2014. This will impact the Company's compensation expense as these grants are amortized over their vesting term of three to six years. The Company expects to incur annual compensation expenses on all grants, net of forfeitures, of approximately $62.5 million, $50.0 million, $31.3 million, $15.7 million, $13.0 million and $3.4 million during the years ended December 31, 2015, 2016, 2017, 2018, 2019 and thereafter, respectively.

Although we expect to pay distributions according to our distribution policy, we may not pay distributions according to our policy, or at all, if, among other things, we do not have the cash necessary to pay the intended distributions. To the extent we do not have cash on hand sufficient to pay distributions, we may have to borrow funds to pay distributions, or we may determine not to pay distributions. The declaration, payment and determination of the amount of our quarterly distributions are at the sole discretion of our manager.

Carried interest income from our funds can be distributed to us on a current basis, but is subject to repayment by the subsidiaries of the Apollo Operating Group that act as general partner of such funds in the event that certain specified return thresholds are not ultimately achieved. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, to the extent of their ownership interest, subject to certain limitations, the obligations of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular Managing Partner's or Contributing Partner's distributions. Pursuant to the shareholders agreement dated July 13, 2007 (the "Managing Partner Shareholders Agreement"), we agreed to indemnify each of our Managing Partners and certain Contributing Partners against all amounts that they pay pursuant to any of these personal guarantees in favor of Fund IV, Fund V and Fund VI (including costs and expenses related to investigating the basis for or objecting to any claims made in respect of the guarantees) for all interests that our Managing Partners and Contributing Partners have contributed or sold to the Apollo Operating Group. See "Item 13. Certain Relationships and Related Party Transactions-Managing Partner Shareholders Agreement."

Accordingly, in the event that our Managing Partners, Contributing Partners and certain investment professionals are required to pay amounts in connection with a general partner obligation to return previously distributed carried interest income with respect to Fund IV, Fund V and Fund VI, we will be obligated to reimburse our Managing Partners and certain Contributing Partners for the indemnifiable percentage of amounts that they are required to pay even though we did not receive the distribution to which that general partner obligation related.

On January 13, 2015, the Company issued 681,421 Class A shares in settlement of vested RSUs. This issuance caused the Company's ownership interest in the Apollo Operating Group to increase from 42.3% to 42.4%.

On February 5, 2015 the Company declared a cash distribution of $0.86 per Class A share, which will be paid on February 27, 2015 to holders of record on February 17, 2015.

Athene

Athene Holding is the ultimate parent of various insurance company operating subsidiaries. Through its subsidiaries, Athene Holding provides insurance products focused primarily on the retirement market and its business centers primarily on issuing or reinsuring fixed indexed annuities.

Apollo, through its consolidated subsidiary, Athene Asset Management, provides asset management services to Athene, including asset allocation and portfolio management strategies, and receives fees from Athene for providing such services. As of December 31, 2014, all of Athene's assets were managed by Athene Asset Management. Athene Asset Management had $60.3 billion of total AUM as of December 31, 2014 in accounts owned by or related to Athene (the "Athene Accounts"), of which approximately $12.6 billion, or approximately 20.9%, was either sub-advised by Apollo or invested in Apollo funds and investment vehicles. The vast majority of such assets are in sub-advisory managed accounts that manage high grade credit asset classes, such as CLO debt, commercial mortgage backed securities and insurance-linked securities. We expect this percentage to increase over time provided that Athene Asset Management continues to perform successfully in providing asset management services to Athene.

Athene Asset Management receives a management fee equal to 0.40% per annum on all assets under management in the Athene Accounts, with certain limited exceptions. In addition, the Company receives sub-advisory management fees and carried interest income with respect to a portion of the assets in the Athene Accounts. With respect to capital invested in an Apollo fund, Apollo receives management fees directly from the relevant funds under the investment management agreements with such funds. Athene Asset Management and other Apollo subsidiaries incur all expenses associated with their provision of services to Athene, including but not limited to, asset allocation services, direct asset management services, risk management, asset and liability matching management, mergers and acquisitions asset diligence, hedging and other services.

Under a transaction advisory services agreement with Athene (the "Athene Services Agreement"), effective February 5, 2013, Apollo earns a quarterly monitoring fee of 0.50% of Athene's capital and surplus as of the end of the applicable quarter multiplied by 2.5, excluding the shares of Athene Holding that were newly acquired (and not in satisfaction of prior commitments to buy such shares) by AAA Investments in the contribution of certain assets by AAA to Athene in October 2012, at the end of each quarter through December 31, 2014, the termination date. This quarterly monitoring fee is not applicable to the amount of invested capital attributable to the Excluded Athene Shares. The Athene Services Agreement was amended in connection with the Athene Private Placement described below (the "Amended Athene Services Agreement"). The Amended Athene Services Agreement adjusts the calculation of Athene Holding's capital and surplus downward by an amount equal to (x) the equity capital raised in the Athene Private Placement and (y) certain disproportionate increases to the statutory capital and surplus of Athene, as compared to the stockholders' equity of Athene calculated on a U.S. GAAP basis, as a result of certain future acquisitions by Athene. Prior to the consummation of the Athene Private Placement, all such monitoring fees were paid pursuant to a derivative contract between Athene and Apollo (the "Athene Services Derivative"). In connection with the Athene Private Placement, the Athene Services Derivative was settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivative was terminated. Following settlement of the Athene Services Derivative, future monitoring fees paid to Apollo pursuant to the Amended Athene Services Agreement, will be paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended). Unsettled monitoring fees pursuant to the Amended Athene Services Agreement are recorded as due from affiliates in the consolidated statements of financial condition. For the years ended December 31, 2014, 2013 and 2012 Apollo earned $226.4 million, $107.9 million and $16.8 million, respectively, related to this monitoring fee. The monitoring fee is recorded in advisory and transaction fees from affiliates, net, in the consolidated statements of operations. As of December 31, 2014, Apollo had a $58.2 million receivable recorded in due from affiliates on the consolidated statements of financial condition. As of December 31, 2013, Apollo had a $116.4 million receivable, which was accounted for as a derivative recorded in due from affiliates on the consolidated statements of financial condition.

In accordance with the services agreement among AAA, AAA Investments and the other service recipients party thereto and Apollo (the "AAA Services Agreement"), Apollo receives a management fee for managing the assets of AAA Investments. In connection with each of the contribution of certain assets by AAA to Athene in October 2012, and the initial closing of the Athene Private Placement on April 4, 2014, the AAA Services Agreement was amended (the "Amended AAA Services Agreement"). Pursuant to the Amended AAA Services Agreement, the parties agreed that there will be no management fees payable by AAA Investments with respect to the Excluded Athene Shares. AAA Investments agreed to continue to pay Apollo the same management fee on its investment in Athene (other than with respect to the Excluded Athene Shares), except that Apollo agreed that the obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020). Prior to the consummation of the Athene Private Placement, all such management fees were accrued pursuant to a derivative contract between AAA Investments and Apollo (the "AAA Services Derivative"). In connection with the Athene Private Placement, the AAA Services Derivative was settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivative was terminated. Following settlement of the AAA Services Derivative, future management fees paid to Apollo pursuant to the Amended AAA Services Agreement will be paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the Exchange Act). Unsettled management fees pursuant to the Amended AAA Services Agreement will be recorded as due from affiliates in the consolidated statements of financial condition. As of December 31, 2014, Apollo had a $3.1 million receivable recorded in due from affiliates related to this management fee on the consolidated statements of financial condition. As of December 31, 2013, Apollo had a $14.3 million receivable related to this management fee, which was accounted for as a derivative recorded in due from affiliates on the consolidated statements of financial condition. The total management fees earned by Apollo related to the Amended AAA Services Agreement for the years ended December 31, 2014, 2013 and 2012 were $1.9 million, $2.2 million and $0.6 million, respectively, which are recorded in management fees from affiliates in the consolidated statements of operations.

Pursuant to the Amended AAA Services Agreement, in the event that AAA (1) makes a tender offer to all of its qualified unitholders in which AAA offers to purchase all of their equity interests in AAA, pay the consideration for such purchase with equivalent equity interests in a new vehicle, of which Apollo will serve as general partner, and transfer to such new investment vehicle a pro rata portion of the common shares of Athene Holding held by AAA Investments, unburdened by the unwind fee, and

(2) thereafter distributes all or any portion of the common shares of Athene Holding held by AAA (or disposes of such shares and distributes the proceeds thereof) to its unitholders, then AAA shall pay Apollo an unwind fee. The unwind fee is payable in pro rata increments to Apollo only when, as and if AAA distributes common shares of Athene Holding (or the proceeds thereof) to its unitholders and shall be equal to $20 million multiplied by the percentage of "net common shares" of Athene Holding held by AAA which are so distributed (or disposed of with the proceeds distributed) by AAA in 2015. There is no assurance that a AAA distribution will be made or that the unwind fee will be paid in 2015.

Prior to the settlement of the Athene Services Derivative and the AAA Services Derivatives, the Amended Athene Services Agreement and the Amended AAA Services Agreement together with the Athene Services Derivative and the AAA Services Derivative, met the definition of derivatives under U.S. GAAP. The Company had classified these derivatives as Level III assets in the fair value hierarchy, as the pricing inputs into the determination of fair value require significant judgment and estimation. After the settlement of the Athene Services Derivative and the AAA Services Derivatives the unsettled shares receivable recorded in due from affiliates related to the Amended Athene Services Agreement and the Amended AAA Services Agreement are valued at fair value based on the price of a common share of Athene Holding. The Company had classified the derivative and the shares receivable as Level III assets in the fair value hierarchy, as the pricing inputs into the determination of fair value require significant judgment and estimation. See note 6 for further discussion regarding fair value measurements.

Prior to the settlement of the Athene Services Derivative and the AAA Services Derivative, the change in unrealized market value of the derivatives was reflected in other income, net in the consolidated statements of operations. For the year ended December 31, 2013, there was $10.2 million of changes in market value recognized related to these derivatives.

In addition, Apollo, as general partner of AAA Investments, is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses, including borrowing costs) on the investments of AAA Investments, except that Apollo will not be entitled to receive any carried interest in respect of the Excluded Athene Shares. Carried interest receivable from AAA Investments will be paid in common shares of Athene Holding (valued at the then fair market value) if there is a distribution in kind of shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the Exchange Act) or paid in cash if AAA sells the shares of Athene Holding. For the years ended December 31, 2014, 2013 and 2012, the Company recorded carried interest income less the related profit sharing expense of $14.6 million, $27.6 million and $35.3 million, respectively from AAA Investments, which is recorded in the consolidated statements of operations. As of December 31, 2014 and December 31, 2013, the Company had a $121.5 million and a $100.9 million carried interest receivable, respectively, related to AAA Investments. As of December 31, 2014 and December 31, 2013, the Company had a related profit sharing payable of $34.9 million and $28.8 million, respectively, recorded in profit sharing payable in the consolidated statements of financial condition.

For the years ended December 31, 2014, 2013 and 2012, Apollo earned revenues in the aggregate totaling $546.5 million, $435.1 million and $164.7 million, respectively, consisting of management fees, sub-advisory and monitoring fees and carried interest income from Athene after considering the related profit sharing expense and changes in the market value of the Athene shares owned directly by Apollo, which is recorded in the consolidated statements of operations.

On April 4, 2014, Athene Holding completed an initial closing of a private placement offering of common equity in which it raised $1.048 billion of primary commitments from third-party institutional and certain existing investors in Athene Holding (the "Athene Private Placement"). Shares in the Athene Private Placement were offered at a price per common share of Athene Holding of $26. In connection with the Athene Private Placement, Athene raised an additional $80 million of third party capital at $26 per share, all of which was used to buy back a portion of the shares of one of its existing investors at a price of $26 per share in a transaction that was consummated on April 29, 2014. As announced by AAA on June 24, 2014, a second closing of the Athene Private Placement occurred in which Athene Holding raised $170 million of commitments primarily from employees of Athene and its affiliates at a price per common share of Athene Holding of $26. The Investment Partnership did not purchase any additional common shares of Athene Holding as part of the Athene Private Placement.

In connection with the Athene Private Placement, Athene Holding amended its registration rights agreement to provide (i) investors who are party to such agreement, including AAA Investments, the potential opportunity for liquidity on their shares of Athene Holding through sales in registered public offerings over a 15 month period beginning on the date of Athene Holding's initial public offering (the "Athene IPO") and (ii) Athene Holding the right to cause certain investors who are party to the registration rights agreement to include in such offerings a certain percentage of their common shares of Athene Holding subject to the terms and conditions set forth in the agreement. However, pursuant to the registration rights agreement, any shares of Athene Holding held by Apollo will not be subject to such arrangements and instead will be subject to a lock-up period of two years following the effective date of the registration statement relating to the Athene IPO, but Athene Holding will not have the right to cause any shares owned by Apollo to be included in the Athene IPO or any follow-on offering.

As part of its ongoing financial integration of Aviva USA, Athene identified material weaknesses in its internal controls over financial reporting for its U.S. GAAP and statutory financials as of December 31, 2013. A material weakness is a control deficiency, or combination of control deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented, or detected and corrected on a timely basis. If Athene fails to maintain effective internal control over financial reporting, it may not be able to accurately report its financial results. In October 2014, Athene informed its shareholders, including the Company, that as part of its ongoing financial integration of Aviva USA and transition towards public company standards for financial controls, it anticipates that delivery of its GAAP financial statements for the quarter ended June 30, 2014 and September 30, 2014 will continue to be delayed. This delay will also cause Athene's year end 2014 and first quarter 2015 GAAP financial statements to be delayed. As such, the Audit Committee of Athene has approved the extension of the delivery of these GAAP financial statements to June 30, 2015. On February 4, 2015, Athene informed its shareholders, including the Company, that Athene's first quarter 2014 GAAP financial statements can no longer be relied upon and therefore these financial statements have been removed from the AAA website. Specifically, Athene discovered the need to change its calculations for reserve balances associated with its indexed products. As a result of this determination, Athene has begun a methodical process of restating their first quarter 2014 GAAP financial statements. The aforementioned delay in delivery of Athene's 2014 GAAP financial statements and the announced restatement of Athene's first quarter 2014 GAAP financial statements is not expected to have an impact on the Company's previously issued financial statements. Athene has continued to meet all regulatory filing deadlines with regard to financial statements prepared in accordance with Statutory Accounting principles and expects to do so for the quarter ended December 31, 2014. As of December 31, 2014 the Company determined the value of its investment in Athene using an embedded value methodology. In doing so, the Company has given appropriate consideration to the control deficiencies and potential adjustments related to Athene and any potential impacts to the Company's financial statements. As the embedded value methodology is based on the projected future cash flows of the business rather than GAAP financials, the delay in the delivery of Athene's GAAP financial statement will not have an impact on the Company's ability to prepare its financial statements. Based on the facts and circumstances as of the date of this report, the Company is not aware of any revisions to the financial statements as presented, or previously issued financial statements, and there is no impact to our ability to produce future financial statements.

See notes 4 and 17 to the consolidated financial statements for discussion regarding the Company's ownership interest in AAA, AAA Investments and Athene.

Distributions to Managing Partners and Contributing Partners

The three Managing Partners who became employees of Apollo on July 13, 2007 are each entitled to a $100,000 base salary. Additionally, our Managing Partners can receive other forms of compensation. Any additional consideration will be paid to them in their proportional ownership interest in Holdings. Additionally, 85% of any tax savings APO Corp. recognizes as a result of the tax receivable agreement will be paid to the Managing Partners.

Subsequent to the 2007 Reorganization, the Contributing Partners retained ownership interests in subsidiaries of the Apollo Operating Group. Therefore, any distributions that flow up to management or general partner entities in which the Contributing Partners retained ownership interests are shared pro rata with the Contributing Partners who have a direct interest in such entities prior to flowing up to the Apollo Operating Group. These distributions are considered compensation expense after the 2007 Reorganization.

The Contributing Partners are entitled to receive the following:

- Profit Sharing related to private equity carried interest income, from direct ownership of advisory entities. Any changes in fair value of the underlying fund investments would result in changes to Apollo Global Management, LLC's profit sharing payable;
- Additional consideration based on their proportional ownership interest in Holdings; and
- Additionally, 85% of any tax savings APO Corp. recognizes as a result of the tax receivable agreement will be paid to the Contributing Partners.

Potential Future Costs

We may make grants of RSUs or other equity-based awards to employees and independent directors that we appoint in the future.

Critical Accounting Policies

This Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon the consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates. A summary of our significant accounting policies is presented in note 2 to our consolidated financial statements. The following is a summary of our accounting policies that are affected most by judgments, estimates and assumptions.

Consolidation

The types of entities with which Apollo is involved generally include subsidiaries (i.e., general partners and management companies related to the funds we manage), entities that have all the attributes of an investment company (e.g., funds) and securitization vehicles (e.g., collateralized loan obligations). Each of these entities is assessed for consolidation on a case by case basis depending on the specific facts and circumstances surrounding that entity.

Pursuant to our consolidation policy, we first consider the appropriate consolidation guidance to apply including consideration of whether the entity qualifies for certain scope exceptions and whether the entity should be evaluated under either the previous rules on consolidation of variable interest entities ("VIEs") or the amended consolidation rules depending on whether or not the entity qualifies for the deferral as further described below. We then perform an assessment to determine whether that entity qualifies as a VIE. An entity in which Apollo holds a variable interest is a VIE if any one of the following conditions exist: (a) the total equity investment at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, (b) the holders of equity investment at risk (as a group) lack either the direct or indirect ability through voting rights or similar rights to make decisions about a legal entity's activities that have a significant effect on the success of the legal entity or the obligation to absorb the expected losses or right to receive the expected residual returns, or (c) the voting rights of some investors are disproportionate to their obligation to absorb the expected losses of the legal entity, their rights to receive the expected residual returns of the legal entity, or both and substantially all of the legal entity's activities either involve or are conducted on behalf of an investor with disproportionately few voting rights. Entities that do not qualify as VIEs are generally assessed for consolidation as voting interest entities ("VOEs") under the voting interest model.

Under the voting interest model, Apollo consolidates those entities it controls through a majority voting interest or through other means, including those VOEs in which the general partner is presumed to have control. Apollo does not consolidate those VOEs in which the presumption of control by the general partner has been overcome through either the granting of substantive rights to the unaffiliated investors to either dissolve the fund or remove the general partner ("kick-out rights") or the granting of substantive participating rights.

As previously indicated, the consolidation assessment, including the determination as to whether an entity qualifies as a VIE depends on the facts and circumstances surrounding each entity and therefore certain of our funds may qualify as VIEs whereas others may qualify as VOEs. The granting of substantive kick-out rights is a key consideration in determining whether an entity is a VIE and whether or not that entity should be consolidated. For example, when the unaffiliated holders of equity investment at risk of a fund with sufficient equity to permit the fund to finance its activities without additional subordinated financial support are not granted substantive kick-out rights and the Company is not part of the group of holders of equity investment at risk, the fund is generally determined to be a VIE, as the holders of equity investment at risk as a group lack the direct or indirect ability through voting rights or similar rights to make decisions that have a significant effect on the success of the legal entity. Alternatively, when the unaffiliated holders of equity investment at risk are granted substantive kick-out rights, the fund is generally determined to be a VOE. However, in certain cases where the Company holds a substantive equity investment at risk in the fund, the fund may be determined to be a VOE even though substantive kick-out rights were not granted to the unaffiliated holders of equity investment at risk. In these cases, the Company is part of the group of holders of equity investment at risk and therefore the holders of equity investment at risk as a group do not lack the direct or indirect ability through voting rights or similar rights to make decisions that have a significant effect on the success of the legal entity.

If the entity is determined to be a VIE under the conditions above, we then assess whether the entity should be consolidated by applying either the previous consolidation rules or the amended consolidation rules depending on whether the entity qualifies for the deferral of the amended consolidation rules as further described below.

VIEs that qualify for the deferral of the amended consolidation rules because certain conditions are met, including if the entities have all the fundamental characteristics (and a number of the typical characteristics) of an investment company and are not securitization or asset-backed financing entities, will continue to apply the previous consolidation rules. VIEs that are

securitization or asset-backed financing entities will apply the amended consolidation rules. Under both sets of rules, VIEs for which Apollo is determined to be the primary beneficiary are consolidated.

With respect to VIEs such as our funds that qualify for the deferral of the amended consolidation rules and therefore apply the previous consolidation rules, Apollo is determined to be the primary beneficiary if its involvement, through holding interests directly or indirectly in the VIE or contractually through other variable interests (e.g., carried interest and management fees), would be expected to absorb a majority of the VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. In cases where two or more Apollo related parties hold a variable interest in a VIE, and the aggregate variable interest held by those parties would, if held by a single party, identify that party as the primary beneficiary, then the Company is determined to be the primary beneficiary to the extent it is the party within the related party group that is most closely associated with the VIE.

For VIEs such as our CLOs that apply the amended consolidation rules, Apollo is determined to be the primary beneficiary if it holds a controlling financial interest defined as possessing both (a) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and (b) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. CLOs are generally determined to be VIEs if they are formed solely to issue collateralized notes in the legal form of debt and therefore do not have sufficient total equity investment at risk to permit the entity to finance its activities without additional subordinated financial support. With respect to such CLOs, we generally possess a controlling financial interest in, and therefore consolidate, such CLOs in accordance with the amended consolidation rules when our role as collateral manager provides us with the power to direct the activities that most significantly impact the CLO's economic performance and we have the right to receive certain benefits from the CLO (e.g., incentive fees) that could potentially be significant to the CLO.

Under the previous and the amended consolidation rules, Apollo determines whether it is the primary beneficiary of a VIE at the time it becomes initially involved with the VIE and reconsiders that conclusion continuously. Investments and redemptions (either by Apollo, affiliates of Apollo or third parties) or amendments to the governing documents of the respective entity may affect an entity's status as a VIE or the determination of the primary beneficiary.

The assessment of whether an entity is a VIE and the determination of whether Apollo should consolidate such VIE requires judgments. Under both sets of rules, those judgments include, but are not limited to: (i) determining whether the total equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (ii) evaluating whether the holders of equity investment at risk, as a group, can make decisions that have a significant effect on the success of the entity, (iii) determining whether two or more parties' equity interests should be aggregated, (iv) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive the expected residual returns from an entity, and (v) evaluating the nature of the relationship and activities of the parties involved in determining which party within a related-party group is most closely associated with the VIE. Where the VIEs have qualified for the deferral, judgments are also made in estimating cash flows to evaluate which member within the equity group absorbs a majority of the expected losses or residual returns of the VIE. Where the VIEs have not qualified for the deferral, judgments are also made in determining whether a member in the equity group has a controlling financial interest including power to direct activities that most significantly impact the VIEs' economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE.

Certain of the consolidated VIEs were formed to issue collateralized notes in the legal form of debt backed by financial assets. The difference between the fair value of the assets and liabilities of these VIEs is presented within appropriated partners' capital in the consolidated statements of financial condition as these VIEs are funded solely with debt. Changes in the fair value of the assets and liabilities of these VIEs and the related interest and other income is presented within net gains from investment activities of consolidated variable interest entities and net income attributable to Non-Controlling Interests in the consolidated statements of operations. Such amounts are recorded within appropriated partners' capital as, in each case, the VIE's note holders, not Apollo, will ultimately receive the benefits or absorb the losses associated with the VIE's assets and liabilities.

Assets and liabilities of the consolidated VIEs are shown in separate sections within the consolidated statements of financial condition as of December 31, 2014 and 2013.

Revenue Recognition

Carried Interest Income from Affiliates. We earn carried interest income from our funds as a result of such funds achieving specified performance criteria. Such carried interest income generally is earned based upon a fixed percentage of realized and unrealized gains of various funds after meeting any applicable hurdle rate or threshold minimum. Carried interest income from certain of the funds that we manage is subject to contingent repayment and is generally paid to us as particular investments made by the funds are realized. If, however, upon liquidation of a fund, the aggregate amount paid to us as carried interest exceeds

the amount actually due to us based upon the aggregate performance of the fund, the excess (in certain cases net of taxes) is required to be returned by us to that fund. For a majority of our credit funds, once the annual carried interest income has been determined, there generally is no look-back to prior periods for a potential contingent repayment, however, carried interest income on certain other credit funds can be subject to contingent repayment at the end of the life of the fund. We have elected to adopt Method 2 from U.S. GAAP guidance applicable to accounting for management fees based on a formula, and under this method, we accrue carried interest income quarterly based on fair value of the underlying investments and separately assess if contingent repayment is necessary. The determination of carried interest income and contingent repayment considers both the terms of the respective partnership agreements and the current fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used. See "Investments, at Fair Value" below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments in our private equity, credit and real estate funds.

Management Fees from Affiliates. The management fees related to our private equity funds are generally based on a fixed percentage of the committed capital or invested capital. The corresponding fee calculations that consider committed capital or invested capital are both objective in nature and therefore do not require the use of significant estimates or assumptions. Management fees related to our credit funds, by contrast, can be based on net asset value, gross assets, adjusted cost of all unrealized portfolio investments, capital commitments, adjusted assets, capital contributions, or stockholders' equity all as defined in the respective partnership agreements. The credit management fee calculations that consider net asset value, gross assets, adjusted cost of all unrealized portfolio investments and adjusted assets, are normally based on the terms of the respective partnership agreements and the current fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used. The management fees related to our real estate funds are generally based on a specific percentage of the funds' stockholders' equity or committed or net invested capital or the capital accounts of the limited partners. See "Investments, at Fair Value" below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments in our private equity, credit and real estate funds.

Investments, at Fair Value

The Company follows U.S. GAAP attributable to fair value measurements, which among other things, requires enhanced disclosures about investments that are measured and reported at fair value. Investments at fair value represent investments of the consolidated funds, investments of the consolidated VIEs and certain financial instruments for which the fair value option was elected. The unrealized gains and losses resulting from changes in the fair value are reflected as net gains (losses) from investment activities and net gains (losses) from investment activities of the consolidated variable interest entities, respectively, in the consolidated statements of operations. In accordance with U.S. GAAP, investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I—Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed derivatives. As required by U.S. GAAP, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and the sale of such position would likely deviate from the quoted price.

Level II—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments that are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives where the fair value is based on observable inputs. These investments exhibit higher levels of liquid market observability as compared to Level III investments. The Company subjects broker quotes to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level II investment. These criteria include, but are not limited to, the number and quality of broker quotes, the standard deviation of obtained broker quotes, and the percentage deviation from independent pricing services.

Level III—Pricing inputs are unobservable for the investment and includes situations where there is little observable market activity for the investment. The inputs into the determination of fair value may require significant management judgment or estimation. Investments that are included in this category generally include general and limited partner interests in corporate private equity and real estate funds, opportunistic credit funds, distressed debt and non-investment grade residual interests in securitizations and CDOs and CLOs where the fair value is based on observable inputs as well as unobservable inputs. When a security is valued based on broker quotes, the Company subjects those quotes to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level II or Level III investment. These criteria include, but are not limited to, the number and quality of the broker

quotes, the standard deviations of the observed broker quotes, and the percentage deviation from independent pricing services.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment where the fair value is based on unobservable inputs.

In cases where an investment or financial instrument measured and reported at fair value is transferred into or out of Level III of the fair value hierarchy, the Company accounts for the transfer as of the end of the reporting period.

Equity Method Investments. For investments in entities over which the Company exercises significant influence but which do not meet the requirements for consolidation, the Company uses the equity method of accounting, whereby the Company records its share of the underlying income or loss of such entities. Income (loss) from equity method investments is recognized as part of other income (loss) in the consolidated statements of operations and income (loss) on available-for-sale securities (from equity method investments) is recognized as part of other comprehensive income (loss), net of tax in the consolidated statements of comprehensive income (loss). The carrying amounts of equity method investments are reflected in investments in the consolidated statements of financial condition. As the underlying entities that the Company manages and invests in are, for U.S. GAAP purposes, primarily investment companies which reflect their investments at estimated fair value, the carrying value of the Company's equity method investments in such entities approximates fair value.

Private Equity Investments. The majority of the illiquid investments within our private equity funds are valued using the market approach, which provides an indication of fair value based on a comparison of the subject company to comparable publicly traded companies and transactions in the industry.

Market Approach. The market approach is driven by current market conditions, including actual trading levels of similar companies and, to the extent available, actual transaction data of similar companies. Judgment is required by management when assessing which companies are similar to the subject company being valued. Consideration may also be given to any of the following factors: (1) the subject company's historical and projected financial data; (2) valuations given to comparable companies; (3) the size and scope of the subject company's operations; (4) the subject company's individual strengths and weaknesses; (5) expectations relating to the market's receptivity to an offering of the subject company's securities; (6) applicable restrictions on transfer; (7) industry and market information; (8) general economic and market conditions; and (9) other factors deemed relevant. Market approach valuation models typically employ a multiple that is based on one or more of the factors described above. Sources for gaining additional knowledge related to comparable companies include public filings, annual reports, analyst research reports, and press releases. Once a comparable company set is determined, we review certain aspects of the subject company's performance and determine how its performance compares to the group and to certain individuals in the group. We compare certain measurements such as EBITDA margins, revenue growth over certain time periods, leverage ratios, and growth opportunities. In addition, we compare our entry multiple and its relation to the comparable set at the time of acquisition to understand its relation to the comparable set on each measurement date.

Income Approach. For investments where the market approach does not provide adequate fair value information, we rely on the income approach. The income approach is also used to value investments or validate the market approach within our private equity funds. The income approach provides an indication of fair value based on the present value of cash flows that a business or security is expected to generate in the future. The most widely used methodology for the income approach is a discounted cash flow method. Inherent in the discounted cash flow method are significant assumptions related to the subject company's expected results and a calculated discount rate, which is normally based on the subject company's weighted average cost of capital, or "WACC." The WACC represents the required rate of return on total capitalization, which is comprised of a required rate of return on equity, plus the current tax-effected rate of return on debt, weighted by the relative percentages of equity and debt that are typical in the industry. The most critical step in determining the appropriate WACC for each subject company is to select companies that are comparable in nature to the subject company and the credit quality of the subject company. Sources for gaining additional knowledge about the comparable companies include public filings, annual reports, analyst research reports, and press releases. The general formula then used for calculating the WACC considers the after-tax rate of return on debt capital and the rate of return on common equity capital, which further considers the risk-free rate of return, market beta, market risk premium and small stock premium, if applicable. The variables used in the WACC formula are inferred from the comparable market data obtained. The Company evaluates the comparable companies selected and concludes on WACC inputs based on the most comparable company or analyzes the range of data for the investment.

The value of liquid investments, where the primary market is an exchange (whether foreign or domestic) is determined using period end market prices. Such prices are generally based on the close price on the date of determination.

On a quarterly basis, Apollo utilizes a valuation committee consisting of members from senior management, to review and approve the valuation results related to our funds' private equity investments. Management also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analysis. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Credit Investments. The majority of investments in Apollo's credit funds are valued based on quoted market prices and valuation models. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value utilizing recognized pricing services, market participants or other sources. When market quotations are not available, a model based approach is used to determine fair value. The credit funds also enter into foreign currency exchange contracts, total return swap contracts, credit default swap contracts, and other derivative contracts, which may include options, caps, collars and floors. Foreign currency exchange contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. If securities are held at the end of this period, the changes in value are recorded in income as unrealized. Realized gains or losses are recognized when contracts are settled. Total return swap and credit default swap contracts are recorded at fair value as an asset or liability with changes in fair value recorded as unrealized appreciation or depreciation. Realized gains or losses are recognized at the termination of the contract based on the difference between the close-out price of the total return or credit default swap contract and the original contract price.

Forward contracts are valued based on market rates obtained from counterparties or prices obtained from recognized financial data service providers. When determining fair value pricing when no observable market value exists, the value attributed to an investment is based on the enterprise value at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation approaches used to estimate the fair value of illiquid credit investments also may include the market approach and the income approach, as previously described above. The valuation approaches used consider, as applicable, market risks, credit risks, counterparty risks and foreign currency risks.

On a quarterly basis, Apollo also utilizes a valuation committee, consisting of members from senior management, to review and approve the valuation results related to our credit investments. For certain publicly traded vehicles, a review is performed by an independent board of directors. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Real Estate Investments. For the CMBS portfolio of Apollo's funds, the estimated fair value of the CMBS portfolio is determined by reference to market prices provided by certain dealers who make a market in these financial instruments. Broker quotes are only indicative of fair value and may not necessarily represent what the funds would receive in an actual trade for the applicable instrument. Additionally, the loans held-for-investment are stated at the principal amount outstanding, net of deferred loan fees and costs. The Company evaluates its loans for possible impairment on a quarterly basis. For Apollo's opportunistic and value added real estate funds, valuations of non-marketable underlying investments are determined using methods that include, but are not limited to (i) discounted cash flow estimates or comparable analysis prepared internally, (ii) third party appraisals or valuations by qualified real estate appraisers, and (iii) contractual sales value of investments/properties subject to bona fide purchase contracts. Methods (i) and (ii) also incorporate consideration of the use of the income, cost, or sales comparison approaches of estimating property values.

On a quarterly basis, Apollo also utilizes a valuation committee, consisting of members from senior management, to review and approve the valuation results related to our real estate investments. For certain publicly traded vehicles, a review is performed by an independent board of directors. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

The fair values of the investments in our private equity, credit and real estate funds can be impacted by changes to the assumptions used in the underlying valuation models. For further discussion on the impact of changes to valuation assumptions see “Item 7A. Quantitative and Qualitative Disclosures About Market Risk—Sensitivity” in this Annual Report on Form 10-K. There have been no material changes to the underlying valuation models during the periods that our financial results are presented.

Fair Value of Financial Instruments

U.S. GAAP guidance requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Except for the Company’s debt obligations (as described in note 14 to our consolidated financial statements), Apollo’s financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. See “Investments, at Fair Value” above. While Apollo’s valuations of portfolio investments are based on assumptions that Apollo believes are reasonable under the circumstances, the actual realized gains or losses will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based. Financial instruments’ carrying values generally approximate fair value because of the short-term nature of those instruments or variable interest rates related to the borrowings.

Valuation of Financial Instruments Held by Consolidated VIEs

The consolidated VIEs hold investments that are traded over-the-counter. Investments in securities that are traded on a securities exchange or comparable over-the-counter quotation systems are valued based on the last reported sale price at that date. If no sales of such investments are reported on such date, and in the case of over-the-counter securities or other investments for which the last sale date is not available, valuations are based on independent market quotations obtained from market participants, recognized pricing services or other sources deemed relevant, and the prices are based on the average of the “bid” and “ask” prices, or at ascertainable prices at the close of business on such day. Market quotations are generally based on valuation pricing models or market transactions for similar securities adjusted for security-specific factors such as relative capital structure priority and interest and yield risks, among other factors. When market quotations are not available, a model based approach is used to determine fair value.

The consolidated VIEs also have debt obligations that are recorded at fair value. The primary valuation methodology used to determine fair value for debt obligation is market quotation. Prices are based on the average of the “bid” and “ask” prices. In the event that market quotations are not available, a model based approach is used. The valuation approach used to estimate the fair values of debt obligations for which market quotations are not available is the discounted cash flow method, which includes consideration of the cash flows of the debt obligation based on projected quarterly interest payments and quarterly amortization. Debt obligations are discounted based on the appropriate yield curve given the loan’s respective maturity and credit rating. Management uses its discretion and judgment in considering and appraising relevant factors for determining the valuations of its debt obligations.

Fair Value Option. Apollo elected the fair value option for the Company's investment in Athene Holding, the convertible notes issued by HFA and for the assets and liabilities of the consolidated VIEs. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition. Apollo applied the fair value option for certain corporate loans, other investments and debt obligations held by these entities that otherwise would not have been carried at fair value. For the convertible notes issued by HFA, Apollo elected to separately present interest income from other changes in the fair value of the convertible notes in the consolidated statements of operations. See notes 4, 5 and 6 to our consolidated financial statements for further disclosure on the investments in Athene Holding, HFA and financial instruments of the consolidated VIEs for which the fair value option has been elected.

Goodwill and Intangible Assets—Goodwill and indefinite-life intangible assets must be reviewed annually for impairment or more frequently if circumstances indicate impairment may have occurred. Identifiable finite-life intangible assets, by contrast, are amortized over their estimated useful lives, which are periodically re-evaluated for impairment or when circumstances indicate an impairment may have occurred. Apollo amortizes its identifiable finite-life intangible assets using a method of amortization reflecting the pattern in which the economic benefits of the finite-life intangible asset are consumed or otherwise used up. If that pattern cannot be reliably determined, Apollo uses the straight-line method of amortization. At June 30, 2014, the Company performed its annual impairment testing, and, as the fair value of each of the Company’s reporting units was in excess of its carrying value, there was no impairment of goodwill. Additionally, there was no impairment of indefinite-life intangible assets as of December 31, 2014.

Compensation and Benefits

Compensation and benefits include salaries, bonuses and benefits, profit sharing expense and equity-based compensation.

Salaries, Bonus and Benefits. Salaries, bonus and benefits include base salaries, discretionary and non-discretionary bonuses, severance and employee benefits. Bonuses are accrued over the related service period.

The Company sponsors a 401(k) Savings Plan whereby U.S.-based employees are entitled to participate in the plan based upon satisfying certain eligibility requirements. The Company may provide discretionary contributions from time to time. No contributions relating to this plan were made by the Company for the years ended December 31, 2014 and 2013.

Profit Sharing Expense. Profit sharing expense is primarily a result of agreements with our Contributing Partners and employees to compensate them based on the ownership interest they have in the general partners of the Apollo funds. Therefore, changes in the fair value of the underlying investments in the funds we manage and advise affect profit sharing expense. The Contributing Partners and employees are allocated approximately 30% to 50% of the total carried interest income which is driven primarily by changes in fair value of the underlying fund's investments and is treated as compensation expense. Additionally, profit sharing expenses paid may be subject to clawback from employees, former employees and Contributing Partners to the extent not indemnified.

Changes in the fair value of the contingent obligations that were recognized in connection with certain Apollo acquisitions are reflected in the Company's consolidated statements of operations as profit sharing expense.

In June 2011, the Company adopted a performance based incentive arrangement for certain Apollo partners and employees designed to more closely align compensation on an annual basis with the overall realized performance of the Company. This arrangement, which we refer to herein as the Incentive Pool, enables certain partners and employees to earn discretionary compensation based on carried interest realizations earned by the Company in a given year, which amounts are reflected in profit sharing expense in the accompanying consolidated financial statements. The Company adopted the Incentive Pool to attract and retain, and provide incentive to, partners and employees of the Company and to more closely align the overall compensation of partners and employees with the overall realized performance of the Company. Allocations to the Incentive Pool and to its participants contain both a fixed and a discretionary component and may vary year-to-year depending on the overall realized performance of the Company and the contributions and performance of each participant. There is no assurance that the Company will continue to compensate individuals through performance-based incentive arrangements in the future and there may be periods when the Executive Committee of the Company's manager determines that allocations of realized carried interest income are not sufficient to compensate individuals, which may result in an increase in salary, bonus and benefits.

Equity-Based Compensation. Equity-based compensation is accounted for in accordance with U.S. GAAP, which requires that the cost of employee services received in exchange for an award is generally measured based on the grant date fair value of the award. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately. Equity-based employee awards that require future service are recognized over the relevant service period. Further, as required under U.S. GAAP, the Company estimates forfeitures using industry comparables or historical trends for equity-based awards that are not expected to vest. Apollo's equity-based awards consist of, or provide rights with respect to AOG Units, RSUs, share options, AHL Awards (as defined in note 16 to our consolidated financial statements) and other equity-based compensation awards. For more information regarding Apollo's equity-based compensation awards, see note 16 to our consolidated financial statements. The Company's assumptions made to determine the fair value on grant date and the estimated forfeiture rate are embodied in the calculations of compensation expense.

Additionally, the value of the AOG Units have been reduced to reflect the transfer restrictions imposed on units issued to the Managing Partners and Contributing Partners as well as the lack of rights to participate in future Apollo Global Management, LLC equity offerings. These awards have the following characteristics:

- Awards granted to the Managing Partners (i) are not permitted to be sold to any parties outside of the Apollo Global Management, LLC control group and transfer restrictions lapse pro rata during the forfeiture period over 60 or 72 months, and (ii) allow the Managing Partners to initiate a change in control; and
- Awards granted to the Contributing Partners (i) are not permitted to be sold or transferred to any parties except to the Apollo Global Management, LLC control group and (ii) the transfer restriction period lapses over six years (which is longer than the forfeiture period which lapses ratably over 60 months).

As noted above, the AOG Units issued to the Managing Partners and Contributing Partners have different restrictions which affect the liquidity of and the discounts applied to each grant.

We utilized the Finnerty Model to calculate a discount on the AOG Units granted to the Contributing Partners. The Finnerty Model provides for a valuation discount reflecting the holding period restriction embedded in a restricted security preventing its sale over a certain period of time. Along with the Finnerty Model we applied adjustments to account for the existence of liquidity clauses specific to the AOG Units granted to the Contributing Partners and a minority interest consideration as compared to the units sold in the Strategic Investors Transaction in 2007. The combination of these adjustments yielded a fair value estimate of the AOG Units granted to the Contributing Partners.

The Finnerty Model proposes to estimate a discount for lack of marketability such as transfer restrictions by using an option pricing theory. This model has gained recognition through its ability to address the magnitude of the discount by considering the volatility of a company's stock price and the length of restriction. The concept underpinning the Finnerty Model is that a restricted security cannot be sold over a certain period of time. Further simplified, a restricted share of equity in a company can be viewed as having forfeited a put on the average price of the marketable equity over the restriction period (also known as an "Asian Put Option"). If we price an Asian Put Option and compare this value to that of the assumed fully marketable underlying security, we can effectively estimate the marketability discount.

The assumptions utilized in the model were (i) length of holding period, (ii) volatility, (iii) dividend yield and (iv) risk free rate. Our assumptions were as follows:

(i) We assumed a maximum two year holding period.

(ii) We concluded based on industry peers, that our volatility annualized would be approximately 40%.

(iii) We assumed no distributions.

(iv) We assumed a 4.88% risk free rate based on U.S. Treasuries with a two year maturity.

For the Contributing Partners' grants, the Finnerty Model calculation, as detailed above, yielded a marketability discount of 25%. This marketability discount, along with adjustments to account for the existence of liquidity clauses and consideration of non-controlling interests as compared to units sold in the Strategic Investors Transaction in 2007, resulted in an overall discount for these grants of 29%.

We determined a 14% discount for the grants to the Managing Partners based on the equity value per share of $24. We determined that the value of the grants to the Managing Partners was supported by the 2007 sale of an identical security to Credit Suisse Management, LLC at $24 per share. Based on an equity value per share of $24, the implied discount for the grants to the Managing Partners was 14%. The Contributing Partners yielded a larger overall discount of 29%, as they are unable to cause a change in control of Apollo. This results in a lower fair value estimate, as their units have fewer beneficial features than those of the Managing Partners.

Another significant part of our compensation expense is derived from amortization of RSUs. The fair value of all RSU grants after March 29, 2011 is based on the grant date fair value, which considers the public share price of the Company. RSUs are comprised of Plan Grants, which generally do not pay distributions until vested and, for grants made after 2011, the underlying shares are generally issued by March 15th after the year in which they vest, and Bonus Grants, which pay distributions on both vested and unvested grants and are generally issued after vesting on an approximate two-month lag. For Plan Grants, the grant date fair value is based on the public share price of the Company, and is discounted for transfer restrictions and lack of distributions until vested. For Bonus Grants, the grant date fair value is based on the public share price of the Company, and is discounted for transfer restrictions.

We utilized the present value of a growing annuity formula to calculate a discount for the lack of pre-vesting distributions on Plan Grant RSUs. The weighted average for the inputs utilized for the shares granted during the years ended December 31, 2014, 2013 and 2012 are presented in the table below for Plan Grants:

	For the Year Ended December 31,		
	2014	2013	2012
Distribution Yield(1)	14.3%	9.5%	8.4%
Cost of Equity Capital Rate(2)	12.3%	17.6%	17.6%

(1) Calculated based on the historical distributions paid during the last twelve months and the Company's share price as of the measurement date of the grant on a weighted average basis.
(2) Assumes a discount rate equivalent to a cost of equity capital rate as of the valuation date, based on the Capital Asset Pricing Model ("CAPM"). CAPM is a commonly used mathematical model for developing expected returns.

For Plan Grants that are not eligible for distributions on unvested shares, the discount for the lack of distributions until vested based on the present value of a growing annuity calculation had a weighted average of 32.5%, 30.5% and 23.3% for the years ended December 31, 2014, 2013 and 2012, respectively.

We utilized the Finnerty Model to calculate a marketability discount on the Plan Grant and Bonus Grant RSUs to account for the lag between vesting and issuance. The Finnerty Model provides for a valuation discount reflecting the holding period restriction embedded in a restricted security preventing its sale over a certain period of time.

The inputs utilized in the Finnerty Model were (i) length of holding period, (ii) volatility, (iii) risk-free rate and (iv) dividend yield. The weighted average for the inputs utilized for the shares granted during the years ended December 31, 2014, 2013 and 2012 are presented in the table below for Plan Grants and Bonus Grants:

	For the Year Ended December 31,		
	2014	2013	2012
Plan Grants			
Holding Period Restriction (in years)	0.6	0.6	0.6
Volatility(1)	31.4%	30.4%	34.0%
Distribution Yield(2)	14.3%	8.2%	8.0%
Bonus Grants			
Holding Period Restriction (in years)	0.2	0.2	0.2
Volatility(1)	32.1%	30.0%	30.5%
Distribution Yield(2)	13.7%	12.2%	7.8%

(1) The Company determined the expected volatility based on the volatility of the Company’s share price as of the grant date with consideration to comparable companies.
(2) Calculated based on the historical distributions paid during the last twelve months and the Company's share price as of the measurement date of the grant on a weighted average basis.

For Plan Grants, the marketability discount for transfer restrictions based on the Finnerty Model calculation, after considering the discount for lack of pre-vesting distributions, had a weighted average of 5.1%, 6.0% and 5.0% for the years ended December 31, 2014, 2013 and 2012, respectively. For Bonus Grants, the marketability discount for transfer restrictions based on the Finnerty Model calculation had a weighted average of 3.2%, 3.2% and 4.9% for the years ended December 31, 2014, 2013 and 2012, respectively.

After the grant date fair value is determined, an estimated forfeiture rate is applied. The estimated fair value was determined and recognized over the vesting period on a straight-line basis. A 6.0% forfeiture rate is estimated for RSUs, based on the Company’s historical attrition rate as well as industry comparable rates. If employees are no longer associated with Apollo or if there is no turnover, we will revise our estimated compensation expense to the actual amount of expense based on the units vested at the reporting date in accordance with U.S. GAAP.

Income Taxes

The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. federal income tax purposes. As a result, except as described below, the Apollo Operating Group has not been subject to U.S. income taxes. However, these entities in some cases are subject to NYC UBT and non-U.S. entities, in some cases, are subject to non-U.S. corporate income taxes. In addition, APO Corp., a wholly-owned subsidiary of the Company, is subject to U.S. federal, state and local corporate income tax, and the Company's provision for income taxes is accounted for in accordance with U.S. GAAP.

Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties. The Company recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. If a tax position is not considered more likely than not to be sustained, then no benefits of the position are recognized. The Company's tax positions are reviewed and evaluated quarterly to determine whether or not we have uncertain tax positions that require financial statement recognition.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amount of assets and liabilities and their respective tax basis using currently enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Fair Value Measurements

See note 6 to our consolidated financial statements for a discussion of the Company's fair value measurements.

Recent Accounting Pronouncements

A list of recent accounting pronouncements that are relevant to Apollo and its industry is included in note 2 to our consolidated financial statements.

Off-Balance Sheet Arrangements

In the normal course of business, we engage in off-balance sheet arrangements, including transactions in derivatives, guarantees, commitments, indemnifications and potential contingent repayment obligations. See note 18 to our consolidated financial statements for a discussion of guarantees and contingent obligations.

Contractual Obligations, Commitments and Contingencies

As of December 31, 2014, the Company's material contractual obligations consisted of lease obligations, contractual commitments as part of the ongoing operations of the funds and debt obligations. Fixed and determinable payments due in connection with these obligations are as follows:

	2015	2016	2017	2018	2019	Thereafter	Total
				(in thousands)			
Operating lease obligations[(1)]	$ 38,863	$ 38,225	$ 36,114	$ 31,742	$ 31,348	$ 24,214	$ 200,506
Other long-term obligations[(2)]	10,400	4,575	4,470	4,470	2,235	—	26,150
2013 AMH Credit Facilities - Term Facility[(3)]	6,838	6,838	6,838	6,838	500,342	—	527,694
2013 AMH Credit Facilities - Revolver Facility[(4)]	625	625	625	625	8	—	2,508
2024 Senior Notes [(5)]	20,000	20,000	20,000	20,000	20,000	588,333	688,333
2014 AMI Term Facility I	380	380	380	380	16,395	—	17,915
2014 AMI Term Facility II	362	362	362	362	19,093	—	20,541
Obligations as of December 31, 2014	$ 77,468	$ 71,005	$ 68,789	$ 64,417	$ 589,421	$ 612,547	$ 1,483,647

(1) The Company has entered into sublease agreements and is expected to contractually receive approximately $6.5 million over the remaining periods of 2014 and thereafter.

(2) Includes (i) payments on management service agreements related to certain assets and (ii) payments with respect to certain consulting agreements entered into by the Company. Note that a significant portion of these costs are reimbursable by funds.

(3) $500 million of the outstanding Term Facility matures in January 2019. The interest rate on the $500 million Term Facility as of December 31, 2014 was 1.37%. See note 14 of the consolidated financial statements for further discussion of the 2013 AMH Credit Facilities.

(4) The commitment fee as of December 31, 2014 on the $500 million undrawn Revolver Facility was 0.125%. See note 14 of the consolidated financial statements for further discussion of the 2013 AMH Credit Facilities.

(5) $500 million of the 2024 Senior Notes matures in May 2024. The interest rate on the 2024 Senior Notes as of December 31, 2014 was 4.000%. See note 14 of the consolidated financial statements for further discussion of the 2024 Senior Notes.

Note: Due to the fact that the timing of certain amounts to be paid cannot be determined or for other reasons discussed below, the following contractual commitments have not been presented in the table above.

(i) As noted previously, we have entered into a tax receivable agreement with our Managing Partners and Contributing Partners which requires us to pay to our Managing Partners and Contributing Partners 85% of any tax savings received by APO Corp. from our step-up in tax basis. The tax savings achieved may not ensure that we have sufficient cash available to pay this liability and we might be required to incur additional debt to satisfy this liability.

(ii) Debt amounts related to the consolidated VIEs are not presented in the table above as the Company is not a guarantor of these non-recourse liabilities.

Commitments

Certain of our management companies and general partners are committed to contribute to the funds and affiliates. While a small percentage of these amounts are funded by us, the majority of these amounts have historically been funded by our affiliates, including certain of our employees and certain Apollo funds. The table below presents the commitment and remaining commitment amounts of Apollo and its affiliates, the percentage of total commitments of Apollo and its affiliates, the commitment and remaining commitment amounts of Apollo only (excluding affiliates), and the percentage of total commitments of Apollo only (excluding affiliates) for each private equity, credit and real estate fund and affiliate as of December 31, 2014 as follows ($ in millions):

	Apollo and Affiliates Commitments	% of Total Commitments	Apollo Only (Excluding Affiliates) Commitments	Apollo Only (Excluding Affiliates) % of Total Commitments	Apollo and Affiliates Remaining Commitments	Apollo Only (Excluding Affiliates) Remaining Commitments
Private Equity:						
Fund VIII	$ 1,543.5	8.40%	$ 406.3	2.21%	$ 1,418.8	$ 376.5
Fund VII	467.2	3.18	177.8	1.21	104.0	38.2
Fund VI	246.3	2.43	6.1	0.06	9.7	0.2
Fund V	100.0	2.67	0.5	0.01	6.3	—
Fund IV	100.0	2.78	0.2	0.01	0.5	—
ANRP	426.1	32.21	10.1	0.76	215.1	5.1
AION	150.0	18.19	50.0	6.06	120.2	39.7
APC	158.4	69.02	0.1	0.04	91.0	0.1
Apollo Rose, L.P.	215.7	100.00	—	—	85.7	—
A.A Mortgage Opportunities, L.P.	200.0	98.43	—	—	130.2	—
Champ, L.P.	78.5	100.00	20.1	25.56	15.5	4.0
Apollo Royalties Management, LLC	100.0	100.00	—	—	47.4	—
Credit:						
EPF I[2]	325.0	20.74	21.4	1.37	54.9	5.0
EPF II[2]	412.9	12.25	63.3	1.88	162.3	26.3
COF I	450.7	30.35	29.7	2.00	237.4	4.2
COF II	30.5	1.93	23.4	1.48	0.8	0.6
COF III	358.1	10.45	83.1	2.43	212.3	49.4
ACLF	23.9	2.43	23.9	2.43	19.6	19.6
Palmetto	18.0	1.19	18.0	1.19	10.9	10.9
AIE II[2]	7.9	3.15	4.8	1.94	—	—
ESDF	50.0	100.00	—	—	—	—
FCI	193.5	34.62	—	—	97.9	—
FCI II	244.6	15.72	—	—	165.5	—
Franklin Fund	9.9	9.09	9.9	9.09	—	—
Apollo Lincoln Fixed Income Fund	2.5	0.99	2.5	0.99	1.1	1.1
Apollo/Palmetto Loan Portfolio, L.P.	300.0	100.00	—	—	85.0	—
Apollo/Palmetto Short-Maturity Loan Portfolio, L.P.	200.0	100.00	—	—	—	—
AESI[2]	3.5	0.99	3.5	0.99	0.6	0.6
AESI II	2.8	0.99	2.8	0.99	2.6	2.6
AEC	7.3	2.50	3.2	1.08	2.5	1.1
ACSP	18.8	2.44	18.8	2.44	8.7	8.7
Apollo SK Strategic Investments, L.P.	2.0	0.99	2.0	0.99	0.4	0.4
Stone Tower Structured Credit Recovery Master Fund II, Ltd.	7.9	7.61	—	—	—	—
Apollo Structured Credit Recovery Master Fund III, L.P.	137.3	28.12	0.6	0.13	67.7	0.3
Apollo Zeus Strategic Investments, L.P.	14.0	3.38	14.0	3.38	7.0	7.0
Apollo Lincoln Private Credit Fund, L.P.	2.5	0.99	2.5	0.99	2.3	2.3
AIE III[2]	10.9	2.91	10.9	2.91	9.3	9.3
Real Estate:						
AGRE U.S. Real Estate Fund, L.P.	633.8 [1]	75.03	16.3	1.81	360.8 [1]	4.9
Apollo U.S. Real Estate Fund II, L.P.	157.5	100.00	7.5	4.76	157.5	7.5
BEA/AGRE China Real Estate Fund, L.P.	0.1	1.03	0.1	1.03	—	—
AGRE Asia Co-Invest I Limited	50.0	100.00	—	—	35.7	—
CAI Strategic European Real Estate Ltd.	19.0	100.00	—	—	3.6	—
CPI Capital Partners North America	7.6	1.27	2.1	0.35	0.6	0.2
CPI Capital Partners Europe[2]	6.6	0.47	—	—	0.5	—
CPI Capital Partners Asia Pacific	6.9	0.53	0.5	0.04	0.4	—
London Prime Apartments Guernsey Holdings Limited (Guernsey)[3]	27.6	7.80	0.8	0.23	7.6	—
2012 CMBS I Fund, L.P.	88.2	100.00	—	—	—	—
2012 CMBS II Fund, L.P.	93.5	100.00	—	—	—	—
AGRE Cobb West Investor, LP	22.1	86.41	0.1	0.39	2.1	—

AGRE CMBS Fund, L.P.	418.8	100.00	—	—	—	—
Other:						
Apollo SPN Investments I, L.P.	25.4	0.84	25.4	0.84	20.8	20.8
Total	$ 8,177.3		$ 1,062.3		$ 3,982.8	$ 646.6

(1) Figures for AGRE U.S. Real Estate Fund, L.P. include base, additional, and co-investment commitments. A co-investment vehicle within AGRE U.S. Real Estate Fund, L.P. is denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.56 as of December 31, 2014.

(2) Apollo's commitment in these funds is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.21 as of December 31, 2014.
(3) Apollo's commitment in these investments is denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.56 as of December 31, 2014.

As a limited partner, the general partner and manager of the Apollo private equity, credit and real estate funds, Apollo has unfunded capital commitments of $646.6 million at December 31, 2014.

Apollo has an ongoing obligation to acquire additional common units of AAA in an amount equal to 25% of the aggregate after-tax cash distributions, if any, that are made by AAA to Apollo's affiliates pursuant to the carried interest distribution rights that are applicable to investments made through AAA Investments.

In addition, as of December 31, 2014, Apollo had an unfunded loan commitment of $15.0 million related to an employee's commitment to purchase common shares of Athene Holding.

Apollo, through its subsidiary Apollo MidCap Holdings (Cayman), L.P., has entered into a subscription agreement providing for an aggregate commitment of $50.0 million to subscribe for (i) Class A Variable Funding Subordinated Notes due 2114 ("Class A Notes") of Midcap Finco Limited ("FinCo"), an Irish company that includes the existing operations and assets of MidCap Financial LLC, a specialty finance company that originates commercial lending opportunities, and (ii) ordinary shares of Finco's holding company ("Ordinary Shares"). The subscription agreement has a commitment period of three years (subject to extension under certain circumstances), and $8.0 million of the commitment was drawn on February 3, 2015. Pursuant to an investment management agreement, Apollo, through its subsidiary Apollo Capital Management, L.P., is acting as the investment manager of FinCo's credit business. Certain third parties have also entered into subscription agreements for Class A Notes and Ordinary Shares.

The 2013 AMH Credit Facilities and 2024 Senior Notes (as defined below) will have future impacts on the use of our cash. See note 14 of our consolidated financial statements for information regarding the Company's debt arrangements.

In accordance with the Managing Partner Shareholders Agreement, we have indemnified the Managing Partners and certain Contributing Partners (at varying percentages) for any carried interest income distributed from Fund IV, Fund V and Fund VI that is subject to contingent repayment by the general partner. As of December 31, 2014 and December 31, 2013, the Company had not recorded an obligation for any previously made distributions.

Contingent Obligations—Carried interest income in private equity and certain credit and real estate funds is subject to reversal in the event of future losses to the extent of the cumulative carried interest recognized in income to date. If all of the existing investments became worthless, the amount of cumulative revenues that has been recognized by Apollo through December 31, 2014 and that would be reversed approximates $2.9 billion. Management views the possibility of all of the investments becoming worthless as remote. Carried interest income is affected by changes in the fair values of the underlying investments in the funds that Apollo manages. Valuations, on an unrealized basis, can be significantly affected by a variety of external factors including, but not limited to, bond yields and industry trading multiples. Movements in these items can affect valuations quarter to quarter even if the underlying business fundamentals remain stable.

Additionally, at the end of the life of certain funds that the Company manages, there could be a payment due to a fund by the Company if the Company as general partner has received more carried interest income than was ultimately earned. This general partner obligation amount, if any, will depend on final realized values of investments at the end of the life of each fund or as otherwise set forth in the respective limited partnership agreement of the fund.

Certain funds may not generate carried interest income as a result of unrealized and realized losses that are recognized in the current and prior reporting period. In certain cases, carried interest income will not be generated until additional unrealized and realized gains occur. Any appreciation would first cover the deductions for invested capital, unreturned organizational expenses, operating expenses, management fees and priority returns based on the terms of the respective fund agreements.

AGS, one of the Company's subsidiaries, provides underwriting commitments in connection with security offerings to the portfolio companies of the funds we manage. As of December 31, 2014, there were no underwriting commitments outstanding related to such offerings.

Contingent Consideration

In connection with the acquisition of Stone Tower in April 2012, the Company agreed to pay the former owners of Stone Tower a specified percentage of any future carried interest income earned from certain of the Stone Tower funds, CLOs, and strategic investment accounts. This contingent consideration liability had an acquisition date fair value of $117.7 million, which was determined

based on the present value of estimated future carried interest payments, and is recorded in profit sharing payable in the consolidated statements of financial condition. On July 31, 2014, the Company extinguished a portion of this contingent consideration obligation and recognized a gain in the amount of $13.4 million, which was recorded in other income, net in the consolidated statements of operations for the year ended December 31, 2014. In exchange for the extinguishment, the Company granted a former owner of Stone Tower and current Apollo employee 350,000 RSUs with rights to receive, subject to a three-year vesting period, distribution equivalents. This grant is accounted for as a grant of equity awards in accordance with U.S. GAAP (see note 16 of the consolidated financial statements for further information regarding the accounting for RSUs). The fair value of the contingent obligation was $84.5 million and $121.4 million as of December 31, 2014 and December 31, 2013, respectively.

In connection with the Gulf Stream acquisition, the Company agreed to make payments to the former owners of Gulf Stream under a contingent consideration obligation which required the Company to transfer cash to the former owners of Gulf Stream based on a specified percentage of carried interest income. The contingent liability had a fair value of $11.6 million and $14.1 million as of December 31, 2014 and December 31, 2013, respectively, which was recorded in profit sharing payable in the consolidated statements of financial condition.

The contingent consideration obligations will be remeasured to fair value at each reporting period until the obligations are satisfied. The changes in the fair value of the contingent consideration obligations will be reflected in profit sharing expense in the consolidated statements of operations.

The Company has determined that the contingent consideration obligations are categorized as a Level III liability in the fair value hierarchy as the pricing inputs used to determine fair value require significant management judgment and estimation. See note 6 of the consolidated financial statements for further disclosure regarding fair value of the contingent consideration obligations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our predominant exposure to market risk is related to our role as investment manager and general partner for our funds and the sensitivity to movements in the fair value of their investments and resulting impact on carried interest income and management fee revenues. Our direct investments in the funds also expose us to market risk whereby movements in the fair values of the underlying investments will increase or decrease both net gains (losses) from investment activities and income (loss) from equity method investments. For a discussion of the impact of market risk factors on our financial instruments see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Investments, at Fair Value."

The fair value of our financial assets and liabilities of our funds may fluctuate in response to changes in the value of investments, foreign exchange, commodities and interest rates. The net effect of these fair value changes impacts the gains and losses from investments in our consolidated statements of operations. However, the majority of these fair value changes are absorbed by the Non-Controlling Interests.

The Company is subject to a concentration risk related to the investors in its funds. Although there are more than approximately 1,000 investors in Apollo's active private equity, credit and real estate funds, no individual investor accounts for more than 10% of the total committed capital to Apollo's active funds.

Risks are analyzed across funds from the "bottom up" and from the "top down" with a particular focus on asymmetric risk. We gather and analyze data, monitor investments and markets in detail, and constantly strive to better quantify, qualify and circumscribe relevant risks.

Each risk management process is subject to our overall risk tolerance and philosophy and our enterprise-wide risk management framework. This framework includes identifying, measuring and managing market, credit and operational risks at each segment, as well as at the fund and Company level.

Each segment runs its own investment and risk management process subject to our overall risk tolerance and philosophy:

- The investment process of our private equity funds involves a detailed analysis of potential acquisitions, and investment management teams assigned to monitor the strategic development, financing and capital deployment decisions of each portfolio investment.
- Our credit funds continuously monitor a variety of markets for attractive trading opportunities, applying a number of traditional and customized risk management metrics to analyze risk related to specific assets or portfolios, as well as, fund-wide risks.

At the direction of the Company's manager, the Company has established a risk committee comprised of various members of senior management including the Company's Chief Financial Officer, Chief Legal Officer, and the Company's Chief Risk Officer. The risk committee is tasked with assisting the Company's manager in monitoring and managing enterprise-wide risk. The risk committee generally meets on a bi-weekly basis and reports to the executive committee of the Company's manager at such times as the committee deems appropriate and at least on an annual basis.

On at least a monthly basis, the Company's risk department provides a summary analysis of fund level market and credit risk to the portfolio managers of the Company's funds and the heads of the various business segments. On a periodic basis, the Company's risk department presents a consolidated summary analysis of fund level market and credit risk to the Company's risk committee. In addition, the Company's Chief Risk Officer reviews specific investments from the perspective of risk mitigation and discusses such analysis with the Company's risk committee and/or the executive committee of the Company's manager at such times as the Company's Chief Risk Officer determines such discussions are warranted. On an annual basis, the Company's Chief Risk Officer provides the executive committee of the Company's manager with a comprehensive overview of risk management along with an update on current and future risk initiatives.

Impact on Management Fees—Our management fees are based on one of the following:

- capital commitments to an Apollo fund;
- capital invested in an Apollo fund;
- the gross, net or adjusted asset value of an Apollo fund, as defined; or
- as otherwise defined in the respective agreements.

Management fees could be impacted by changes in market risk factors and management could consider an investment permanently impaired as a result of (i) such market risk factors causing changes in invested capital or in market values to below

cost, in the case of our private equity funds and certain credit funds, or (ii) such market risk factors causing changes in gross or net asset value, for the credit funds. The proportion of our management fees that are based on NAV is dependent on the number and types of our funds in existence and the current stage of each fund's life cycle.

Impact on Advisory and Transaction Fees—We earn transaction fees relating to the negotiation of private equity, credit and real estate transactions and may obtain reimbursement for certain out-of-pocket expenses incurred. Subsequently, on a quarterly or annual basis, ongoing advisory fees, and additional transaction fees in connection with additional purchases, dispositions, or follow-on transactions, may be earned. Management Fee Offsets and any broken deal costs are reflected as a reduction to advisory and transaction fees from affiliates, net. Advisory and transaction fees will be impacted by changes in market risk factors to the extent that they limit our opportunities to engage in private equity, credit and real estate transactions or impair our ability to consummate such transactions. The impact of changes in market risk factors on advisory and transaction fees is not readily predicted or estimated.

Impact on Carried Interest Income—We earn carried interest income from our funds as a result of such funds achieving specified performance criteria. Our carried interest income will be impacted by changes in market risk factors. However, several major factors will influence the degree of impact:

- the performance criteria for each individual fund in relation to how that fund's results of operations are impacted by changes in market risk factors;
- whether such performance criteria are annual or over the life of the fund;
- to the extent applicable, the previous performance of each fund in relation to its performance criteria; and
- whether each funds' carried interest income is subject to contingent repayment.

As a result, the impact of changes in market risk factors on carried interest income will vary widely from fund to fund. The impact is heavily dependent on the prior and future performance of each fund, and therefore is not readily predicted or estimated.

Market Risk—We are directly and indirectly affected by changes in market conditions. Market risk generally represents the risk that values of assets and liabilities or revenues and expenses will be adversely affected by changes in market conditions. Market risk is inherent in each of our investments and activities, including equity investments, loans, short-term borrowings, long-term debt, hedging instruments, credit default swaps, and derivatives. Just a few of the market conditions that may shift from time to time, thereby exposing us to market risk, include fluctuations in interest and currency exchange rates, equity prices, changes in the implied volatility of interest rates and price deterioration. For example, subsequent to the second quarter of 2007, debt capital markets around the world began to experience significant dislocation, severely limiting the availability of new credit to facilitate new traditional buyouts, and the markets remain volatile. Volatility in debt and equity markets can impact our pace of capital deployment, the timing of receipt of transaction fee revenues, and the timing of realizations. These market conditions could have an impact on the value of investments and our rates of return. Accordingly, depending on the instruments or activities impacted, market risks can have wide ranging, complex adverse effects on our results from operations and our overall financial condition. We monitor our market risk using certain strategies and methodologies which management evaluates periodically for appropriateness. We intend to continue to monitor this risk going forward and continue to monitor our exposure to all market factors.

Interest Rate Risk—Interest rate risk represents exposure we have to instruments whose values vary with the change in interest rates. These instruments include, but are not limited to, loans, borrowings and derivative instruments. We may seek to mitigate risks associated with the exposures by taking offsetting positions in derivative contracts. Hedging instruments allow us to seek to mitigate risks by reducing the effect of movements in the level of interest rates, changes in the shape of the yield curve, as well as, changes in interest rate volatility. Hedging instruments used to mitigate these risks may include related derivatives such as options, futures and swaps.

Apollo has debt obligations that accrue interest at variable rates. Interest rate changes may therefore affect the amount of our interest payments, future earnings and cash flows. Based on our debt obligations payable as of December 31, 2014 and December 31, 2013, we estimate that interest expense would increase on an annual basis, in the event interest rates were to increase by one percentage point, by approximately $5.4 million and $7.5 million, respectively.

Credit Risk—Certain of our funds are subject to certain inherent risks through their investments.

Certain of our entities invest substantially all of their excess cash in open-end money market funds and money market demand accounts, which are included in cash and cash equivalents. The money market funds invest primarily in government securities and other short-term, highly liquid instruments with a low risk of loss. We continually monitor the funds' performance in order to manage any risk associated with these investments.

Certain of our entities hold derivative instruments that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. We seek to minimize our risk exposure by limiting the counterparties with which we enter into contracts to banks and investment banks who meet established credit and capital guidelines. We do not expect any counterparty to default on its obligations and therefore do not expect to incur any loss due to counterparty default.

Foreign Exchange Risk—Foreign exchange risk represents exposures we have to changes in the values of current holdings and future cash flows denominated in other currencies and investments in non-U.S. companies. The types of investments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans, foreign currency-denominated transactions, and various foreign exchange derivative instruments whose values fluctuate with changes in currency exchange rates or foreign interest rates. Instruments used to mitigate this risk are foreign exchange options, currency swaps, futures and forwards. These instruments may be used to help insulate us against losses that may arise due to volatile movements in foreign exchange rates and/or interest rates.

We estimate for the year ended December 31, 2014, a 10% decline in the rate of exchange of all foreign currencies against the U.S. dollar would result in a decrease in management fees, carried interest income and income from equity method investments of $4.0 million, $10.5 million and $0.7 million, respectively. For the year ended December 31, 2013, a 10% decline in the rate of exchange of all foreign currencies against the U.S. dollar would result in a decrease in management fees, carried interest income and income from equity method investments of $5.1 million, $9.6 million and $0.8 million, respectively.

Non-U.S. Operations—We conduct business throughout the world and are continuing to expand into foreign markets. We currently have offices outside the U.S. in Toronto, London, Frankfurt, Luxembourg, Mumbai, Hong Kong and Singapore, and have been strategically growing our international presence. Our fund investments and our revenues are primarily derived from our U.S. operations. With respect to our non-U.S. operations, we are subject to risk of loss from currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, unfavorable political and diplomatic developments and changes in legislation relating to non-U.S. ownership. Our funds also invest in the securities of companies which are located in non-U.S. jurisdictions. As we continue to expand globally, we will continue to focus on monitoring and managing these risk factors as they relate to specific non-U.S. investments.

Sensitivity

Our assets and unrealized gains, and our related equity and net income are sensitive to changes in the valuations of our funds' underlying investments and could vary materially as a result of changes in our valuation assumptions and estimates. See "Item 7. Management's Discussion and Analysis of Financial Conditions and Results of Operations-Critical Accounting Policies-Investments, at Fair Value" for details related to the valuation methods that are used and the key assumptions and estimates employed by such methods. We also quantify the Level III investments that are included on our consolidated statements of financial condition by valuation methodology in note 6 to the consolidated financial statements. We employ a variety of valuation methods. Furthermore, the investments that we manage but are not on our consolidated statements of financial condition, and therefore impact carried interest, also employ a variety of valuation methods of which no single methodology is used more than any other. Changes in fair value will have the following impacts before a reduction of profit sharing expense and Non-Controlling Interests in the Apollo Operating Group and on a pre-tax basis on our results of operations for the years ended December 31, 2014 and 2013:

- Management fees from the funds in our credit segment are based on the net asset value of the relevant fund, gross assets, capital commitments or invested capital, each as defined in the respective management agreements. Changes in the fair values of the investments in credit funds that earn management fees based on net asset value or gross assets will have a direct impact on the amount of management fees that are earned. Management fees earned from our credit segment on a segment basis that were dependent upon estimated fair value during the years ended December 31, 2014 and 2013 would decrease by approximately $37.7 million and $21.3 million, respectively, if the fair values of the investments held by such funds were 10% lower during the same respective periods. By contrast, a 10% increase in fair value would increase management fees for the years ended December 31, 2014 and 2013 by approximately $38.5 million and $21.0 million, respectively.
- Management fees for our private equity, real estate and certain credit funds, excluding AAA, generally are charged on either (a) a fixed percentage of committed capital over a stated investment period or (b) a fixed percentage of invested

capital of unrealized portfolio investments. Changes in values of investments could indirectly affect future management fees from private equity funds by, among other things, reducing the funds' access to capital or liquidity and their ability to currently pay the management fees or if such change resulted in a write-down of investments below their associated invested capital.

- Net gains from investment activities related to the Company's investment in Athene Holding would decrease by approximately $32.4 million for the year ended December 31, 2014 if the fair value of the Company's investment in Athene Holding decreased by 10%. By contrast, a 10% increase in fair value of the Company's investment in Athene Holding would increase net gains from investment activities by $32.4 million for the year ended December 31, 2014.
- Other income, net earned from derivative contracts related to the amended services contract with Athene and Athene Life Re Ltd. and the Amended AAA Services Agreement would decrease by approximately $8.5 million for the year ended December 31, 2013, if the fair value of the accrued notional shares of Athene Holding decreased by 10% during the same respective period. By contrast, a 10% increase in fair value of the accrued notional shares of Athene Holding would increase other income, net for the year ended December 31, 2013 by approximately $8.5 million.
- Carried interest income from most of our credit funds, which is quantified in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Segment Analysis," is impacted directly by changes in the fair value of their investments. Carried interest income from most of our credit funds generally is earned based on achieving specified performance criteria. We anticipate that a 10% decline in the fair values of investments held by all of the credit funds at December 31, 2014 and 2013 would decrease carried interest income on a segment basis for the years ended December 31, 2014 and 2013 by approximately $160.6 million and $203.7 million, respectively. Additionally, the changes to carried interest income from most of our credit funds assume there is no loss in the fund for the relevant period. If the fund had a loss for the period, no carried interest income would be earned by us. By contrast, a 10% increase in fair value would increase carried interest income on a segment basis for the years ended December 31, 2014 and 2013 by approximately $334.3 million and $240.1 million, respectively.
- Carried interest income from private equity funds generally is earned based on achieving specified performance criteria and is impacted by changes in the fair value of their fund investments. We anticipate that a 10% decline in the fair values of investments held by all of the private equity funds at December 31, 2014 and 2013 would decrease carried interest income on a segment basis for the years ended December 31, 2014 and 2013 by $301.7 million and $524.8 million, respectively. The effects on private equity fees and income assume that a decrease in value does not cause a permanent write-down of investments below their associated invested capital. By contrast, a 10% increase in fair value would increase carried interest income on a segment basis for the years ended December 31, 2014 and 2013 by $323.8 million and $484.5 million, respectively.
- Carried interest income from real estate funds generally is earned based on achieving specified performance criteria and is impacted by changes in the fair value of their fund investments. We anticipate that a 10% decline in the fair values of investments held by all of the real estate funds at December 31, 2014 and 2013 would decrease carried interest income on a segment basis for the years ended December 31, 2014 and 2013 by $12.6 million and $6.0 million, respectively. The effects on real estate fees and income assume that a decrease in value does not cause a permanent write-down of investments below their associated invested capital. By contrast, a 10% increase in fair value would increase carried interest income on a segment basis for the years ended December 31, 2014 and 2013 by $21.0 million and $16.1 million, respectively.
- For select Apollo funds, our share of income from equity method investments as a limited partner in such funds is derived from unrealized gains or losses on investments in funds included in the consolidated financial statements. For funds in which we have an interest, but are not included in our consolidated financial statements, our share of investment income is limited to our direct investments in the funds, which ranges from 0.001% to 9.091%. A 10% decline in the fair value of investments at December 31, 2014 and 2013 would result in an approximate $37.8 million and $39.8 million decrease in investment income at the consolidated level, respectively. By contrast, a 10% increase in the fair value of investments at December 31, 2014 and 2013 would result in an approximate $37.8 million and $39.8 million increase in investment income at the consolidated level, respectively.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Apollo Global Management, LLC
New York, New York

We have audited the accompanying consolidated statements of financial condition of Apollo Global Management, LLC and subsidiaries (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2014. We also have audited the Company's internal control over financial reporting as of December 31, 2014, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Apollo Global Management, LLC and subsidiaries as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2014, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2014, based on the criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP
New York, New York
February 27, 2015

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
DECEMBER 31, 2014 AND DECEMBER 31, 2013
(dollars in thousands, except share data)

	December 31,	
	2014	**2013**
Assets:		
Cash and cash equivalents	$ 1,204,052	$ 1,078,120
Cash and cash equivalents held at consolidated funds	1,611	1,417
Restricted cash	6,353	9,199
Investments	2,880,006	2,393,883
Assets of consolidated variable interest entities:		
Cash and cash equivalents	1,088,952	1,095,170
Investments, at fair value	15,658,653	14,126,362
Other assets	323,240	280,718
Carried interest receivable	911,666	2,287,075
Due from affiliates	268,015	317,247
Fixed assets, net	35,906	40,251
Deferred tax assets	606,717	660,199
Other assets	84,384	44,170
Goodwill	49,243	49,243
Intangible assets, net	60,039	94,927
Total Assets	**$ 23,178,837**	**$ 22,477,981**
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	$ 44,246	$ 38,159
Accrued compensation and benefits	59,278	41,711
Deferred revenue	199,614	279,479
Due to affiliates	565,153	595,371
Profit sharing payable	434,852	992,240
Debt	1,034,014	750,000
Liabilities of consolidated variable interest entities:		
Debt, at fair value	14,123,100	12,423,962
Other liabilities	728,718	605,063
Other liabilities	46,401	63,274
Total Liabilities	**17,235,376**	**15,789,259**
Commitments and Contingencies (see note 18)		
Shareholders' Equity:		
Apollo Global Management, LLC shareholders' equity:		
Class A shares, no par value, unlimited shares authorized, 163,046,554 and 146,280,784 shares issued and outstanding at December 31, 2014 and December 31, 2013, respectively	—	—
Class B shares, no par value, unlimited shares authorized, 1 share issued and outstanding at December 31, 2014 and December 31, 2013	—	—
Additional paid in capital	2,254,283	2,624,582
Accumulated deficit	(1,400,661)	(1,568,487)
Appropriated partners' capital	933,166	1,581,079
Accumulated other comprehensive income (loss)	(306)	95
Total Apollo Global Management, LLC shareholders' equity	1,786,482	2,637,269
Non-Controlling Interests in consolidated entities	3,222,195	2,669,730
Non-Controlling Interests in Apollo Operating Group	934,784	1,381,723
Total Shareholders' Equity	**5,943,461**	**6,688,722**
Total Liabilities and Shareholders' Equity	**$ 23,178,837**	**$ 22,477,981**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(dollars in thousands, except share data)

	2014	2013	2012
Revenues:			
Advisory and transaction fees from affiliates, net	$ 315,587	$ 196,562	$ 149,544
Management fees from affiliates	850,441	674,634	580,603
Carried interest income from affiliates	394,055	2,862,375	2,129,818
Total Revenues	1,560,083	3,733,571	2,859,965
Expenses:			
Compensation and benefits:			
Equity-based compensation	126,320	126,227	598,654
Salary, bonus and benefits	338,049	294,753	274,574
Profit sharing expense	276,190	1,173,255	872,133
Total Compensation and Benefits	740,559	1,594,235	1,745,361
Interest expense	22,393	29,260	37,116
Professional fees	82,030	83,407	64,682
General, administrative and other	97,663	98,202	87,961
Placement fees	15,422	42,424	22,271
Occupancy	40,427	39,946	37,218
Depreciation and amortization	45,069	54,241	53,236
Total Expenses	1,043,563	1,941,715	2,047,845
Other Income:			
Net gains from investment activities	213,243	330,235	288,244
Net gains (losses) from investment activities of consolidated variable interest entities	22,564	199,742	(71,704)
Income from equity method investments	53,856	107,350	110,173
Interest income	10,392	12,266	9,693
Other income, net	60,592	40,114	1,964,679
Total Other Income	360,647	689,707	2,301,085
Income before income tax provision	877,167	2,481,563	3,113,205
Income tax provision	(147,245)	(107,569)	(65,410)
Net Income	729,922	2,373,994	3,047,795
Net income attributable to Non-controlling Interests	(561,693)	(1,714,603)	(2,736,838)
Net Income Attributable to Apollo Global Management, LLC	$ 168,229	$ 659,391	$ 310,957
Distributions Declared per Class A Share	$ 3.11	$ 3.95	$ 1.35
Net Income Per Class A Share:			
Net Income Available to Class A Share – Basic	$ 0.62	$ 4.06	$ 2.06
Net Income Available to Class A Share – Diluted	$ 0.62	$ 4.03	$ 2.06
Weighted Average Number of Class A Shares – Basic	155,349,017	139,173,386	127,693,489
Weighted Average Number of Class A Shares – Diluted	155,349,017	142,214,350	129,540,377

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(dollars in thousands, except share data)

	2014	2013	2012
Net Income	**$ 729,922**	**$ 2,373,994**	**$ 3,047,795**
Other Comprehensive Income (Loss), net of tax:			
Allocation of currency translation adjustment of consolidated CLO entities	724	—	—
Net loss from change in fair value of cash flow hedge instruments	(990)	—	—
Net unrealized gain on interest rate swaps (net of taxes of $410 for Apollo Global Management, LLC and $0 for Non-Controlling Interests in Apollo Operating Group)	—	—	2,653
Net loss on available-for-sale securities (from equity method investment)	(2)	(8)	(11)
Total Other Comprehensive Income (Loss), net of tax	(268)	(8)	2,642
Comprehensive Income	**729,654**	**2,373,986**	**3,050,437**
Comprehensive Income attributable to Non-Controlling Interests	(631,831)	(1,564,710)	(922,172)
Comprehensive Income Attributable to Apollo Global Management, LLC	**$ 97,823**	**$ 809,276**	**$ 2,128,265**

See accompanying notes to consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2014, 2013, AND 2012
(dollars in thousands, except share data)

	Apollo Global Management, LLC Shareholders									
	Class A Shares	Class B Shares	Additional Paid in Capital	Accumulated Deficit	Appropriated Partners' Capital	Accumulated Other Comprehensive Income (Loss)	Total Apollo Global Management, LLC Total Shareholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Apollo Operating Group	Total Shareholders' Equity
Balance at January 1, 2012	**123,923,042**	**1**	**$ 2,939,492**	**$ (2,426,197)**	**$ 213,594**	**$ (488)**	**$ 726,401**	**$ 1,444,767**	**$ 477,153**	**$ 2,648,321**
Dilution impact of issuance of Class A shares	—	—	1,589	—	—	—	1,589	—	—	1,589
Capital increase related to equity-based compensation	—	—	282,288	—	—	—	282,288		313,856	596,144
Capital contributions	—	—	—	—	—	—	—	551,154	—	551,154
Distributions	—	—	(203,997)	—	(264,910)	—	(468,907)	(495,506)	(335,023)	(1,299,436)
Distributions related to deliveries of Class A shares for RSUs	6,130,951	—	9,090	(25,992)	—	—	(16,902)	—	—	(16,902)
Purchase of AAA shares	—	—	—	—	—	—	—	(102,072)	—	(102,072)
Non-cash distributions	—	—	—	(788)	—	—	(788)	(3,605)	—	(4,393)
Non-cash contribution to Non-Controlling Interests	—	—	—	—	—	—	—	2,547	—	2,547
Capital increase related to business acquisition (see note 3)	—	—	14,001	—	—	—	14,001	—	—	14,001
Non-Controlling Interests in consolidated entities at acquisition date	—	—	—	—	—	—	—	306,351	—	306,351
Deconsolidation	—	—	—	—	—	—	—	(46,148)	—	(46,148)
Net transfers of AAA ownership interest to (from) Non-Controlling Interests in consolidated entities	—	—	(919)	—	—	—	(919)	919	—	—
Satisfaction of liability related to AAA RDUs	—	—	1,790	—	—	—	1,790	—	—	1,790
Net income	—	—	—	310,957	1,816,676	—	2,127,633	234,805	685,357	3,047,795
Net loss on available-for-sale securities (from equity method investment)	—	—	—	—	—	(11)	(11)	—	—	(11)
Net unrealized gain on interest rate swaps (net of taxes of $410 for Apollo Global Management, LLC and $0 for Non-Controlling Interests in Apollo Operating Group)	—	—	—	—	—	643	643	—	2,010	2,653
Balance at December 31, 2012	**130,053,993**	**1**	**$ 3,043,334**	**$ (2,142,020)**	**$ 1,765,360**	**$ 144**	**$ 2,666,818**	**$ 1,893,212**	**$ 1,143,353**	**$ 5,703,383**
Dilution impact of issuance of Class A shares	—	—	4,865	—	—	—	4,865	—	—	4,865
Capital increase related to equity-based compensation	—	—	104,935	—	—	—	104,935	—	19,163	124,098
Capital contributions	—	—	—	—	—	—	—	689,172	—	689,172
Distributions	—	—	(650,189)	—	(334,215)	—	(984,404)	(159,573)	(975,488)	(2,119,465)
Distributions related to deliveries of Class A shares for RSUs	5,181,389	—	37,263	(85,858)	—	—	(48,595)	—	—	(48,595)
Purchase of AAA units	—	—	—	—	—	—	—	(62,326)	—	(62,326)
Net transfers of AAA ownership interest to (from) Non-Controlling Interests in consolidated entities	—	—	(2,226)	—	—	—	(2,226)	2,226	—	—
Satisfaction of liability related to AAA RDUs	—	—	1,205	—	—	—	1,205	—	—	1,205
Exchange of AOG Units for Class A shares	11,045,402	—	85,395	—	—	—	85,395	—	(62,996)	22,399
Net income	—	—	—	659,391	149,934	—	809,325	307,019	1,257,650	2,373,994
Net gain (loss) on available-for-sale securities (from equity method investment)	—	—	—	—	—	(49)	(49)	—	41	(8)
Balance at December 31, 2013	**146,280,784**	**1**	**$ 2,624,582**	**$ (1,568,487)**	**$ 1,581,079**	**$ 95**	**$ 2,637,269**	**$ 2,669,730**	**$ 1,381,723**	**$ 6,688,722**
Dilution impact of issuance of Class A shares	—	—	5,267	—	—	—	5,267	—	—	5,267
Capital increase related to equity-based compensation	—	—	108,871	—	—	—	108,871	—	—	108,871
Capital contributions	—	—	—	—	135,356	—	135,356	936,915	—	1,072,271
Distributions	—	—	(555,532)	—	(713,264)	—	(1,268,796)	(615,301)	(816,412)	(2,700,509)
Distributions related to deliveries of Class A shares for RSUs	10,491,649	—	27,899	(403)	—	—	27,496	—	—	27,496
Purchase of AAA units	—	—	—	—	—	—	—	(312)	—	(312)
Net transfers of AAA ownership interest to (from) Non-Controlling Interests in consolidated entities	—	—	(3,423)	—	—	—	(3,423)	3,423	—	—
Satisfaction of liability related to AAA RDUs	—	—	1,183	—	—	—	1,183	—	—	1,183
Exchange of AOG Units for Class A shares	6,274,121	—	45,436	—	—	—	45,436	—	(34,618)	10,818
Net income	—	—	—	168,229	(70,729)	—	97,500	227,740	404,682	729,922
Allocation of currency translation adjustment of consolidated CLO entities	—	—	—	—	724	—	724	—	—	724
Change in cash flow hedge instruments	—	—	—	—	—	(399)	(399)	—	(591)	(990)
Net loss on available-for-sale securities (from equity method investment)	—	—	—	—	—	(2)	(2)	—	—	(2)
Balance at December 31, 2014	**163,046,554**	**1**	**$ 2,254,283**	**$ (1,400,661)**	**$ 933,166**	**$ (306)**	**$ 1,786,482**	**$ 3,222,195**	**$ 934,784**	**$ 5,943,461**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014, 2013, AND 2012
(dollars in thousands, except share data)

	2014	2013	2012
Cash Flows from Operating Activities:			
Net income	$ 729,922	$ 2,373,994	$ 3,047,795
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity-based compensation	126,320	126,227	598,654
Non-cash management fees	(16,738)	—	—
Depreciation and amortization	10,181	11,047	10,226
Amortization of intangible assets	34,888	43,194	43,010
Amortization of debt issuance costs	3,453	765	511
Unrealized (gains) losses from investment in other investments	(21,726)	12,962	1,316
Gain on settlement of contingent obligation	(13,395)	—	—
Non-cash interest income	(1,725)	(3,403)	(3,187)
Income (Loss) from equity awards received for directors' fees	333	378	(2,536)
Cash distributions of earnings from equity method investments	83,656	109,076	66,063
Realized loss from investment in other investments	12,871	—	—
Income from equity method investments	(53,856)	(107,350)	(110,173)
Change in market value on derivatives	(14,039)	(10,203)	—
Waived management fees	—	—	(6,161)
Non-cash compensation expense related to waived management fees	—	—	6,161
Change in fair value of contingent obligations	11,281	60,826	25,787
Excess tax benefits from share-based payment arrangements	(27,899)	(37,263)	—
Deferred taxes, net	80,356	62,701	55,309
Net (gain) loss on disposal of fixed assets	(2)	963	923
Gain on business acquisitions	—	—	(1,951,897)
Changes in assets and liabilities:			
Carried interest receivable	1,375,409	(408,819)	(973,578)
Due from affiliates	(252,339)	(130,525)	5,779
Other assets	(24,868)	6,250	(7,901)
Accounts payable and accrued expenses	33,986	34,034	559
Accrued compensation and benefits	16,185	(17,244)	8,007
Deferred revenue	(79,865)	27,322	15,000
Due to affiliates	(97,521)	(44,223)	(103,773)
Profit sharing payable	(518,003)	141,225	361,606
Other liabilities	6,889	(5,822)	(5,052)
Apollo Funds related:			
Net realized gains from investment activities	(79,277)	(87,881)	(77,408)
Net unrealized losses from investment activities	113,423	(309,138)	(458,031)
Net realized gains on debt	(101,745)	(137,098)	—
Net unrealized (gains) losses on debt	(809)	232,510	497,704
Distributions from investment activities	—	66,796	99,675
Change in cash held at consolidated variable interest entities	(13,813)	587,526	(348,138)
Purchases of investments	(10,330,057)	(9,841,763)	(7,525,473)
Proceeds from sale of investments and liquidating distributions	8,509,361	8,422,195	7,182,392
Change in other assets	(43,521)	19,260	(71,921)
Change in other liabilities	169,767	(64,061)	(49,634)
Net Cash (Used in) Provided by Operating Activities	**$ (372,917)**	**$ 1,134,458**	**$ 331,614**
Cash Flows from Investing Activities:			
Purchases of fixed assets	(5,949)	(7,577)	(11,259)
Acquisitions (net of cash assumed) (see note 3)	—	—	(99,190)
Proceeds from disposals of fixed assets	115	2,282	—
Proceeds from sale of investments	50,000	—	—
Cash contributions to equity method investments	(109,923)	(98,422)	(126,917)
Cash distributions from equity method investments	76,343	107,208	86,582
Change in restricted cash	2,846	(840)	(70)

Net Cash Provided by (Used In) Investing Activities	**$ 13,432**	**$ 2,651**	**$ (150,854)**
Cash Flows from Financing Activities:			
Principal repayments of debt	$ (250,000)	$ (737,818)	$ (698)
Issuance of debt	533,956	750,000	—
Issuance costs	(5,478)	(7,750)	—
Net loss related to cash flow hedge instruments	(1,051)	—	—
Satisfaction of tax receivable agreement	(32,032)	(30,403)	—
Satisfaction of contingent obligations	(37,271)	(67,535)	—
Distributions related to deliveries of Class A shares for RSUs	(403)	(85,858)	(25,992)
Distributions to Non-Controlling Interests in consolidated entities	(19,425)	(12,171)	(8,779)
Contributions from Non-Controlling Interests in consolidated entities	2,001	273	4,069
Distributions paid	(506,043)	(584,465)	(202,430)
Distributions paid to Non-Controlling Interests in Apollo Operating Group	(816,412)	(975,488)	(335,023)
Excess tax benefits from share-based payment arrangements	27,899	37,263	—
Apollo Funds related:			
Issuance of debt	4,225,451	2,747,033	1,413,334
Principal repayment of debt	(2,371,499)	(2,218,060)	(515,897)
Purchase of AAA units	(312)	(62,326)	(102,072)
Distributions paid	(703,041)	(334,215)	(264,910)
Distributions paid to Non-Controlling Interests in consolidated variable interest entities	(450,419)	(147,402)	(486,727)
Contributions from Non-Controlling Interests in consolidated variable interest entities	889,690	688,899	547,085
Subscriptions received in advance	—	35,000	—
Net Cash Provided by (Used in) Financing Activities	**$ 485,611**	**$ (1,005,023)**	**$ 21,960**
Net Increase in Cash and Cash Equivalents	126,126	132,086	202,720
Cash and Cash Equivalents, Beginning of Period	1,079,537	947,451	744,731
Cash and Cash Equivalents, End of Period	**$ 1,205,663**	**$ 1,079,537**	**$ 947,451**
Supplemental Disclosure of Cash Flow Information:			
Interest paid	$ 22,191	$ 43,760	49,590
Interest paid by consolidated variable interest entities	157,812	120,149	116,392
Income taxes paid	57,276	9,233	7,128
Supplemental Disclosure of Non-Cash Investing Activities:			
Non-cash distributions from equity method investments	(6,720)	(1,303)	(2,807)
Transfer of fixed assets held-for-sale	—	6,486	—
Change in accrual for purchase of fixed assets	—	—	(659)
Supplemental Disclosure of Non-Cash Financing Activities:			
Non-cash distributions	$ —	$ —	$ (788)
Declared and unpaid distributions	(49,489)	(65,724)	(1,567)
Non-cash contributions to Non-Controlling Interests in consolidated entities from Appropriated Partners' Capital	10,224	—	—
Non-cash distributions from Non-Controlling interests in consolidated entities to Appropriated Partners' Capital	(135,356)	—	—
Non-cash contributions from Non-Controlling Interests in Apollo Operating Group related to equity-based compensation	—	19,163	313,856
Non-cash distributions from Non-Controlling Interests in consolidated entities	—	—	(3,605)
Non-cash contributions from Non-Controlling Interests in consolidated entities	—	—	2,547
Unrealized gain on interest rate swaps to Non-Controlling Interests in Apollo Operating Group, net of taxes	—	—	2,010
Satisfaction of liability related to AAA RDUs	1,183	1,205	1,790
Net transfers of AAA ownership interest to Non-Controlling Interests in consolidated entities	3,423	2,226	919
Net transfer of AAA ownership interest from Apollo Global Management, LLC	(3,423)	(2,226)	(919)
Unrealized gain on interest rate swaps	—	—	1,053
Unrealized loss on available-for-sale securities (from equity method investment)	(2)	(49)	(11)
Capital increases related to equity-based compensation	108,871	104,935	282,228
Dilution impact of issuance of Class A shares	5,267	4,865	1,589
Deferred tax asset related to interest rate swaps	—	—	(410)
Tax benefits related to deliveries of Class A shares for RSUs	—	—	(9,090)
Capital increase related to business acquisition	—	—	14,001

Net Assets Transferred from Consolidated Variable Interest Entity:			
Cash	$ —	$ —	$ 1,161,016
Investments	—	—	8,805,916
Other assets	—	—	169,937
Debt	—	—	(7,255,172)
Other liabilities	—	—	(560,262)
Non-Controlling interest in consolidated entities related to acquisition	—	—	260,203
Adjustments related to exchange of Apollo Operating Group units:			
Deferred tax assets	$ 58,696	$ 149,327	$ —
Due to affiliates	(47,878)	(126,928)	—
Additional paid in capital	(10,818)	(22,399)	—
Non-Controlling Interest in Apollo Operating Group	34,618	62,996	—

See accompanying notes to consolidated financial statements.

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1. ORGANIZATION AND BASIS OF PRESENTATION

Apollo Global Management, LLC (together with its consolidated subsidiaries, the "Company" or "Apollo") is a global alternative investment manager whose predecessor was founded in 1990. Its primary business is to raise, invest and manage private equity, credit and real estate funds as well as strategic investment accounts ("SIAs"), on behalf of pension, endowment and sovereign wealth funds, as well as other institutional and individual investors. For these investment management services, Apollo receives management fees generally related to the amount of assets managed, transaction and advisory fees and carried interest income related to the performance of the respective funds that it manages. Apollo has three primary business segments:

- ***Private equity***—primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments;
- ***Credit***—primarily invests in non-control corporate and structured debt instruments; and
- ***Real estate***—primarily invests in real estate equity for the acquisition and recapitalization of real estate assets, portfolios, platforms and operating companies, and real estate debt including first mortgage and mezzanine loans, preferred equity and commercial mortgage backed securities.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company, its wholly-owned or majority-owned subsidiaries, the consolidated entities which are considered to be variable interest entities ("VIEs") and for which the Company is considered the primary beneficiary, and certain entities which are not considered VIEs but which the Company controls through a majority voting interest. Intercompany accounts and transactions have been eliminated upon consolidation.

Certain reclassifications, when applicable, have been made to the prior period's consolidated financial statements and notes to conform to the current period's presentation and are disclosed accordingly.

Organization of the Company

The Company was formed as a Delaware limited liability company on July 3, 2007 and completed a reorganization of its predecessor businesses on July 13, 2007 (the "2007 Reorganization"). The Company is managed and operated by its manager, AGM Management, LLC, which in turn is indirectly wholly-owned and controlled by Leon Black, Joshua Harris and Marc Rowan (the "Managing Partners").

As of December 31, 2014, the Company owned, through four intermediate holding companies that include APO Corp., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, APO Asset Co., LLC, a Delaware limited liability company that is a disregarded entity for U.S. federal income tax purposes, APO (FC), LLC, an Anguilla limited liability company that is treated as a corporation for U.S. federal income tax purposes and APO (FC II),LLC, an Anguilla limited liability company that is treated as a corporation for U.S. federal income tax purposes (collectively, the "Intermediate Holding Companies"), 42.3% of the economic interests of, and operated and controlled all of the businesses and affairs of, the Apollo Operating Group through its wholly-owned subsidiaries.

AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership ("Holdings"), is the entity through which the Managing Partners and certain of the Company's other partners (the "Contributing Partners") indirectly beneficially own interests in each of the partnerships that comprise the Apollo Operating Group ("AOG Units"). As of December 31, 2014, Holdings owned the remaining 57.7% of the economic interests in the Apollo Operating Group. The Company consolidates the financial results of the Apollo Operating Group and its consolidated subsidiaries. Holdings' ownership interest in the Apollo Operating Group is reflected as a Non-Controlling Interest in the accompanying consolidated financial statements.

Pursuant to an exchange agreement between Apollo and Holdings (as amended, the "Exchange Agreement"), the holders of the AOG Units (and certain permitted transferees thereof) may, upon notice and subject to the applicable vesting and minimum retained ownership requirements, transfer restrictions and other terms of the Exchange Agreement, exchange their AOG Units for the Company's Class A shares on a one-for-one basis a limited number of times each year, subject to customary conversion rate adjustments for splits, distributions and reclassifications. Pursuant to the Exchange Agreement, a holder of AOG Units must

simultaneously exchange one partnership unit in each of the Apollo Operating Group partnerships to effectuate an exchange for one Class A share. As a holder exchanges its AOG Units, the Company's indirect interest in the Apollo Operating Group is correspondingly increased.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation—The types of entities with which Apollo is involved generally include subsidiaries (i.e. general partners and management companies related to the funds the Company manages), entities that have all the attributes of an investment company (e.g., funds) and securitization vehicles (e.g., collateralized loan obligations). Each of these entities is assessed for consolidation on a case by case basis depending on the specific facts and circumstances surrounding that entity.

Pursuant to its consolidation policy, the Company first considers the appropriate consolidation guidance to apply including consideration of whether the entity qualifies for certain scope exceptions and whether the entity should be evaluated under either the previous rules on consolidation of variable interest entities ("VIEs") or the amended consolidation rules depending on whether or not the entity qualifies for the deferral as further described below. The Company then performs an assessment to determine whether that entity qualifies as a VIE. An entity in which Apollo holds a variable interest is a VIE if any one of the following conditions exist: (a) the total equity investment at risk is not sufficient to permit the legal entity to finance its activities without additional subordinated financial support, (b) the holders of equity investment at risk (as a group) lack either the direct or indirect ability through voting rights or similar rights to make decisions about a legal entity's activities that have a significant effect on the success of the legal entity or the obligation to absorb the expected losses or right to receive the expected residual returns, or (c) the voting rights of some investors are disproportionate to their obligation to absorb the expected losses of the legal entity, their rights to receive the expected residual returns of the legal entity, or both and substantially all of the legal entity's activities either involve or are conducted on behalf of an investor with disproportionately few voting rights. Entities that do not qualify as VIEs are generally assessed for consolidation as voting interest entities ("VOEs") under the voting interest model.

Under the voting interest model, Apollo consolidates those entities it controls through a majority voting interest or through other means, including those VOEs in which the general partner is presumed to have control. Apollo does not consolidate those VOEs in which the presumption of control by the general partner has been overcome through either the granting of substantive rights to the unaffiliated investors to either dissolve the fund or remove the general partner ("kick-out rights") or the granting of substantive participating rights.

As previously indicated, the consolidation assessment, including the determination as to whether an entity qualifies as a VIE depends on the facts and circumstances surrounding each entity and therefore certain of Apollo's funds may qualify as VIEs whereas others may qualify as VOEs. The granting of substantive kick-out rights is a key consideration in determining whether an entity is a VIE and whether or not that entity should be consolidated. For example, when the unaffiliated holders of equity investment at risk of a fund with sufficient equity to permit the fund to finance its activities without additional subordinated financial support are not granted substantive kick-out rights and the Company is not part of the group of holders of equity investment at risk, the fund is generally determined to be a VIE, as the holders of equity investment at risk as a group lack the direct or indirect ability through voting rights or similar rights to make decisions that have a significant effect on the success of the legal entity. Alternatively, when the unaffiliated holders of equity investment at risk are granted substantive kick-out rights, the fund is generally determined to be a VOE. However, in certain cases where the Company holds a substantive equity investment at risk in the fund, the fund may be determined to be a VOE even though substantive kick-out rights were not granted to the unaffiliated holders of equity investment at risk. In these cases, the Company is part of the group of holders of equity investment at risk and therefore the holders of equity investment at risk as a group do not lack the direct or indirect ability through voting rights or similar rights to make decisions that have a significant effect on the success of the legal entity.

If the entity is determined to be a VIE under the conditions above, the Company then assesses whether the entity should be consolidated by applying either the previous consolidation rules or the amended consolidation rules depending on whether the entity qualifies for the deferral of the amended consolidation rules as further described below.

VIEs that qualify for the deferral of the amended consolidation rules because certain conditions are met, including if the entities have all the fundamental characteristics (and a number of the typical characteristics) of an investment company and are not securitization or asset-backed financing entities, will continue to apply the previous consolidation rules. VIEs that are securitization or asset-backed financing entities will apply the amended consolidation rules. Under both sets of rules, VIEs for which Apollo is determined to be the primary beneficiary are consolidated.

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With respect to VIEs such as Apollo's funds that qualify for the deferral of the amended consolidation rules and therefore apply the previous consolidation rules, Apollo is determined to be the primary beneficiary if its involvement, through holding interests directly or indirectly in the VIE or contractually through other variable interests (e.g., carried interest and management fees), would be expected to absorb a majority of the VIE’s expected losses, receive a majority of the VIE’s expected residual returns, or both. In cases where two or more Apollo related parties hold a variable interest in a VIE, and the aggregate variable interest held by those parties would, if held by a single party, identify that party as the primary beneficiary, then the Company is determined to be the primary beneficiary to the extent it is the party within the related party group that is most closely associated with the VIE.

For VIEs such as Apollo's CLOs that apply the amended consolidation rules, the Company is determined to be the primary beneficiary if it holds a controlling financial interest defined as possessing both (a) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance and (b) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. CLOs are generally determined to be VIEs if they are formed solely to issue collateralized notes in the legal form of debt and therefore do not have sufficient total equity investment at risk to permit the entity to finance its activities without additional subordinated financial support. With respect to such CLOs, Apollo generally possesses a controlling financial interest in, and therefore consolidates, such CLOs in accordance with the amended consolidation rules when Apollo's role as collateral manager provides the Company with the power to direct the activities that most significantly impact the CLO’s economic performance and the Company has the right to receive certain benefits from the CLO (e.g., incentive fees) that could potentially be significant to the CLO.

Under the previous and the amended consolidation rules, Apollo determines whether it is the primary beneficiary of a VIE at the time it becomes initially involved with the VIE and reconsiders that conclusion continuously. Investments and redemptions (either by Apollo, affiliates of Apollo or third parties) or amendments to the governing documents of the respective entity may affect an entity’s status as a VIE or the determination of the primary beneficiary.

The assessment of whether an entity is a VIE and the determination of whether Apollo should consolidate such VIE requires judgments. Under both sets of rules, those judgments include, but are not limited to: (i) determining whether the total equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (ii) evaluating whether the holders of equity investment at risk, as a group, can make decisions that have a significant effect on the success of the entity, (iii) determining whether two or more parties’ equity interests should be aggregated, (iv) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive the expected residual returns from an entity, and (v) evaluating the nature of the relationship and activities of the parties involved in determining which party within a related-party group is most closely associated with the VIE. Where the VIEs have qualified for the deferral, judgments are also made in estimating cash flows to evaluate which member within the equity group absorbs a majority of the expected losses or residual returns of the VIE. Where the VIEs have not qualified for the deferral, judgments are also made in determining whether a member in the equity group has a controlling financial interest including power to direct activities that most significantly impact the VIEs' economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE.

Certain of the consolidated VIEs were formed to issue collateralized notes in the legal form of debt backed by financial assets. The difference between the fair value of the assets and liabilities of these VIEs is presented within appropriated partners’ capital in the consolidated statements of financial condition as these VIEs are funded solely with debt. Changes in the fair value of the assets and liabilities of these VIEs and the related interest and other income is presented within net gains from investment activities of consolidated variable interest entities and net income attributable to Non-Controlling Interests in the consolidated statements of operations. Such amounts are recorded within appropriated partners’ capital as, in each case, the VIEs' note holders, not Apollo, will ultimately receive the benefits or absorb the losses associated with the VIEs' assets and liabilities.

Assets and liabilities of the consolidated VIEs are shown in separate sections within the consolidated statements of financial condition as of December 31, 2014 and 2013.

For additional disclosures regarding VIEs, see note 5. Intercompany transactions and balances, if any, have been eliminated in consolidation.

Equity Method Investments—For investments in entities over which the Company exercises significant influence but which do not meet the requirements for consolidation, the Company uses the equity method of accounting, whereby the Company records its share of the underlying income or loss of such entities. Income (loss) from equity method investments is recognized as part of other income (loss) in the consolidated statements of operations. The carrying amounts of equity method investments are

reflected in investments in the consolidated statements of financial condition. As the underlying entities that the Company manages and invests in are, for U.S. GAAP purposes, primarily investment companies which reflect their investments at estimated fair value, the carrying value of the Company's equity method investments in such entities approximates fair value.

Non-Controlling Interests—For entities that are consolidated, but not 100% owned, a portion of the income or loss and corresponding equity is allocated to owners other than Apollo. The aggregate of the income or loss and corresponding equity that is not owned by the Company is included in Non-Controlling Interests in the consolidated financial statements. As of December 31, 2014, the Non-Controlling Interests relating to Apollo Global Management, LLC primarily includes the ownership interest in the Apollo Operating Group held by the Managing Partners and Contributing Partners through their limited partner interests in Holdings and other ownership interests in consolidated entities, which primarily consist of the ownership interest held by limited partners in AP Alternative Assets, L.P. ("AAA"). Non-Controlling Interests also include limited partner interests of Apollo managed funds in certain consolidated VIEs.

Non-Controlling Interests are presented as a separate component of shareholders' equity on the Company's consolidated statements of financial condition. The primary components of Non-Controlling Interests are separately presented in the Company's consolidated statements of changes in shareholders' equity to clearly distinguish the interest in the Apollo Operating Group and other ownership interests in the consolidated entities. Net income (loss) includes the net income (loss) attributable to the holders of Non-Controlling Interests on the Company's consolidated statements of operations. Profits and losses are allocated to Non-Controlling Interests in proportion to their relative ownership interests regardless of their basis.

Cash and Cash Equivalents—Apollo considers all highly liquid short-term investments with original maturities of 90 days or less when purchased to be cash equivalents. Substantially all amounts are on deposit in interest-bearing accounts with major financial institutions and exceed insured limits.

Restricted Cash—Restricted cash represents cash deposited at a bank, which is pledged as collateral in connection with leased premises.

Revenues—Revenues are reported in three separate categories that include (i) advisory and transaction fees from affiliates, net, which relate to the investments of the funds and may include individual monitoring agreements the Company has with the portfolio companies and debt investment vehicles of the private equity funds and credit funds; (ii) management fees from affiliates, which are based on committed capital, invested capital, net asset value, gross assets or as otherwise defined in the respective agreements; and (iii) carried interest income (loss) from affiliates, which is normally based on the performance of the funds subject to preferred return.

Advisory and Transaction Fees from Affiliates, Net—Advisory and transaction fees, including directors' fees, are recognized when the underlying services rendered are substantially completed in accordance with the terms of the transaction and advisory agreements. Additionally, during the normal course of business, the Company incurs certain costs related to certain transactions that are not consummated ("broken deal costs"). These costs (e.g., research costs, due diligence costs, professional fees, legal fees and other related items) are determined to be broken deal costs upon management's decision to no longer pursue the transaction. In accordance with the related fund agreement, in the event the deal is deemed broken, all of the costs are reimbursed by the funds and then included as a component of the calculation of the Management Fee Offset described below. If a deal is successfully completed, Apollo is reimbursed by the fund or fund's portfolio company for all costs incurred and no offset is generated. As the Company acts as an agent for the funds it manages, any transaction costs incurred and paid by the Company on behalf of the respective funds relating to successful or broken deals are presented net on the Company's consolidated statements of operations, and any receivable from the respective funds is presented in due from affiliates on the consolidated statements of financial condition.

Advisory and transaction fees from affiliates, net, also includes underwriting fees. Underwriting fees include gains, losses and fees, net of syndicate expenses, arising from securities offerings in which one of the Company's subsidiaries participates in the underwriter syndicate. Underwriting fees are recognized at the time the underwriting is completed and the income is reasonably assured and are included in the consolidated statements of operations. Underwriting fees recognized but not received are included in other assets on the consolidated statements of financial condition.

As a result of providing advisory services to certain private equity and credit portfolio companies, Apollo is generally entitled to receive fees for transactions related to the acquisition, in certain cases, and disposition of portfolio companies as well as ongoing monitoring of portfolio company operations and directors' fees. The amounts due from portfolio companies are included in due from affiliates, which is discussed further in note 17. Under the terms of the limited partnership agreements for certain

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funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage of such advisory and transaction fees, net of applicable broken deal costs ("Management Fee Offset"). Advisory and transaction fees from affiliates are presented net of the Management Fee Offset in the consolidated statements of operations.

Management Fees from Affiliates—Management fees for private equity, credit, and real estate funds are recognized in the period during which the related services are performed in accordance with the contractual terms of the related agreement, and are generally based upon (1) a percentage of the capital committed during the commitment period, and thereafter based on the remaining invested capital of unrealized investments, or (2) net asset value, gross assets or as otherwise defined in the respective agreements.

Carried Interest Income from Affiliates—Apollo is entitled to an incentive return that can normally amount to as much as 20% of the total returns on a fund's capital, depending upon performance. Performance-based fees are assessed as a percentage of the investment performance of the funds. The carried interest income from affiliates for any period is based upon an assumed liquidation of the fund's net assets on the reporting date, and distribution of the net proceeds in accordance with the fund's income allocation provisions. Carried interest receivable is presented separately in the consolidated statements of financial condition. The carried interest income from affiliates may be subject to reversal to the extent that the carried interest income recorded exceeds the amount due to the general partner based on a fund's cumulative investment returns. When applicable, the accrual for potential repayment of previously received carried interest income, which is a component of due to affiliates, represents all amounts previously distributed to the general partner that would need to be repaid to the Apollo funds if these funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual general partner obligation, however, would not become payable or realized until the end of a fund's life.

Management Fee Waiver and Notional Investment Program—Under the terms of certain investment fund partnership agreements, Apollo elected to forgo a portion of the management fee revenue that was due from the funds and instead received a right to a proportionate interest in future distributions of profits of those funds. Waived fees recognized during the period were included in management fees from affiliates in the consolidated statements of operations. This election allowed certain employees of Apollo to waive a portion of their respective share of future income from Apollo and receive, in lieu of a cash distribution, title and ownership of the profits interests in the respective fund. Apollo immediately assigned the profits interests received to its employees. Such assignments of profits interests were treated as compensation and benefits when assigned. The investment period for Apollo Investment Fund VII, L.P. ("Fund VII") and Apollo Natural Resources Partners, L.P. ("ANRP") for the management fee waiver plan was terminated as of December 31, 2012.

Deferred Revenue—Apollo earns management fees subject to the Management Fee Offset. When advisory and transaction fees are earned by the management company, the Management Fee Offset reduces the management fee obligation of the fund. When the management company receives cash for advisory and transaction fees, a certain percentage of such advisory and/or transaction fees, as applicable, is allocated as a credit to reduce future management fees, otherwise payable by such fund. Such credit is classified as deferred revenue in the consolidated statements of financial condition. A portion of any excess advisory and transaction fees may be required to be returned to the limited partners of certain funds upon such fund's liquidation. As the management fees earned by the management company are presented on a gross basis, any Management Fee Offsets calculated are presented as a reduction to Advisory and Transaction Fees from Affiliates in the consolidated statements of operations.

Additionally, Apollo earns advisory fees pursuant to the terms of the advisory agreements with certain of the portfolio companies that are owned by the funds. When Apollo receives a payment from a portfolio company that exceeds the advisory fees earned at that point in time, the excess payment is classified as deferred revenue in the consolidated statements of financial condition. The advisory agreements with the portfolio companies vary in duration and the associated fees are received monthly, quarterly or annually. Deferred revenue is reversed and recognized as revenue over the period that the agreed upon services are performed.

Under the terms of the funds' partnership agreements, Apollo is normally required to bear organizational expenses over a set dollar amount and placement fees or costs in connection with the offering and sale of interests in the funds to investors. The placement fees are payable to placement agents, who are independent third parties that assist in identifying potential investors, securing commitments to invest from such potential investors, preparing or revising offering and marketing materials, developing strategies for attempting to secure investments by potential investors and/or providing feedback and insight regarding issues and concerns of potential investors, when a limited partner either commits or funds a commitment to a fund. In certain instances the placement fees are paid over a period of time. Based on the management agreements with the funds, Apollo considers placement fees and organizational costs paid in determining if cash has been received in excess of the management fees earned. Placement fees and organizational costs are normally the obligation of Apollo but can be paid for by the funds. When these costs are paid by

the fund, the resulting obligations are included within deferred revenue. The deferred revenue balance will also be reduced during future periods when management fees are earned but not paid.

Interest and Other Income—Apollo recognizes security transactions on the trade date. Interest income is recognized as earned on an accrual basis. Discounts and premiums on securities purchased are accreted or amortized over the life of the respective securities using the effective interest method. Realized gains and losses are recorded based on the specific identification method. Interest income also includes payment-in-kind interest (or "PIK" interest) on a convertible note and from one of our credit funds.

Due from/to Affiliates—Apollo considers its existing partners, employees, certain former employees, portfolio companies of the funds and nonconsolidated private equity, credit and real estate funds to be affiliates or related parties.

Investments, at Fair Value—The Company follows U.S. GAAP attributable to fair value measurements which, among other things, requires enhanced disclosures about investments that are measured and reported at fair value. Investments, at fair value, represent investments of the consolidated funds, investments of the consolidated VIEs and certain financial instruments for which the fair value option was elected. The unrealized gains and losses resulting from changes in the fair value are reflected as net gains (losses) from investment activities and net gains (losses) from investment activities of the consolidated VIEs, respectively, in the consolidated statements of operations. In accordance with U.S. GAAP, investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I—Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed derivatives. As required by U.S. GAAP, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and the sale of such position would likely deviate from the quoted price.

Level II—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments that are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives where the fair value is based on observable inputs. These investments exhibit higher levels of liquid market observability as compared to Level III investments. The Company subjects broker quotes to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level II investment. These criteria include, but are not limited to, the number and quality of broker quotes, the standard deviation of obtained broker quotes, and the percentage deviation from independent pricing services.

Level III—Pricing inputs are unobservable for the investment and includes situations where there is little observable market activity for the investment. The inputs into the determination of fair value may require significant management judgment or estimation. Investments that are included in this category generally include general and limited partner interests in corporate private equity and real estate funds, opportunistic credit funds, distressed debt and non-investment grade residual interests in securitizations and CDOs and CLOs where the fair value is based on observable inputs as well as unobservable inputs. When a security is valued based on broker quotes, the Company subjects those quotes to various criteria in making the determination as to whether a particular investment would qualify for treatment as a Level II or Level III investment. These criteria include, but are not limited to, the number and quality of the broker quotes, the standard deviations of the observed broker quotes, and the percentage deviation from independent pricing services.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment when the fair value is based on unobservable inputs.

In cases where an investment or financial instrument that is measured and reported at fair value is transferred between levels of the fair value hierarchy, the Company accounts for the transfer as of the end of the reporting period.

Private Equity Investments

The value of liquid investments, where the primary market is an exchange (whether foreign or domestic) is determined using period end market prices. Such prices are generally based on the close price on the date of determination.

Valuation approaches used to estimate the fair value of investments that are less liquid include the market approach and the income approach. The market approach provides an indication of fair value based on a comparison of the subject company to comparable publicly traded companies and transactions in the industry. The market approach is driven more by current market conditions, including actual trading levels of similar companies and, to the extent available, actual transaction data of similar companies. Judgment is required by management when assessing which companies are similar to the subject company being valued. Consideration may also be given to such factors as the Company's historical and projected financial data, valuations given to comparable companies, the size and scope of the Company's operations, the Company's strengths, weaknesses, expectations relating to the market's receptivity to an offering of the Company's securities, applicable restrictions on transfer, industry and market information and assumptions, general economic and market conditions and other factors deemed relevant. The income approach provides an indication of fair value based on the present value of cash flows that a business or security is expected to generate in the future. The most widely used methodology in the income approach is a discounted cash flow method. Inherent in the discounted cash flow method are assumptions of expected results and a calculated discount rate.

On a quarterly basis, Apollo utilizes a valuation committee, consisting of members from senior management, to review and approve the valuation results related to its funds' private equity investments. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Credit Investments

The majority of the investments in Apollo's credit funds are valued based on quoted market prices and valuation models. Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value utilizing recognized pricing services, market participants or other sources. When market quotations are not available, a model based approach is used to determine fair value. The credit funds also enter into foreign currency exchange contracts, total return swap contracts, credit default swap contracts, and other derivative contracts, which may include options, caps, collars and floors. Foreign currency exchange contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. If securities are held at the end of this period, the changes in value are recorded in income as unrealized. Realized gains or losses are recognized when contracts are settled. Total return swap contracts and credit default swap contracts are recorded at fair value as an asset or liability with changes in fair value recorded as unrealized appreciation or depreciation. Realized gains or losses are recognized at the termination of the contract based on the difference between the close-out price of the total return or credit default swap contract and the original contract price.

Forward contracts are valued based on market rates obtained from counterparties or prices obtained from recognized financial data service providers. When determining fair value pricing when no market value exists, the value attributed to an investment is based on the enterprise value at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation approaches used to estimate the fair value of illiquid credit investments also may use the income approach or market approach. The valuation approaches used consider, as applicable, market risks, credit risks, counterparty risks and foreign currency risks.

On a quarterly basis, Apollo utilizes a valuation committee consisting of members from senior management, to review and approve the valuation results related to its funds' credit investments. For certain publicly traded vehicles, a review is performed by an independent board of directors. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

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Real Estate Investments

The estimated fair value of commercial mortgage-backed securities (“CMBS”) in Apollo’s funds is determined by reference to market prices provided by certain dealers who make a market in these financial instruments. Broker quotes are only indicative of fair value and may not necessarily represent what the funds would receive in an actual trade for the applicable instrument. Additionally, the loans held-for-investment are stated at the principal amount outstanding, net of deferred loan fees and costs for certain investments. The Company evaluates its loans for possible impairment on a quarterly basis. For Apollo’s opportunistic and value added real estate funds, valuations of non-marketable underlying investments are determined using methods that include, but are not limited to (i) discounted cash flow estimates or comparable analysis prepared internally, (ii) third party appraisals or valuations by qualified real estate appraisers, and (iii) contractual sales value of investments/properties subject to bona fide purchase contracts. Methods (i) and (ii) also incorporate consideration of the use of the income, cost, or sales comparison approaches of estimating property values.

On a quarterly basis, Apollo utilizes a valuation committee, consisting of members from senior management, to review and approve the valuation results related to its funds' real estate investments. For certain publicly traded vehicles, a review is performed by an independent board of directors. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Except for the Company’s debt obligations (as described in note 14 to our consolidated financial statements), Apollo’s financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. See “Investments, at Fair Value” above. While Apollo’s valuations of portfolio investments are based on assumptions that Apollo believes are reasonable under the circumstances, the actual realized gains or losses will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based. Financial instruments’ carrying values generally approximate fair value because of the short-term nature of those instruments or variable interest rates related to the borrowings.

Fair Value Option—Apollo has elected the fair value option for the Company's investment in Athene Holding ("Athene Holding" and, together with its subsidiaries, "Athene"), the convertible notes issued by HFA Holdings Limited (“HFA”) and for the assets and liabilities of the consolidated VIEs. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition. Apollo has applied the fair value option for certain corporate loans, other investments and debt obligations held by the consolidated VIEs that otherwise would not have been carried at fair value. For the convertible notes issued by HFA, Apollo has elected to separately present interest income from other changes in the fair value of the convertible notes in the consolidated statements of operations. See notes 4, 5, and 6 for further disclosure on the investments in Athene Holding, HFA and financial instruments of the consolidated VIEs for which the fair value option has been elected.

Interest Rate Swap Agreements—Apollo recognizes derivatives as either an asset or liability measured at fair value. In order to reduce interest rate risk, Apollo entered into interest rate swap agreements which were formally designated as cash flow hedges. To qualify for cash flow hedge accounting, interest rate swaps must meet certain criteria, including (a) the items to be hedged expose Apollo to interest rate risk and (b) the interest rate swaps are highly effective in reducing Apollo’s exposure to interest rate risk. Apollo formally documents at inception its hedge relationships, including identification of the hedging instruments and the hedged items, its risk management objectives, its strategy for undertaking the hedge transaction and Apollo’s evaluation of effectiveness. Effectiveness is periodically assessed based upon a comparison of the relative changes in the cash flows of the interest rate swaps and the items being hedged.

For derivatives that have been formally designated as cash flow hedges, the effective portion of changes in the fair value of the derivatives are recorded in accumulated other comprehensive income (loss) (“OCI”). Amounts in accumulated OCI

are reclassified into earnings when interest expense on the underlying borrowings is recognized. If, at any time, the swaps are determined to be ineffective, in whole or in part, due to changes in the interest rate swap or underlying debt agreements, the fair value of the portion of the interest rate swap determined to be ineffective will be recognized as a gain or loss in the consolidated statements of operations.

Financial Instruments held by Consolidated VIEs

The consolidated VIEs hold investments that could be traded over-the-counter. Investments in securities that are traded on a securities exchange or comparable over-the-counter quotation systems are valued based on the last reported sale price at that date. If no sales of such investments are reported on such date, and in the case of over-the-counter securities or other investments for which the last sale date is not available, valuations are based on independent market quotations obtained from market participants, recognized pricing services or other sources deemed relevant, and the prices are based on the average of the “bid” and “ask” prices, or at ascertainable prices at the close of business on such day. Market quotations are generally based on valuation pricing models or market transactions of similar securities adjusted for security-specific factors such as relative capital structure priority and interest and yield risks, among other factors. When market quotations are not available, a model based approach is used to determine fair value.

The consolidated VIEs also have debt obligations that are recorded at fair value. The primary valuation methodology used to determine fair value for debt obligations is market quotation. Prices are based on the average of the “bid” and “ask” prices. In the event that market quotations are not available, a model based approach is used. The model based approach used to estimate the fair values of debt obligations for which market quotations are not available is the discounted cash flow method, which includes consideration of the cash flows of the debt obligation based on projected quarterly interest payments and quarterly amortization. Debt obligations are discounted based on the appropriate yield curve given the loan’s respective maturity and credit rating. Management uses its discretion and judgment in considering and appraising relevant factors for determining the valuations of its debt obligations.

Pending Deal Costs

Pending deal costs consist of certain costs incurred (e.g. research costs, due diligence costs, professional fees, legal fees and other related items) related to private equity, credit and real estate fund transactions that the Company is pursuing but which have not yet been consummated. These costs are deferred until such transactions are broken or successfully completed. A transaction is determined to be broken upon management’s decision to no longer pursue the transaction. In accordance with the related fund agreements, in the event the deal is broken, all of the costs are generally reimbursed by the funds and considered in the calculation of the Management Fee Offset. These offsets are included in advisory and transaction fees from affiliates, net in the Company’s consolidated statements of operations. If a deal is successfully completed, Apollo is reimbursed by the fund or a fund’s portfolio company for all costs incurred.

Fixed Assets

Fixed Assets consist primarily of leasehold improvements, furniture, fixtures and equipment, computer hardware and software and are recorded at cost, net of accumulated depreciation and amortization. Depreciation and amortization is calculated using the straight-line method over the assets’ estimated useful lives and in the case of leasehold improvements the lesser of the useful life or the term of the lease. Aircraft engine overhauls are capitalized and depreciated until the next expected overhaul. Expenditures for repairs and maintenance are charged to expense when incurred. The Company evaluates long-lived assets for impairment periodically and whenever events or changes in circumstances indicate the carrying amounts of the assets may be impaired.

Business Combinations

The Company accounts for acquisitions using the purchase method of accounting in accordance with U.S. GAAP. Under the purchase method of accounting, the purchase price of an acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date.

Goodwill and Intangible Assets

Goodwill and indefinite-life intangible assets must be reviewed annually for impairment or more frequently if circumstances indicate impairment may have occurred. Identifiable finite-life intangible assets, by contrast, are amortized over their estimated useful lives, which are periodically re-evaluated for impairment or when circumstances indicate an impairment may have occurred. Apollo amortizes its identifiable finite-life intangible assets using a method of amortization reflecting the pattern in which the economic benefits of the finite-life intangible asset are consumed or otherwise used up. If that pattern cannot be reliably determined, Apollo uses the straight-line method of amortization. At June 30, 2014, the Company performed its annual impairment testing, and, as the fair value of each of the Company's reporting units was in excess of its carrying value, there was no impairment of goodwill. Additionally, there was no impairment of indefinite-life intangible assets as of December 31, 2014.

Profit Sharing Payable

Profit sharing payable primarily represents the amounts payable to employees and former employees who are entitled to a proportionate share of carried interest income in one or more funds. This portion of the liability is calculated based upon the changes to realized and unrealized carried interest and is therefore not payable until the carried interest itself is realized. Profit sharing payable also includes contingent obligations that were recognized in connection with certain Apollo acquisitions.

Debt Issuance Costs

Debt issuance costs consist of costs incurred in obtaining financing and are amortized over the term of the financing using the effective interest method. These costs are included in other assets on the consolidated statements of financial condition.

Foreign Currency

The Company may, from time to time, hold foreign currency denominated assets and liabilities. Such assets and liabilities are translated using the exchange rates prevailing at the end of each reporting period. The functional currency of the Company's international subsidiaries is the U.S. Dollar, as their operations are considered an extension of U.S. parent operations. Non-monetary assets and liabilities of the Company's international subsidiaries are remeasured into the functional currency using historical exchange rates specific to each asset and liability. The results of the Company's foreign operations are normally remeasured using an average exchange rate for the respective reporting period. All currency remeasurement adjustments are included within other income (loss), net in the consolidated statements of operations. Gains and losses on the settlement of foreign currency transactions are also included within other income (loss), net in the consolidated statements of operations.

Compensation and Benefits

Equity-Based Compensation—Equity-based awards granted to employees as compensation are measured based on the grant date fair value of the award. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately. Equity-based employee awards that require future service are expensed over the relevant service period. The Company estimates forfeitures for equity-based awards that are not expected to vest. Equity-based awards granted to non-employees for services provided to affiliates are remeasured to fair value at the end of each reporting period and expensed over the relevant service period.

Salaries, Bonus and Benefits—Salaries, bonus and benefits include base salaries, discretionary and non-discretionary bonuses, severance and employee benefits. Bonuses are generally accrued over the related service period.

The Company sponsors a 401(k) savings plan whereby U.S.-based employees are entitled to participate in the plan based upon satisfying certain eligibility requirements. The Company may provide discretionary contributions from time to time. No contributions relating to this plan were made by the Company for the years ended December 31, 2014, 2013 and 2012.

Profit Sharing Expense—Profit sharing expense primarily consists of a portion of carried interest recognized in one or more funds allocated to employees and former employees. Profit sharing expense is recognized on an accrued basis as the related carried interest income is earned. Profit sharing expense can be reversed during periods when there is a decline in carried interest income that was previously recognized. Additionally, profit sharing expenses previously distributed may be subject to clawback from employees, former employees and Contributing Partners.

Changes in the fair value of the contingent consideration obligations that were recognized in connection with certain Apollo acquisitions are reflected in the Company's consolidated statements of operations as profit sharing expense.

The Company has a performance based incentive arrangement for certain Apollo partners and employees designed to more closely align compensation on an annual basis with the overall realized performance of the Company. This arrangement enables certain partners and employees to earn discretionary compensation based on carried interest realizations earned by the Company in a given year, which amounts are reflected in profit sharing expense in the accompanying consolidated financial statements.

Other Income (Loss)

Net Gains (Losses) from Investment Activities—Net gains (losses) from investment activities include both realized gains and losses and the change in unrealized gains and losses in the Company's investment portfolio between the opening reporting date and the closing reporting date. The consolidated financial statements include the net realized and unrealized gains (losses) of investments, at fair value. For the Company's investments held by AAA (see note 4), a portion of the net gains (losses) from investment activities are attributable to Non-Controlling Interests in the consolidated statements of operations.

Net Gains (Losses) from Investment Activities of Consolidated Variable Interest Entities—Changes in the fair value of the consolidated VIEs' assets and liabilities and related interest, dividend and other income and expenses subsequent to consolidation are presented within net gains (losses) from investment activities of consolidated variable interest entities and are attributable to Non-Controlling Interests in the consolidated statements of operations.

Other Income (Loss), Net—Other income (loss), net includes the recognition of bargain purchase gains as a result of Apollo acquisitions, gains (losses) arising from the remeasurement of foreign currency denominated assets and liabilities of foreign subsidiaries, reversal of a portion of the tax receivable agreement liability (see note 17), gains (losses) arising from the remeasurement of derivative instruments associated with fees from certain of the Company's affiliates, gains arising from extinguishment of contingent consideration obligations and other miscellaneous non-operating income and expenses.

Comprehensive Income (Loss)—U.S. GAAP guidance establishes standards for reporting comprehensive income and its components in a financial statement that is displayed with the same prominence as other financial statements. U.S. GAAP requires that the Company classify items of OCI by their nature in the financial statements and display the accumulated balance of OCI separately in the shareholders' equity section of the Company's consolidated statements of financial condition. Comprehensive income (loss) consists of net income (loss) and OCI. Apollo's OCI is primarily comprised of the effective portion of changes in the fair value of the interest rate swap agreements discussed previously and foreign currency translation adjustments associated with the Company's non-U.S. dollar denominated subsidiaries.

Income Taxes—The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. Federal income tax purposes. As a result, except as described below, the Apollo Operating Group has not been subject to U.S. income taxes. However, these entities in some cases are subject to New York City unincorporated business taxes ("NYC UBT") and non-U.S. entities, in some cases, are subject to non-U.S. corporate income taxes. In addition, APO Corp., a wholly-owned subsidiary of the Company, is subject to U.S. Federal, state and local corporate income tax, and the Company's provision for income taxes is accounted for in accordance with U.S. GAAP.

Significant judgment is required in determining tax expense and in evaluating tax positions, including evaluating uncertainties. The Company recognizes the tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. If a tax position is not considered more likely than not to be sustained, then no benefits of the position are recognized. The Company's tax positions are reviewed and evaluated quarterly to determine whether or not the Company has uncertain tax positions that require financial statement recognition.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the carrying amount of assets and liabilities and their respective tax basis using currently enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

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Net Income (Loss) Per Class A Share—U.S. GAAP requires use of the two-class method of computing earnings per share for all periods presented for each class of common stock and participating security as if all earnings for the period had been distributed. Under the two-class method, during periods of net income, the net income is first reduced for distributions declared on all classes of securities to arrive at undistributed earnings. During periods of net losses, the net loss is reduced for distributions declared on participating securities only if the security has the right to participate in the earnings of the entity and an objectively determinable contractual obligation to share in net losses of the entity.

The remaining earnings are allocated to Class A shares and participating securities to the extent that each security shares in earnings as if all of the earnings for the period had been distributed. Earnings or losses allocated to each class of security are then divided by the applicable number of shares to arrive at basic earnings per share. For the diluted earnings, the denominator includes all outstanding Class A shares and includes the number of additional Class A shares that would have been outstanding if the dilutive potential Class A shares had been issued. The numerator is adjusted for any changes in income or loss that would result from the issuance of these potential Class A shares.

Use of Estimates—The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Apollo’s most significant estimates include goodwill, intangible assets, income taxes, carried interest income from affiliates, contingent consideration obligations related to acquisitions, non-cash compensation, and fair value of investments and debt. Actual results could differ materially from those estimates.

Consolidated Statements of Cash Flows— During the second quarter of 2014, the Company identified that return on capital related to cash distributions from equity method investments had been previously reported as cash flows provided by investing activities. Cash flows received from equity method investments should have been separately identified as either return of investment or return on investment. Cash flows from the return of investment should be presented in cash flows provided by investing activities and return on investment presented within cash flows provided by operating activities. The Company restated the previously presented cash flows for these cash distributions from equity method investments and, in doing so, for the years ended December 31, 2013 and December 31, 2012, the consolidated statements of cash flows were restated to increase net cash flows provided by operating activities by $109.1 million and $66.1 million, respectively, with a corresponding decrease in net cash flows provided by investing activities. The Company has evaluated the effect of the incorrect presentation both qualitatively and quantitatively, and concluded that it did not have a material impact on, nor require amendment of, any previously filed annual or quarterly consolidated financial statements.

Recent Accounting Pronouncements

In April 2013, the Financial Accounting Standards Board ("FASB") issued guidance that requires an entity to prepare its financial statements using the liquidation basis of accounting when liquidation is imminent. The financial statements prepared using the liquidation basis of accounting should present relevant information about the expected resources in liquidation by measuring and presenting assets at the amount of the expected cash proceeds from liquidation. The entity should include in its presentation of assets any items it had not previously recognized under U.S. GAAP but that it expects to either sell in liquidation or use in settling liabilities. Liabilities should be recognized and measured in accordance with U.S. GAAP that otherwise applies to those liabilities. The guidance requires an entity to accrue and separately present the costs that it expects to incur and the income that it expects to earn during the expected duration of the liquidation, including any costs associated with the sale or settlement of those assets and liabilities. Additionally, the amended guidance requires disclosures about an entity’s plan for liquidation, the methods and significant assumptions used to measure assets and liabilities, the type and amount of costs and income accrued, and the expected duration of the liquidation process. The guidance is effective for entities that determine liquidation is imminent during annual reporting periods beginning after December 15, 2013, and interim reporting periods therein. Entities should apply the requirements prospectively from the day that liquidation becomes imminent. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

In June 2013, the FASB issued guidance to change the assessment of whether an entity is an investment company by developing a new two-tiered approach that requires an entity to possess certain fundamental characteristics while allowing judgment in assessing certain typical characteristics. The fundamental characteristics that an investment company must have include the following: (1) it obtains funds from one or more investors and provides the investor(s) with investment management services; (2) it commits to its investor(s) that its business purpose and only substantive activities are investing the funds solely for returns from capital appreciation, investment income or both; and (3) it does not obtain returns or benefits from an investee or its affiliates that

are not normally attributable to ownership interests. The typical characteristics of an investment company that an entity should consider before concluding whether it is an investment company include the following: (1) it has more than one investment; (2) it has more than one investor; (3) it has investors that are not related parties of the parent or the investment manager; (4) it has ownership interests in the form of equity or partnership interests; and (5) it manages substantially all of its investments on a fair value basis. The new approach requires an entity to assess all of the characteristics of an investment company and consider its purpose and design to determine whether it is an investment company. The guidance includes disclosure requirements about an entity's status as an investment company and financial support provided or contractually required to be provided by an investment company to its investees. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2013. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In July 2013, the FASB issued guidance to eliminate the diversity in practice on the financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward exists. Under the new guidance, an unrecognized tax benefit, or a portion of an unrecognized tax benefit, should be presented in the financial statements as a reduction to a deferred tax asset for a net operating loss carryforward, a similar tax loss, or a tax credit carry forward, except as follows. To the extent a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose, the unrecognized tax benefit should be presented in the financial statement as a liability and should not be combined with deferred tax assets. The assessment of whether a deferred tax asset is available is based on the unrecognized tax benefit and deferred tax asset that exist at the reporting date and should be made presuming disallowance of the tax position at the reporting date (e.g. an entity should not evaluate whether the deferred tax asset expires before the statute of limitations on the tax position or whether the deferred tax asset may be used prior to the unrecognized tax benefit being settled). The guidance does not require new recurring disclosures. The guidance applies to all entities that have unrecognized tax benefits when a net operating loss carryforward, similar tax loss, or a tax credit carryforward exists at the reporting date. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. The amendments should be applied prospectively to all unrecognized tax benefits that exist at the effective date, although retrospective application is permitted. The adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

In April 2014, the FASB issued guidance to improve the definition of discontinued operations and to enhance convergence between the FASB's and International Accounting Standard Board's (IASB) reporting requirements for discontinued operations. The new definition of discontinued operations limits discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on an entity's operations and financial results. The new guidance affects entities that have either of the following: (1) a component of an entity that either is disposed of or meets the criteria under current guidance to be classified as held for sale or (2) a business or nonprofit activity that, on acquisition, meets the criteria under current guidance to be classified as held for sale. The guidance is effective for all disposals (or classifications as held for sale) of components of an entity and all businesses or nonprofit activities that, on acquisition, are classified as held for sale that occur within annual periods beginning on or after December 15, 2014, and interim periods within those years. Early adoption is permitted, but only for disposals (or classifications has held for sale) that have not been reported in financial statements previously issued or available for issuance. This guidance is not expected to have a material impact on the Company's consolidated financial statements.

In May 2014, the FASB issued guidance to establish a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity's revenue across industries, transactions, and geographies. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when (or as) the entity satisfies a performance obligation. The new guidance also specifies the accounting for certain costs to obtain or fulfill a contract with a customer. The new guidance requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. Qualitative and quantitative information is required to be disclosed about: (1) contracts with customers, (2) significant judgments and changes in judgments, and (3) assets recognized from costs to obtain or fulfill a contract. The new guidance will apply to all entities. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. Early application is not permitted. The Company is in the process of

evaluating the impact that this guidance will have on its consolidated financial statements, including the timing of the recognition of carried interest income.

In June 2014, the FASB issued guidance to resolve diversity in practice in the accounting for share-based payments where the terms of an award provide that a performance target could be achieved after the requisite service period. The new guidance requires that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. Accordingly, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. The new guidance applies to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early application is permitted. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements.

In August 2014, the FASB issued guidance to eliminate diversity in practice in the accounting for measurement differences in both the initial consolidation and subsequent measurement of the financial assets and the financial liabilities of a collateralized financing entity. A reporting entity that consolidates a collateralized financing entity within the scope of the new guidance may elect to measure the financial assets and the financial liabilities of that collateralized financing entity using either the measurement alternative included in the new guidance or the existing guidance on fair value measurement. When the measurement alternative is not elected for a consolidated collateralized financing entity within the scope of the new guidance, the new guidance clarifies that (1) the fair value of the financial assets and the fair value of the financial liabilities of the consolidated collateralized financing entity should be measured using the requirements of the existing guidance on fair value measurement and (2) any differences in the fair value of the financial assets and the fair value of the financial liabilities of that consolidated collateralized financing entity should be reflected in earnings and attributed to the reporting entity in the consolidated statement of income (loss). When a reporting entity elects the measurement alternative included in the new guidance for a collateralized financing entity, the reporting entity should measure both the financial assets and the financial liabilities of that collateralized financing entity in its consolidated financial statements using the more observable of the fair value of the financial assets and the fair value of the financial liabilities. The guidance applies to a reporting entity that is required to consolidate a collateralized financing entity under the existing variable interest entity guidance when (1) the reporting entity measures all of the financial assets and the financial liabilities of that consolidated collateralized financing entity at fair value in the consolidated financial statements based on other guidance and (2) the changes in the fair values of those financial assets and financial liabilities are reflected in earnings. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early adoption is permitted as of the beginning of an annual period. The Company is in the process of evaluating the impact that this guidance will have on the recognition of appropriated partners' capital, although the impact on net income attributable to the Company is not expected to be material.

In August 2014, the FASB issued guidance regarding management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. The new guidance requires that management evaluate each annual and interim reporting period whether conditions exist that give rise to substantial doubt about the entity's ability to continue as a going concern within one year from the financial statement issuance date, and if so, provide related disclosures. Disclosures are only required if conditions give rise to substantial doubt, whether or not the substantial doubt is alleviated by management's plans. No disclosures are required specific to going concern uncertainties if an assessment of the conditions does not give rise to substantial doubt. Substantial doubt exists when conditions and events, considered in the aggregate, indicate that it is probable that a company will be unable to meet its obligations as they become due within one year after the financial statement issuance date. If substantial doubt is alleviated as a result of the consideration of management's plans, a company should disclose information that enables users of financial statements to understand all of the following (or refer to similar information disclosed elsewhere in the footnotes): (1) principal conditions that initially give rise to substantial doubt, (2) management's evaluation of the significance of those conditions in relation to the company's ability to meet its obligations, and (3) management's plans that alleviated substantial doubt. If substantial doubt is not alleviated after considering management's plans, disclosures should enable investors to understand the underlying conditions, and include the following: (1) a statement indicating that there is substantial doubt about the company's ability to continue as a going concern within one year

after the issuance date, (2) the principal conditions that give rise to substantial doubt, (3) management's evaluation of the significance of those conditions in relation to the company's ability to meet its obligations, and (4) management plans that are intended to mitigate the adverse conditions. The new guidance applies to all companies. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. Early adoption is permitted. This guidance is not expected to have an impact on the consolidated financial statements of the Company.

In November 2014, the FASB issued guidance to clarify how current U.S. GAAP should be interpreted in evaluating the economic characteristics and risks of a host contract in a hybrid financial instrument that is issued in the form of a share. Specifically, the new guidance clarifies that an entity should consider all relevant terms and features-including the embedded derivative feature being evaluated for bifurcation when evaluating the nature of the host contract. Further, the new guidance clarifies that no single term or feature would necessarily determine the economic characteristics and risks of the host contract. Rather, the nature of the host contract depends upon the economic characteristics and risks of the entire hybrid financial instrument. The new guidance applies to all entities that are issuers of, or investors in, hybrid financial instruments that are issued in the form of a share. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early adoption is permitted. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements.

In January 2015, the FASB issued guidance to simplify income statement presentation by eliminating the concept of extraordinary items. Existing guidance requires that an entity separately classify, present, and disclose extraordinary events and transactions. If an event or transaction meets the criteria for extraordinary classification, an entity is required to segregate the extraordinary item from the results of ordinary operations and show the item separately in the income statement, net of tax, after income from continuing operations. The entity is also required to disclose applicable income taxes and either present or disclose earnings-per-share data applicable to the extraordinary item. The new guidance eliminates the requirement for reporting entities to consider whether an underlying event or transactions is extraordinary. However, the presentation and disclosure requirements under existing guidance for items that are unusual in nature or occur infrequently will be retained and will be expanded to include items that are both unusual in nature and infrequently occurring. Under the new guidance, items that are both unusual in nature and infrequently occurring should be presented within income from continuing operations or disclosed in the notes to the financial statements. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early adoption is permitted provided that the guidance is applied from the beginning of the fiscal year of adoption. This guidance is not expected to have an impact on the consolidated financial statements of the Company.

In February 2015, the FASB issued new guidance which changes the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. Existing guidance includes different requirements for performing a consolidation analysis if, among other factors, the entity under evaluation is any one of the following: (1) a legal entity that qualifies for the indefinite deferral under the amended consolidation rules, (2) a legal entity that is within the scope of the amended consolidation rules, or (3) a limited partnership or similar entity that is considered a voting interest entity. Under the new guidance, all reporting entities are within the scope of the new standard, including limited partnerships and similar legal entities, unless a scope exception applies. The presumption that a general partner controls a limited partnership has been eliminated. In addition, fees paid to decision makers that meet certain conditions (e.g. are both customary and commensurate with the level of effort required for the services provided) no longer cause decision makers to consolidate VIEs in certain instances. The new guidance places more emphasis in the consolidation evaluation on variable interests other than the fee arrangements such as principal investment risk (for example, debt or equity interests), guarantees of the value of the assets or liabilities of the VIE, written put options on the assets of the VIE, or similar obligations, including some liquidity commitments or agreements (explicit or implicit). Additionally, the new guidance reduces the extent to which related party arrangements cause an entity to be considered a primary beneficiary. The indefinite deferral of the amended consolidation rules for certain investment funds has been eliminated and a scope exception from the new consolidation standard has been added for reporting entities with interests in legal entities that are required to comply with or operate in accordance with requirements that are similar to those in Rule 2a-7 of the investment Company Act of 1940 for registered money market funds. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period, and adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. A reporting entity may apply the new guidance using either a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption or by applying the amendments retrospectively. The Company is in the process of evaluating the impact that this new guidance will have on its consolidated financial statements.

3. ACQUISITIONS AND BUSINESS COMBINATIONS

Business Combinations

Stone Tower

On April 2, 2012, the Company completed its previously announced acquisition of the membership interests of Stone Tower Capital LLC and its related management companies ("Stone Tower"), a leading alternative credit manager. The acquisition was consummated by the Company for total consideration at fair value of approximately $237.2 million. The transaction added significant scale and several new credit product capabilities and increased the assets under management of the credit segment.

Consideration exchanged at closing included a payment of approximately $105.5 million, which the Company funded from its existing cash resources, and equity granted to the former owners of Stone Tower with grant date fair value of $14.0 million valued using the closing price of the Company's Class A shares on April 2, 2012 of $14.40. Additionally, the Company will also make payments to the former owners of Stone Tower under a contingent consideration obligation which requires the Company to transfer cash to the former owners of Stone Tower based on a specified percentage of carried interest income. The contingent consideration obligation had an acquisition date fair value of approximately $117.7 million, which was determined based on the present value of the estimated future carried interest payments of approximately $139.4 million using a discount rate of 9.5%, and is reflected in profit sharing payable in the consolidated statements of financial condition. See note 18 for additional disclosure regarding the contingent consideration obligation.

As a result of the acquisition, the Company incurred $4.6 million in acquisition costs, of which $2.8 million was incurred during the year ended December 31, 2012.

Tangible assets acquired in the acquisition consisted of management and carried interest receivable and other assets. Intangible assets acquired consisted primarily of certain management contracts providing economic rights to management fees, senior fees, subordinate fees, and carried interest from existing CLOs, funds and strategic investment accounts.

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The Company performed an analysis and an evaluation of the net assets acquired and liabilities assumed. The estimated fair value of the assets acquired exceeded the estimated fair value of the liabilities assumed as of the acquisition date resulting in a bargain purchase gain of approximately $1,951.1 million for the year ended December 31, 2012. The bargain purchase gain is reflected in other income, net within the consolidated statement of operations for the year ended December 31, 2012, with corresponding amounts reflected as components of appropriated partners' capital within the consolidated statement of changes in shareholders' equity for the year ended December 31, 2012. The estimated fair values for the net assets acquired and liabilities assumed are summarized in the following table:

Tangible Assets:		
Cash	$	6,310
Carried Interest Receivable		36,097
Due from Affiliates		1,642
Other Assets		2,492
Total assets of consolidated variable interest entities		10,136,869
Intangible Assets:		
Management Fees Contracts		9,658
Senior Fees Contracts		568
Subordinate Fees Contracts		2,023
Carried Interest Contracts		85,071
Non-Compete Covenants		200
Fair Value of Assets Acquired		10,280,930
Liabilities Assumed:		
Accounts payable and accrued expenses		3,570
Due to Affiliates		4,410
Other Liabilities		8,979
Total liabilities of consolidated variable interest entities		7,815,434
Fair Value of Liabilities Assumed		7,832,393
Fair Value of Net Assets Acquired		2,448,537
Less: Net assets attributable to Non-Controlling Interests in consolidated entities		260,203
Less: Fair Value of Consideration Transferred		237,201
Gain on Acquisition	$	1,951,133

The bargain purchase gain was recorded in other income, net in the consolidated statements of operations.

The acquisition related intangible assets valuation and related amortization are as follows:

		As of December 31,			
	Weighted Average Useful Life in Years		2014		2013
Management Fees Contracts	2.2	$	9,658	$	9,658
Senior Fees Contracts	2.4		568		568
Subordinate Fees Contracts	2.5		2,023		2,023
Carried Interest Contracts	3.7		85,071		85,071
Non-Compete Covenants	2.0		200		200
Total Intangible Assets			97,520		97,520
Less: Accumulated amortization			(73,568)		(48,586)
Net Intangible Assets		$	23,952	$	48,934

The results of operations of the acquired business since the acquisition date included in the Company's consolidated statements of operations for the period from April 2, 2012 to December 31, 2012 were as follows:

	For the Period from April 2, 2012 to December 31, 2012
Total Revenues	$ 51,719
Net Income Attributable to Non-Controlling Interest	$ (1,925,053)
Net Income Attributable to Apollo Global Management, LLC	$ 12,446

Other Acquisitions

On October 2, 2013, the Company acquired specified assets and liabilities of Aviva Investors North America, Inc., a wholly-owned subsidiary of Aviva plc. The acquisition provides the Company additional asset management allocation and related service capabilities for similar assets that it directly manages across its investment platform. The transaction was accounted for as a business combination. Identifiable assets having a combined fair value of $0.4 million were acquired in exchange for fair value of liabilities assumed of $0.8 million, which resulted in goodwill of $0.4 million as of the acquisition date. There was no consideration transferred relating to this acquisition.

Intangible Assets

Intangible assets, net consists of the following:

	As of December 31,	
	2014	2013
Finite-lived intangible assets/management contracts	$ 240,285	$ 240,285
Accumulated amortization	(180,246)	(145,358)
Intangible assets, net	$ 60,039	$ 94,927

The changes in intangible assets, net consist of the following:

	For the Year Ended December 31,		
	2014	2013	2012
Balance, beginning of year	$ 94,927	$ 137,856	$ 81,846
Amortization expense	(34,888)	(43,194)	(43,009)
Acquisitions	—	265	99,019 (1)
Balance, end of year	$ 60,039	$ 94,927	$ 137,856

(1) Includes impact of purchase price adjustments related to the Gulf Stream acquisition.

Amortization expense related to intangible assets was $34.9 million, $43.2 million, and $43.0 million for the years ended December 31, 2014, 2013, and 2012, respectively.

Expected amortization of these intangible assets for each of the next 5 years and thereafter is as follows:

	2015	2016	2017	2018	2019	Thereafter	Total
Amortization of intangible assets	$ 33,458	$ 7,917	$ 4,952	$ 3,677	$ 3,677	$ 6,358	$ 60,039

4. INVESTMENTS

The following table represents Apollo's investments:

	As of December 31, 2014	As of December 31, 2013
Investments, at fair value	$ 2,499,128	$ 2,012,027
Equity method investments	380,878	381,856
Total Investments	$ 2,880,006	$ 2,393,883

Investments, at Fair Value

Investments, at fair value, consist of financial instruments held by AAA, the Company's investment in Athene Holding, investments held by the Apollo Credit Senior Loan Fund, L.P. ("Apollo Senior Loan Fund"), and other investments held by the Company at fair value. Other investments include the Company's investment in HFA. As of December 31, 2014 and December 31, 2013, the net assets of the consolidated funds (excluding VIEs) were $2,174.1 million and $1,971.1 million, respectively. The following investments, except the investment in Athene Holding and other investments, are presented as a percentage of net assets of the consolidated funds:

	As of December 31, 2014					As of December 31, 2013				
	Fair Value					Fair Value				
Investments, at Fair Value – Affiliates	Private Equity	Credit	Total	Cost	% of Net Assets of Consolidated Funds	Private Equity	Credit	Total	Cost	% of Net Assets of Consolidated Funds
AAA	$ 2,144,118	$ —	$ 2,144,118	$ 1,494,358	98.6%	$ 1,942,051	$ —	$ 1,942,051	$ 1,494,358	98.5%
Athene Holding	25,104	299,410	324,514	324,293	N/A	—	—	—	—	N/A
Apollo Senior Loan Fund	—	29,896	29,896	30,100	1.4	—	29,603	29,603	29,226	1.5
Other Investments	486	114	600	3,318	N/A	839	39,534	40,373	65,377	N/A
Total	$ 2,169,708	$ 329,420	$ 2,499,128	$ 1,852,069	100.0%	$ 1,942,890	$ 69,137	$ 2,012,027	$ 1,588,961	100.0%

Securities

As of December 31, 2014 and December 31, 2013, the sole investment held by AAA was its investment in AAA Investments, L.P. ("AAA Investments"), which is measured based on AAA's share of net asset value of AAA Investments. The following table represents the sole investment of AAA Investments, which constitutes more than five percent of the net assets of the funds that the Company consolidates (excluding VIEs) as of the aforementioned dates:

	As of December 31, 2014				As of December 31, 2013			
	Instrument Type	Fair Value	Cost	% of Net Assets of Consolidated Funds	Instrument Type	Fair Value	Cost	% of Net Assets of Consolidated Funds
Athene Holding	Equity	$ 2,244,192	$ 1,363,532	103.2%	Equity	$ 1,950,010	$ 1,331,942	98.9%

As of December 31, 2014, AAA Investments' portfolio consisted of a single investment in the equity of Athene Holding. Athene Holding is the ultimate parent of various insurance company operating subsidiaries. Through its subsidiaries, Athene Holding provides insurance products focused primarily on the retirement market and its business centers primarily on issuing or reinsuring fixed indexed annuities.

As of December 31, 2014 and December 31, 2013, AAA, through its investment in AAA Investments was the largest equity holder in Athene Holding with an economic ownership stake of approximately 47.7% (calculated as if the commitments in

the Athene Private Placement (as defined below) closed through December 31, 2014 were fully drawn down but without giving effect to (i) restricted common shares issued under Athene's management equity plan or (ii) common shares to be issued under the Amended AAA Services Agreement or the Amended Athene Services Agreement subsequent to December 31, 2013) and 72.5% (without giving effect to (i) restricted common shares issued under Athene's management equity plan, (ii) the common shares to be issued under the Amended AAA Services Agreement or the Amended Athene Services Agreement subsequent to December 31, 2013 and (iii) conversion of AAA Investments' note receivable), respectively, and effectively held 45% of the voting power of Athene. AAA Investments' ownership interest in Athene is held indirectly through its subsidiaries. During 2014, AAA Investments' ownership stake in Athene was reduced as a result of the Athene Private Placement (as defined below), the issuance of 3.7 million unrestricted common shares of Athene Holding under Athene's management equity plan) and issuances of shares under the Amended AAA Services Agreement and the Amended Athene Services Agreement, and increased by the conversion to common shares of AAA Investments' note receivable from Athene. See note 17 for further information regarding Athene.

At December 31, 2014 and December 31, 2013, Athene's fair value was determined using the embedded value method which was based on the present value of the future expected regulatory distributable income generated by the net assets of Athene plus the excess capital (i.e., the capital in excess of what is required to be held against Athene's liabilities). The net assets of Athene consist of the current and projected assets less the current and projected liabilities related to in force insurance contracts. For purposes of the excess capital calculation the assets are valued at fair value using our valuation methodology disclosed in note 2. The approach of using actuarially projected asset and liability income to value an insurance company is widely used by market participants in the insurance industry, particularly in private company acquisitions. The embedded value of the in force insurance contracts incorporates actuarial projections of expected income utilizing most recently available policyholder contract and experience data, industry information and assumptions, general economic and market conditions, and other factors deemed relevant, including the cost of capital. In addition, consideration is also given to comparable company multiples in the determination of fair value.

Athene Holding

As further described in note 17, during 2014, Athene Holding raised $1.218 billion of net equity commitments (the "Athene Private Placement"), which was priced at $26 per common share of Athene Holding. In connection with the Athene Private Placement, both the Athene Services Derivative and the AAA Services Derivative (as defined in note 17) were settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivatives were terminated. Following settlement of these derivatives, future monitoring fees and management fees paid to Apollo pursuant to the Amended Athene Services Agreement and the Amended AAA Services Agreement, respectively, will be paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the Exchange Act).

The Company elected the fair value option for its investment in Athene Holding at the time of settlement of the Athene Services Derivative and AAA Services Derivative. The Company has classified this investment as a Level III asset in the fair value hierarchy, as the pricing inputs into the determination of fair value require significant judgment and estimation. The investment is valued based on the price of a common share of Athene Holding, which as of December 31, 2014 was determined using the embedded value method. See note 6 for further discussion regarding fair value leveling and note 17 for further information regarding Athene.

Apollo Senior Loan Fund

On December 31, 2011, the Company became the sole investor in the Apollo Senior Loan Fund and therefore consolidated the assets and liabilities of the fund. The fund invests in U.S. denominated senior secured loans, senior secured bonds and other income generating fixed-income investments. At least 90% of the Apollo Senior Loan Fund's portfolio of investments must consist of senior secured, floating rate loans or cash or cash equivalents. Up to 10% of the Apollo Senior Loan Fund's portfolio may consist of non-first lien fixed income investments and other income generating fixed income investments, including but not limited to senior secured bonds. The Apollo Senior Loan Fund may not purchase assets rated (tranche rating) at B3 or lower by Moody's, or equivalent rating by another nationally recognized rating agency.

The Company has classified the instruments associated with the Apollo Senior Loan Fund investment within the respective level in the fair value hierarchy. See note 6 for further discussion regarding fair value leveling.

HFA

On March 7, 2011, the Company invested $52.1 million (including expenses related to the purchase) in a convertible note with an aggregate principal amount of $50.0 million and received 20,833,333 stock options issued by HFA, an Australian based

specialist global funds management company. Pursuant to a buy-back agreement with HFA, effective July 2, 2014, HFA repurchased the convertible note at its face value of $50.0 million.

The note had a percentage coupon interest of 6% per annum, paid via principal capitalization (payment-in-kind, or "PIK", interest) for the first four years, and thereafter either in cash or via principal capitalization at HFA's discretion. The PIK interest provided for the Company to receive additional common shares of HFA if the note was converted. For the years ended December 31, 2014, 2013, and 2012, the Company recorded $1.7 million, $4.0 million and $3.1 million, respectively, in PIK interest income included in interest income in the consolidated statements of operations. The Company separately presents interest income in the consolidated statements of operations from other changes in the fair value of the convertible note.

The Company classified the instruments associated with the HFA investment as Level III investments. See note 6 for further discussion regarding fair value leveling.

Net Gains (Losses) from Investment Activities

Net gains (losses) from investment activities in the consolidated statements of operations include net realized gains (losses) from sales of investments, and the change in net unrealized gains (losses) resulting from changes in fair value or reversal of realization of gains/losses of the consolidated funds' investments and realization of previously unrealized gains/losses. Additionally, net gains from investment activities include changes in the fair value of the investment in HFA and other investments held at fair value. The following tables present Apollo's net gains (losses) from investment activities for the years ended December 31, 2014, 2013 and 2012:

	For the Year Ended December 31, 2014		
	Private Equity	Credit	Total
Realized losses on sales of investments	$ —	$ (12,651)	$ (12,651)
Change in net unrealized gains due to changes in fair values	204,542	21,352	225,894
Net Gains from Investment Activities	$ 204,542	$ 8,701	$ 213,243

	For the Year Ended December 31, 2013		
	Private Equity	Credit	Total
Realized gains on sales of investments	$ —	$ 409	$ 409
Change in net unrealized gains (losses) due to changes in fair values	342,398	(12,572)	329,826
Net Gains (Losses) from Investment Activities	$ 342,398	$ (12,163)	$ 330,235

	For the Year Ended December 31, 2012		
	Private Equity	Credit	Total
Realized gains on sales of investments	$ —	$ 443	$ 443
Change in net unrealized gains (losses) due to changes in fair values	288,140	(339)	287,801
Net Gains from Investment Activities	$ 288,140	$ 104	$ 288,244

Equity Method Investments

Apollo's equity method investments include its investments in Apollo private equity, credit and real estate funds, which are not consolidated, but in which the Company exerts significant influence. Apollo's share of operating income generated by these investments is recorded within income from equity method investments in the consolidated statements of operations.

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Equity method investments as of December 31, 2014 and December 31, 2013 consisted of the following:

	Equity Held as of			
	December 31, 2014	% of Ownership	December 31, 2013	% of Ownership
Investments:				
Private Equity Funds:				
AAA Investments	$ 1,293	0.057%	$ 1,168	0.057%
Apollo Investment Fund IV, L.P. ("Fund IV")	8	0.022	9	0.019
Apollo Investment Fund V, L.P. ("Fund V")	68	0.031	94	0.020
Apollo Investment Fund VI, L.P. ("Fund VI")	6,173	0.114	9,964	0.103
Fund VII	78,286	1.223	137,960	1.258
Apollo Investment Fund VIII, L.P. ("Fund VIII")	33,099	2.241	4,310	3.996
ANRP	5,608	0.807	3,735	0.831
AION Capital Partners Limited ("AION")	14,707	6.113	6,425	9.970
Apollo Asia Private Credit Fund, L.P. ("APC")	47	0.044	49	0.046
VC Holdings, L.P. Series A ("Vantium A/B")	12	6.450	15	6.450
VC Holdings, L.P. Series C ("Vantium C")	48	2.071	1,233	2.071
VC Holdings, L.P. Series D ("Vantium D")	180	6.345	2,190	6.345
Total Private Equity Funds[5]	139,529		167,152	
Credit Funds:				
Apollo Special Opportunities Managed Account, L.P. ("SOMA")	6,997	0.841	6,833	0.853
Apollo Value Strategic Fund, L.P. ("VIF")	146	0.067	151	0.124
Apollo Strategic Value Fund, L.P. ("SVF")	10	0.033	17	0.079
Apollo Credit Liquidity Fund, L.P. ("ACLF")	4,128	2.771	4,559	3.341
Apollo Credit Opportunity Fund I, L.P. ("COF I")	2,298	1.870	10,077	1.850
Apollo Credit Opportunity Fund II, L.P. ("COF II")	2,249	1.497	5,015	1.428
Apollo Credit Opportunity Fund III, L.P. ("COF III")	13,102	1.061	6,720	2.450
Apollo European Principal Finance Fund, L.P. ("EPF I")	7,647	1.449	19,332	1.363
Apollo European Principal Finance Fund II, L.P. ("EPF II")	44,523	1.760	23,212	1.994
Apollo Investment Europe II, L.P. ("AIE II")	3,203	1.937	4,500	2.772
Apollo Europe Co-Investors III (D) LLC ("AIE III")	1,540	2.914	—	—
Apollo Palmetto Strategic Partnership, L.P. ("Palmetto")	14,049	1.186	16,054	1.186
Apollo Senior Floating Rate Fund Inc. ("AFT")	86	0.031	95	0.034
Apollo Residential Mortgage, Inc. ("AMTG")[3]	4,263 [1]	0.593 [1]	4,015 [2]	0.632 [2]
Apollo European Credit, L.P. ("AEC")	2,443	1.081	2,482	1.230
Apollo European Strategic Investments, L.P. ("AESI")	3,834	0.990	3,732	0.956
Apollo European Strategic Investments II, L.P. ("AESI II")	123	0.990	—	—
Apollo Centre Street Partnership, L.P. ("ACSP")	11,474	2.439	7,690	2.465
Apollo Investment Corporation ("AINV")[4]	64,382 [1]	3.057 [1]	55,951 [2]	2.933 [2]
Apollo SK Strategic Investments, L.P. ("SK")	1,693	0.990	1,714	0.997
Apollo SPN Investments I, L.P.	5,500	0.720	4,457	0.828
CION Investment Corporation ("CION")	1,000	0.206	1,000	0.716
Apollo Tactical Income Fund Inc. ("AIF")	84	0.032	94	0.036
Apollo Franklin Partnership, L.P. ("Franklin Fund")	9,647	9.091	10,178	9.107
Apollo Zeus Strategic Investments, L.P. ("Zeus")	6,404	3.392	1,678	3.383
Apollo Lincoln Fixed Income Fund, L.P.	1,398	0.993	—	—
Apollo Lincoln Private Credit Fund, L.P.	194	0.990	—	—
Apollo Structured Credit Recovery Master Fund III, L.P.	315	0.126	—	—
Apollo Total Return Fund L.P.	163	0.046	—	—
Apollo Credit Short Opportunities Fund L.P.	19	0.027	—	—
Total Credit Funds[5]	212,914		189,556	
Real Estate:				
Apollo Commercial Real Estate Finance, Inc. ("ARI")[3]	13,989 [1]	1.495 [1]	11,550 [2]	1.500 [2]

AGRE U.S. Real Estate Fund, L.P.	10,519	1.845	9,473	1.845
CPI Capital Partners North America, L.P.	137	0.408	272	0.416
CPI Capital Partners Europe, L.P.	5	0.001	5	0.001
CPI Capital Partners Asia Pacific, L.P.	96	0.039	106	0.042
Apollo GSS Holding (Cayman), L.P.	3,564	4.750	3,670	3.460
BEA/AGRE China Real Estate Fund, L.P.	87	1.031	72	1.031
Other	38	4.761	—	—
Total Real Estate Funds(5)	28,435		25,148	
Total	$ 380,878		$ 381,856	

(1) Amounts are as of September 30, 2014.
(2) Amounts are as of September 30, 2013.

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(3) Investment value includes the fair value of RSUs granted to the Company as of the grant date. These amounts are not considered in the percentage of ownership until the RSUs are vested and issued to the Company, at which point the RSUs are converted to common stock and delivered to the Company.
(4) The value of the Company's investment in AINV was $53,693 and $57,249 based on the quoted market price as of December 31, 2014 and December 31, 2013, respectively.
(5) Certain funds invest across multiple segments. The presentation in the table above is based on the classification of the majority of each fund's investments.

The tables below represent summarized aggregated financial information of the funds and other equity method investments in which Apollo has an equity method investment as of December 31, 2014, 2013 and 2012, and for the years ended December 31, 2014, 2013 and 2012:

	Private Equity		Credit		Real Estate		Aggregate Totals	
	As of December 31,		As of December 31,		As of December 31,		As of December 31,	
Balance Sheet Information	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**	**2014**	**2013**
Investments	$ 16,082,723	$ 23,539,644	$ 17,888,199	$ 16,043,142	$ 2,584,097	$ 2,260,989	$ 36,555,019	$ 41,843,775
Assets	16,924,291	24,265,145	20,076,656	17,636,723	2,772,857	2,465,780	39,773,804	44,367,648
Liabilities	128,257	111,285	6,216,702	6,071,182	1,028,203	300,517	7,373,162	6,482,984
Equity	16,796,034	24,153,860	13,859,954	11,565,541	1,744,654	2,165,263	32,400,642	37,884,664

	Private Equity			Credit			Real Estate			Aggregate Totals		
	For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,			For the Year Ended December 31,		
Income Statement Information	**2014(1)**	**2013(1)**	**2012(1)**	**2014(1)**	**2013(1)**	**2012(1)**	**2014(1)**	**2013(1)**	**2012(1)**	**2014(1)**	**2013(1)**	**2012(1)**
Revenues/Investment Income	$ 340,380	$ 675,844	$ 1,686,855	$ 1,954,270	$ 1,297,324	$ 1,326,142	$ 89,579	$ 73,429	$ 54,720	$ 2,384,229	$ 2,046,597	$ 3,067,717
Expenses	326,126	239,750	280,262	417,967	583,410	694,114	29,022	39,153	32,077	773,115	862,313	1,006,453
Net Investment Income	14,254	436,094	1,406,593	1,536,303	713,914	632,028	60,557	34,276	22,643	1,611,114	1,184,284	2,061,264
Net Realized and Unrealized Gain (Loss)	1,300,343	10,411,556	6,856,414	(548,088)	953,227	2,053,100	62,516	214,764	275,659	814,771	11,579,547	9,185,173
Net Income	$ 1,314,597	$ 10,847,650	$ 8,263,007	$ 988,215	$ 1,667,141	$ 2,685,128	$ 123,073	$ 249,040	$ 298,302	$ 2,425,885	$ 12,763,831	$ 11,246,437

(1) Certain private equity, credit and real estate fund amounts are as of and for the years ended September 30, 2014, 2013 and 2012.

5. VARIABLE INTEREST ENTITIES

As described in note 2, the Company consolidates entities that are VIEs for which the Company has been designated as the primary beneficiary. The purpose of such VIEs is to provide strategy-specific investment opportunities for investors in exchange for management and performance based fees. The investment strategies of the entities that the Company manages may vary by entity; however, the fundamental risks of such entities have similar characteristics, including loss of invested capital and the return of carried interest income previously distributed to the Company by certain private equity, credit, and real estate entities. The nature of the Company's involvement with VIEs includes direct and indirect investments and fee arrangements. The Company does not provide performance guarantees and has no other financial obligations to provide funding to VIEs other than its own capital commitments. There is no recourse to the Company for the consolidated VIEs' liabilities.

The assets and liabilities of the consolidated VIEs are comprised primarily of investments and debt, at fair value, and are included within assets and liabilities of consolidated variable interest entities, respectively, in the consolidated statements of financial condition.

Consolidated Variable Interest Entities

Apollo has consolidated VIEs in accordance with the policy described in note 2. The majority of the consolidated VIEs were formed for the sole purpose of issuing collateralized notes to investors. The assets of these VIEs are primarily comprised of senior secured loans and the liabilities are primarily comprised of debt. Through its role as collateral manager of these VIEs, it was determined that Apollo had the power to direct the activities that most significantly impact the economic performance of these

VIEs. Additionally, Apollo determined that the potential fees that it could receive directly and indirectly from these VIEs represent rights to returns that could potentially be significant to such VIEs. As a result, Apollo determined that it is the primary beneficiary and therefore should consolidate the VIEs.

The assets of these consolidated VIEs are not available to creditors of the Company. In addition, the investors in these consolidated VIEs have no recourse against the assets of the Company. The Company has elected the fair value option for financial instruments held by its consolidated VIEs, which includes investments in loans and corporate bonds, as well as debt obligations and contingent obligations held by such consolidated VIEs. Other assets include amounts due from brokers and interest receivables. Other liabilities include payables for securities purchased, which represent open trades within the consolidated VIEs and primarily relate to corporate loans that are expected to settle within the next 60 days. From time to time, Apollo makes investments in certain consolidated CLOs denominated in foreign currencies. As of December 31, 2014, the Company had investments in consolidated foreign currency denominated CLOs totaling $47.4 million, which eliminates in consolidation.

Pursuant to the terms in certain bank loan agreements, the consolidated VIEs have unfunded contingent liabilities of $67.6 million as of December 31, 2014.

Investment in Champ L.P.

On September 30, 2014, the Company, through a wholly-owned subsidiary, acquired a 25.6% ownership interest in Champ L.P. following which a wholly-owned subsidiary of Champ L.P. then acquired a 35% ownership interest in KBC Bank Deutschland AG ("KBC Bank"), the German subsidiary of Belgian KBC Group NV (the "KBC Transaction"). Following the closing of the transaction, KBC Bank was renamed Bremer Kreditbank AG and the bank will operate under the name BKB Bank. As of December 31, 2014, the Company had invested $16.9 million in Champ L.P. The Company, together with other affiliated investors, in aggregate, own 100% of Champ L.P.

The Company, through its aforementioned wholly-owned subsidiary, is the general partner and primary beneficiary of Champ, L.P., which meets the definition of a VIE. Accordingly, the Company has consolidated Champ, L.P. in accordance with the policy described in note 2. The Company's investment in Champ, L.P. is eliminated in consolidation.

Net Gains (Losses) from Investment Activities of Consolidated Variable Interest Entities

The following table presents net gains (losses) from investment activities of the consolidated VIEs for the years ended December 31, 2014, 2013 and 2012, respectively:

	For the Year Ended December 31,		
	2014	**2013**	**2012**
Net unrealized gains (losses) gains from investment activities	$ (317,591)	$ (33,275)	$ 169,087
Net realized gains from investment activities	79,057	87,472	76,965
Net gains (losses) from investment activities	(238,534)	54,197	246,052
Net unrealized gains (losses) from debt	809	(232,509)	(497,704)
Net realized gains from debt	101,745	137,098	—
Net gains (losses) from debt	102,554	(95,411)	(497,704)
Interest and other income	666,486	674,324	581,610
Interest and other expenses	(507,942)	(433,368)	(401,662)
Net Gains (Losses) from Investment Activities of Consolidated Variable Interest Entities	$ 22,564	$ 199,742	$ (71,704)

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Senior Secured Notes and Subordinated Notes—Included within debt are amounts due to third-party institutions by the consolidated VIEs. The following table summarizes the principal provisions of the debt of the consolidated VIEs as of December 31, 2014 and December 31, 2013:

	As of December 31, 2014			As of December 31, 2013		
	Principal Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years	Principal Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior Secured Notes[2][3]	$ 13,459,387	1.60%	7.8	$ 11,877,744	1.31%	7.3
Subordinated Notes[2][3]	1,183,834	N/A [1]	9.0	963,099	N/A [1]	8.1
Total	$ 14,643,221			$ 12,840,843		

(1) The subordinated notes do not have contractual interest rates but instead receive distributions from the excess cash flows of the VIEs.
(2) The fair value of Senior Secured Notes and Subordinated Notes as of December 31, 2014 and December 31, 2013 was $14,123.1 million and $12,424.0 million, respectively.
(3) The debt at fair value of the consolidated VIEs is collateralized by assets of the consolidated VIEs and assets of one vehicle may not be used to satisfy the liabilities of another vehicle. As of December 31, 2014 and December 31, 2013, the fair value of the consolidated VIEs' assets was $17,070.8 million and $15,502.3 million, respectively. This collateral consisted of cash and cash equivalents, investments, at fair value, and other assets.

The consolidated VIEs' debt obligations contain various customary loan covenants as described above. As of December 31, 2014, the Company was not aware of any instances of non-compliance with any of these covenants.

As of December 31, 2014, the table below presents the contractual maturities for debt of the consolidated VIEs:

	2015	2016	2017	2018	2019	Thereafter	Total
Senior Secured Notes	$ —	$ 2,175,000	$ —	$ —	$ 200,272	$ 11,084,115	$ 13,459,387
Subordinated Notes	—	—	—	—	23,250	1,160,584	1,183,834
Total Obligations as of December 31, 2014	$ —	$ 2,175,000	$ —	$ —	$ 223,522	$ 12,244,699	$ 14,643,221

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Variable Interest Entities Which are Not Consolidated

The Company holds variable interests in certain VIEs which are not consolidated, as it has been determined that Apollo is not the primary beneficiary.

The following tables present the carrying amounts of the assets and liabilities of the VIEs for which Apollo has concluded that it holds a significant variable interest, but that it is not the primary beneficiary as of December 31, 2014 and December 31, 2013. In addition, the tables present the maximum exposure to losses relating to those VIEs.

	As of December 31, 2014		
	Total Assets	Total Liabilities	Apollo Exposure
Total	$ 11,676,038 (1)	$ (729,515) (2)	$ 30,752 (3)

(1) Consists of $794.5 million in cash, $10,456.0 million in investments and $425.6 million in receivables.
(2) Represents $362.0 million in debt and other payables, $359.4 million in securities sold, not purchased, and $8.2 million in capital withdrawals payable.
(3) Represents Apollo’s direct equity method investment in those entities in which Apollo holds a significant variable interest. Additionally, cumulative carried interest income is subject to reversal in the event of future losses. The maximum amount of future reversal of carried interest income from all of Apollo's funds, including those entities in which Apollo holds a significant variable interest, is $2,892.8 million as of December 31, 2014 as discussed in note 18.

	As of December 31, 2013		
	Total Assets	Total Liabilities	Apollo Exposure
Total	$ 12,866,498 (1)	$ (1,311,279) (2)	$ 34,665 (3)

(1) Consists of $354.7 million in cash, $12,034.5 million in investments and $477.3 million in receivables.
(2) Represents $1,161.5 million in debt and other payables, $106.5 million in securities sold, not purchased, and $43.2 million in capital withdrawals payable.
(3) Represents Apollo’s direct equity method investment in those entities in which Apollo holds a significant variable interest. Additionally, cumulative carried interest income is subject to reversal in the event of future losses. The maximum amount of future reversal of carried interest income from all of Apollo's funds, including those entities in which Apollo holds a significant variable interest, was $4,858.0 million as of December 31, 2013.

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6. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following tables summarize the valuation of the Company's financial assets and liabilities by the fair value hierarchy as of December 31, 2014 and December 31, 2013, respectively:

	As of December 31, 2014			
	Level I[6]	Level II[6]	Level III	Total
Assets				
Investment in AAA Investments[1]	$ —	$ —	$ 2,144,118	$ 2,144,118
Investments held by Apollo Senior Loan Fund[1]	—	25,537	4,359	29,896
Investments in Other[1]	—	—	600	600
Investment in Athene Holding[2]	—	—	324,514	324,514
AAA/Athene Receivable[2]	—	—	61,292	61,292
Investments of VIEs, at fair value[4]	176	13,135,564	2,522,913	15,658,653
Total Assets	$ 176	$ 13,161,101	$ 5,057,796	$ 18,219,073
Liabilities				
Liabilities of VIEs, at fair value[4][5]	$ —	$ 1,793,353	$ 12,343,021	$ 14,136,374
Contingent Consideration Obligations[3]	—	—	96,126	96,126
Total Liabilities	$ —	$ 1,793,353	$ 12,439,147	$ 14,232,500

	As of December 31, 2013			
	Level I[6]	Level II[6]	Level III	Total
Assets				
Investment in AAA Investments[1]	$ —	$ —	$ 1,942,051	$ 1,942,051
Investments held by Apollo Senior Loan Fund[1]	—	28,711	892	29,603
Investments in Other[1]	—	—	40,373	40,373
Athene and AAA Services Derivatives[2]	—	—	130,709	130,709
Investments of VIEs, at fair value[4]	3,455	12,203,370	1,919,537	14,126,362
Total Assets	$ 3,455	$ 12,232,081	$ 4,033,562	$ 16,269,098
Liabilities				
Liabilities of VIEs, at fair value[4]	$ —	$ 2,429,815	$ 9,994,147	$ 12,423,962
Contingent Consideration Obligations[3]	—	—	135,511	135,511
Total Liabilities	$ —	$ 2,429,815	$ 10,129,658	$ 12,559,473

(1) See note 4 for further disclosure regarding the investment in AAA Investments, investments held by Apollo Senior Loan Fund, and investments in Other.

(2) See note 17 for further disclosure regarding the Athene Services Derivative, the AAA Services Derivative, the investment in Athene Holding and the AAA/Athene Receivable.

(3)See note 18 for further disclosure regarding contingent consideration obligations.

(4)See note 5 for further disclosure regarding VIEs.

(5) As of December 31, 2014, liabilities of VIEs, at fair value includes debt and other liabilities of $14,123.1 million and $13.3 million, respectively. Other liabilities include contingent obligations classified as Level III.

(6)All Level I and Level II investments and liabilities were valued using third party pricing.

There were no transfers of financial assets into Level I for the year ended December 31, 2014 and 2013. The following table summarizes the fair value transfers of financial assets between Level I, Level II and Level III for positions that existed as of the years ended December 31, 2014 and 2013, respectively:

	For the Year Ended December 31,	
	2014	2013
Transfers from Level I into Level II	$ 4,084	$ —
Transfers from Level III into Level II[1]	1,047,951	1,253,090
Transfers from Level II into Level III[1]	1,415,282	978,194

(1) Transfers between Level I, II and III were a result of subjecting the broker quotes on these investments to various criteria which include the number and quality of broker quotes, the standard deviation of obtained broker quotes and the percentage deviation from independent pricing services.

There were no transfers of financial liabilities into or out of Level I for year ended December 31, 2014. In addition, there were no transfers of financial liabilities between Level I and Level II for the year ended December 31, 2013. The following table summarizes the fair value transfers of financial liabilities between Level II and Level III for positions that existed as of the years ended December 31, 2014 and 2013, respectively:

	For the Year Ended December 31,	
	2014	2013
Transfers from Level III into Level II[1]	$ 380,660	$ 2,469,143
Transfers from Level II into Level III[1]	500,837	—

(1) Transfers between Level II and III were a result of subjecting the broker quotes on these financial liabilities to various criteria which include the number and quality of broker quotes, the standard deviation of obtained broker quotes and the percentage deviation from independent pricing services.

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The following tables summarize the changes in fair value in financial assets, which are measured at fair value and characterized as Level III investments, for the years ended December 31, 2014 and 2013, respectively:

	For the Year Ended December 31, 2014							
	Investment in AAA Investments	Investments held by Apollo Senior Loan Fund	Investments in Other	Athene and AAA Services Derivatives	Investment in Athene Holding	AAA/Athene Receivable	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	$ 1,942,051	$ 892	$ 40,373	$ 130,709	$ —	$ —	$ 1,919,537	$ 4,033,562
Elimination of investments attributable to consolidation of VIEs	—	—	—	—	—	—	19,187	19,187
Fees	—	—	—	60,422	—	178,332	—	238,754
Purchases	—	4,707	1,844	—	2,080	—	1,036,810	1,045,441
Sale of investments/Distributions	(2,500)	(1,543)	(51,052)	—	—	—	(825,429)	(880,524)
Net realized gains (losses)	—	10	(12,871)	24,242	—	—	20,972	32,353
Changes in net unrealized gains (losses)	204,567	(66)	22,306	(10,203)	224	—	(9,302)	207,526
Cumulative translation adjustment	—	—	—	—	—	—	(5,834)	(5,834)
Transfer into Level III	—	1,594	—	—	—	—	1,413,688	1,415,282
Transfer out of Level III	—	(1,235)	—	—	—	—	(1,046,716)	(1,047,951)
Settlement of derivatives/receivable[(1)]	—	—	—	(205,170)	322,210	(117,040)	—	—
Balance, End of Period	$ 2,144,118	$ 4,359	$ 600	$ —	$ 324,514	$ 61,292	$ 2,522,913	$ 5,057,796
Change in net unrealized gains (losses) included in Net Gains (losses) from Investment Activities related to investments still held at reporting date	$ 204,567	$ (66)	$ 580	$ —	$ 224	$ —	$ —	$ 205,305
Change in net unrealized gains included in Net Gains (Losses) from Investment Activities of Consolidated VIEs related to investments still held at reporting date	—	—	—	—	—	—	(52,485)	(52,485)

(1) See note 17 for further disclosure regarding the settlement of the Athene Services Derivative, the AAA Services Derivative and the investment in Athene Holding.

	For the Year Ended December 31, 2013					
	Investment in AAA Investments	Investments held by Apollo Senior Loan Fund	Investments in Other	Athene and AAA Services Derivatives	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	$ 1,666,448	$ 590	$ 50,311	$ 2,126	$ 1,643,465	$ 3,362,940
Elimination of investments attributable to consolidation of VIEs	—	—	—	—	(35,410)	(35,410)
Fees	—	—	—	118,380	—	118,380
Purchases	—	520	4,901	—	1,326,095	1,331,516
Sale of investments/Distributions	(66,796)	(6)	(2,541)	—	(724,666)	(794,009)
Net realized losses	—	—	—	—	(28,717)	(28,717)
Changes in net unrealized gains (losses)	342,399	15	(12,298)	10,203	13,439	353,758
Transfer into Level III	—	831	—	—	977,363	978,194
Transfer out of Level III	—	(1,058)	—	—	(1,252,032)	(1,253,090)
Balance, End of Period	$ 1,942,051	$ 892	$ 40,373	$ 130,709	$ 1,919,537	$ 4,033,562
Change in net unrealized gains (losses) included in Net Gains (Losses) from Investment Activities related to investments still held at reporting date	$ 342,399	$ 15	$ (12,298)	$ —	$ —	$ 330,116
Change in net unrealized losses included in Net Gains from Investment Activities of Consolidated VIEs related to investments still held at reporting date	—	—	—	—	9,083	9,083
Change in net unrealized gains included in Other Income, net related to assets still held at reporting date	—	—	—	10,203	—	10,203

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The following tables summarize the changes in fair value in financial liabilities, which are measured at fair value and characterized as Level III liabilities:

	For the Year Ended December 31,					
	2014			2013		
	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total	Debt of Consolidated VIEs	Contingent Consideration Obligations	Total
Balance, Beginning of Period	$ 9,994,147	$ 135,511	$ 10,129,658	$ 11,834,955	$ 142,219	$ 11,977,174
Elimination of debt attributable to consolidation of VIEs	13,493	—	13,493	3,950	—	3,950
Additions	3,965,725	—	3,965,725	2,747,033	—	2,747,033
Payments/Extinguishment[1]	(1,551,533)	(50,666)	(1,602,199)	(2,218,060)	(67,534)	(2,285,594)
Net realized gains	(101,745)	—	(101,745)	(137,098)	—	(137,098)
Changes in net unrealized (gains) losses	(25,685)	11,281	(14,404)	232,510	60,826	293,336
Cumulative translation adjustment	(71,558)	—	(71,558)	—	—	—
Transfers into Level III	500,837	—	500,837	—	—	—
Transfers out of Level III	(380,660)	—	(380,660)	(2,469,143)	—	(2,469,143)
Balance, End of Period	$ 12,343,021	$ 96,126	$ 12,439,147	$ 9,994,147	$ 135,511	$ 10,129,658
Change in net unrealized gains losses included in Net (Losses) Gains from Investment Activities of consolidated VIEs related to liabilities still held at reporting date	$ (113,874)	$ —	$ (113,874)	$ (18,578)	$ —	$ (18,578)
Change in net unrealized losses included in Profit Sharing Expense related to liabilities still held at reporting date	—	11,281	11,281	—	47,523	47,523

(1) For the year ended December 31, 2014, includes $13.4 million extinguishment of contingent consideration obligations, which is recorded in other income on the consolidated statements of operations.

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The following tables summarize the quantitative inputs and assumptions used for financial assets and liabilities categorized in Level III of the fair value hierarchy as of December 31, 2014 and December 31, 2013:

	As of December 31, 2014				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investments of Consolidated Apollo Funds:					
AAA Investments[1]	$ 2,144,118	Net Asset Value	N/A	N/A	N/A
Apollo Senior Loan Fund	4,359	Third Party Pricing[2]	N/A	N/A	N/A
Investments in Other	600	Other	N/A	N/A	N/A
Investment in Athene Holding	324,514	Discounted Cash Flow	Discount Rate	15.0%	15.0%
AAA/Athene Receivable	61,292	Discounted Cash Flow	Discount Rate	15.0%	15.0%
Investments of Consolidated VIEs:					
Bank Debt Term Loans	1,340,296	Third Party Pricing[2]	N/A	N/A	N/A
	87,314	Discounted Cash Flow	Discount Rate	7.1% - 14.0%	8.4%
Corporate Loans/Bonds/CLO Notes[5]	1,009,873	Third Party Pricing[2]	N/A	N/A	N/A
Equity Securities	930	Third Party Pricing[2]	N/A	N/A	N/A
	4,610	Market Comparable Companies	Comparable Multiples	5.8x	5.8x
	58,923	Transaction	Purchase Price	N/A	N/A
	20,967	Transaction	Implied Multiple	5.2x	5.2x
Total Investments of Consolidated VIEs	2,522,913				
Total Financial Assets	$ 5,057,796				
Financial Liabilities					
Liabilities of Consolidated VIEs:					
Subordinated Notes	$ 908,831	Discounted Cash Flow	Discount Rate	10.0% - 12.5%	11.5%
			Default Rate	1.0% - 2.0%	1.7%
			Recovery Rate	75.0%	75.0%
Subordinated Notes	106,090	Other	N/A	N/A	N/A
Senior Secured Notes	9,283,534	Third Party Pricing[2]	N/A	N/A	N/A
Senior Secured and Subordinated Notes	2,031,292	Discounted Cash Flow	Discount Rate	1.6% - 1.8%	1.7%
			Default Rate	2.0%	2.0%
			Recovery Rate	15.0% - 75.0%	69.0%
Contingent Obligation	13,274	Other	N/A	N/A	N/A
Total Liabilities of Consolidated VIEs	12,343,021				
Contingent Consideration Obligation	96,126	Discounted Cash Flow	Discount Rate	11.0% - 18.5%	15.7%
Total Financial Liabilities	$ 12,439,147				

(1) The following table summarizes a look-through of the Company's Level III investments by valuation methodology of the underlying securities held by AAA Investments:

	As of December 31, 2014	
		% of Investment of AAA Investments
Approximate values based on net asset value of the underlying funds, which are based on the funds' underlying investments that are valued using the following:		
Discounted cash flow	$ 2,244,192 [3]	100%
Total Investments	2,244,192	100%
Other net liabilities[4]	(100,074)	
Total Net Assets	$ 2,144,118	

(2) These securities are valued primarily using broker quotes.

(3) Represents the investment by AAA Investments in Athene, which is valued using the embedded value method which was based on the present value of the future expected regulatory distributable income generated by the net assets of Athene plus the excess capital (i.e., the capital in excess of what is required to be held against Athene's liabilities). The unobservable inputs and respective ranges used are the same as noted

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for the Investment in Athene Holding and the AAA/Athene Receivable in the table above. See note 17 for discussion of the investment in Athene Holding.

(4) Balances include other assets, liabilities and general partner interests of AAA Investments. Balance at December 31, 2014 is primarily comprised of $26.7 million in assets, less $4.0 million and $122.8 million in liabilities and net assets allocated to the general partner, respectively. Carrying values approximate fair value for other assets and liabilities.

(5) Balance includes investments in an affiliated fund, which primarily invests in corporate loans, bonds, and CLO notes. Balance at December 31, 2014 includes investments in an affiliated fund in the amount of $865.9 million, which were valued based on net asset value ("NAV").

	As of December 31, 2013				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investments of Consolidated Apollo Funds:					
AAA Investments[1]	$ 1,942,051	Net Asset Value	N/A	N/A	N/A
Apollo Senior Loan Fund	892	Third Party Pricing[2]	N/A	N/A	N/A
Investments in HFA and Other	40,373	Third Party Pricing[2]	N/A	N/A	
Athene and AAA Services Derivatives	130,709	Discounted Cash Flow	Discount Rate	15.0%	15.0%
			Implied Multiple	1.1x	1.1x
Investments of Consolidated VIEs:					
Bank Debt Term Loans	18,467	Other	N/A	N/A	N/A
Equity Securities	7,938	Market Comparable Companies	Comparable Multiples	6.0x - 9.5x	7.9x
Corporate Loans/Bonds/CLO Notes[5]	1,893,132	Third Party Pricing[2]	N/A	N/A	N/A
Total Investments of Consolidated VIEs	1,919,537				
Total Financial Assets	$ 4,033,562				
Financial Liabilities					
Liabilities of Consolidated VIEs:					
Subordinated Notes	$ 835,149	Discounted Cash Flow	Discount Rate	10.0% - 12.0%	10.8%
			Default Rate	1.0% - 1.5%	1.3%
			Recovery Rate	75.0%	75.0%
Senior Secured Notes	2,132,576	Discounted Cash Flow	Discount Rate	1.9% - 2.2%	2.0%
			Default Rate	2.0%	2.0%
			Recovery Rate	30.0% - 70.0%	65.2%
Senior Secured and Subordinated Notes	7,026,422	Third Party Pricing[2]	N/A	N/A	N/A
Total Liabilities of Consolidated VIEs	9,994,147				
Contingent Consideration Obligation	135,511	Discounted Cash Flow	Discount Rate	10.5% - 18.5%	15.3%
Total Financial Liabilities	$ 10,129,658				

(1) The following table summarizes a look-through of the Company's Level III investments by valuation methodology of the underlying securities held by AAA Investments:

	As of December 31, 2013	
		% of Investment of AAA Investments
Approximate values based on net asset value of the underlying funds, which are based on the funds underlying investments that are valued using the following:		
Discounted Cash Flow	$ 1,950,010 [3]	100%
Total Investments	1,950,010	100%
Other net liabilities[4]	(7,959)	
Total Net Assets	$ 1,942,051	

(2) These securities are valued primarily using broker quotes.
(3) Represents the investment by AAA Investments in Athene, which is valued using the embedded value method which was based on the present value of the future expected regulatory distributable income generated by the net assets of Athene plus the excess capital (i.e., the capital in excess of what is required to be held against Athene's liabilities). The unobservable inputs and respective ranges used in the discounted cash flow model are the same as noted for the Athene and AAA Services Derivatives in the table above.
(4) Balances include other assets, liabilities and general partner interests of AAA Investments. Balance at December 31, 2013 is primarily comprised of $110.8 million in assets, less $16.7 million and $102.1 million in liabilities and net assets allocated to the general partner, respectively. Carrying values approximate fair value for other assets and liabilities (except for the note receivable from an affiliate) and, accordingly, extended valuation procedures are not required. The note receivable from an affiliate is a Level III asset valued using a discounted cash flow model. The unobservable inputs and respective ranges used in the discounted cash flow model are the same as noted for the Athene and AAA Services Derivatives in the table above.
(5) Balance includes investments in an affiliated fund, which primarily invests in corporate loans, bonds, and CLO notes. Balance at December 31, 2013 includes investments in an affiliated fund in the amount of $645.5 million, which were valued based on NAV.

Investment in Athene Holding and AAA/Athene Receivable

As of December 31, 2014, the significant unobservable input used in the fair value measurement of the investment in Athene Holding is the discount rate applied in the valuation model. This input in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. An increase in the discount rate can significantly lower the fair value of an investment; conversely a decrease in the discount rate can significantly increase the fair value of an investment. The discount rate is determined based on the expected required rate of return based on the risk profile of similar cash flows.

Consolidated VIEs

Investments

The significant unobservable inputs used in the fair value measurement of the bank debt term loans and stocks include the discount rate applied and the multiples applied in the valuation models. These unobservable inputs in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of an investment; conversely decreases in the discount rate can significantly increase the fair value of an investment. The discount rate is determined based on the market rates an investor would expect for a similar investment with similar risks. When a comparable multiple model is used to determine fair value, the comparable multiples are generally multiplied by the underlying companies' earnings before interest, taxes, depreciation and amortization ("EBITDA") to establish the total enterprise value of the company. The comparable multiple is determined based on the implied trading multiple of public industry peers.

Liabilities

The significant unobservable inputs used in the fair value measurement of the subordinated and senior secured notes include the discount rate applied in the valuation models, default and recovery rates applied in the valuation models. These inputs in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of subordinated and senior secured notes; conversely a decrease in the discount rate can significantly increase the fair value of subordinated and senior secured notes. The discount rate is determined based on the market rates an investor would expect for similar subordinated and senior secured notes with similar risks.

Contingent Consideration Obligations

The significant unobservable input used in the fair value measurement of the contingent consideration obligations is the discount rate applied in the valuation models. This input in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of the contingent consideration obligations; conversely a decrease in the discount rate can significantly increase the fair value of the contingent consideration obligations. The discount rate was based on the weighted average cost of capital for the Company. See note 18 for further discussion of the contingent consideration obligations.

7. CARRIED INTEREST RECEIVABLE

Carried interest receivable from private equity, credit and real estate funds consisted of the following:

	As of December 31,	
	2014	2013
Private Equity	$ 672,119	$ 1,867,771
Credit	226,430	408,342
Real Estate	13,117	10,962
Total carried interest receivable	$ 911,666	$ 2,287,075

The table below provides a roll-forward of the carried interest receivable balance for the years ended December 31, 2014 and 2013:

	Private Equity	Credit	Real Estate	Total
Carried interest receivable, January 1, 2013	$ 1,413,306	$ 454,155	$ 10,795	$ 1,878,256
Change in fair value of funds [1]	2,516,990	324,859	967	2,842,816
Fund cash distributions to the Company	(2,062,525)	(370,672)	(800)	(2,433,997)
Carried interest receivable, December 31, 2013	$ 1,867,771	$ 408,342	$ 10,962	$ 2,287,075
Change in fair value of funds[1]	231,983	159,350	6,104	397,437
Fund cash distributions to the Company	(1,427,635)	(341,262)	(3,949)	(1,772,846)
Carried interest receivable, December 31, 2014	$ 672,119	$ 226,430	$ 13,117	$ 911,666

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $3.4 million in aggregate with respect to two of our credit funds. Included in change in fair value of funds for the year ended December 31, 2013 was a reversal of $19.3 million and $0.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to SOMA and APC, respectively. The general partner obligation is recognized based upon a hypothetical liquidation of the fund's net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund.

The timing of the payment of carried interest due to the general partner or investment manager varies depending on the terms of the applicable fund agreements. Generally, carried interest with respect to the private equity funds and certain credit and real estate funds is payable and is distributed to the fund's general partner upon realization of an investment if the fund's cumulative returns are in excess of the preferred return. For most credit funds, carried interest is payable based on realizations after the end of the relevant fund's fiscal year or fiscal quarter, subject to high watermark provisions.

8. PROFIT SHARING PAYABLE

Profit sharing payable from private equity, credit and real estate funds consisted of the following:

	As of December 31,	
	2014	2013
Private Equity	$ 240,595	$ 751,192
Credit	186,307	234,504
Real Estate	7,950	6,544
Total profit sharing payable	$ 434,852	$ 992,240

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The table below provides a roll-forward of the profit sharing payable balance for the years ended December 31, 2014 and 2013:

	Private Equity	Credit	Real Estate	Total
Profit sharing payable, January 1, 2013	$ 596,427	$ 254,629	$ 6,668	$ 857,724
Profit sharing expense [1]	1,030,404	142,728	123	1,173,255
Payments/other	(875,639)	(162,853)	(247)	(1,038,739)
Profit sharing payable, December 31, 2013	$ 751,192	$ 234,504	$ 6,544	$ 992,240
Profit sharing expense [1]	178,373	95,070	2,747	276,190
Payments/other	(688,970)	(143,267)	(1,341)	(833,578)
Profit sharing payable, December 31, 2014	$ 240,595	$ 186,307	$ 7,950	$ 434,852

(1) Includes both of the following: (i) changes in amounts payable to employees and former employees entitled to a share of carried interest income in Apollo's funds and (ii) changes to the fair value of the contingent consideration obligations (see notes 6 and 18) recognized in connection with certain Apollo acquisitions.

9. FIXED ASSETS

Fixed assets consisted of the following:

		As of December 31,	
	Useful Life in Years	2014	2013
Leasehold improvements	8-16	$ 51,745	$ 50,478
Furniture, fixtures and other equipment	4-10	17,798	16,750
Computer software and hardware	2-4	34,560	31,200
Other	N/A	514	509
Total fixed assets		104,617	98,937
Less - accumulated depreciation and amortization		(68,711)	(58,686)
Fixed Assets, net		$ 35,906	$ 40,251

In December 2013, the Company committed to a plan to sell its ownership interests in certain aircraft. The sale of the ownership interest in one aircraft was completed in December 2013 while the sale of the remaining ownership interest was completed in the first quarter of 2014. Accordingly, in December 2013, the Company recorded the completed sale and reclassified the remaining aircraft interests committed for sale to assets held for sale which is included in other assets in the consolidated statement of financial condition. The aircraft reclassified to assets held for sale were recorded at the lower of cost or fair value less costs to sell. As a result of both the completed sale and reclassification, the Company recognized a net loss of approximately $1.0 million which is included in other income, net in the consolidated statements of operations for the year ended December 31, 2013.

Depreciation expense for the years ended December 31, 2014, 2013 and 2012 was $10.2 million, $11.0 million and $10.2 million, respectively.

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10. OTHER ASSETS

Other assets consisted of the following:

	As of December 31,	
	2014	2013
Prepaid expenses	$ 32,873	$ 9,867
Tax receivables	23,286	6,549
Interest Receivable	11,059	6,420
Debt issuance costs, net	8,575	6,407
Receivable from broker	3,229	1,436
Rent deposits	1,430	1,224
Assets held for sale	—	6,413
Underwriting fee receivable	—	2,090
Other	3,932	3,764
Total Other Assets	$ 84,384	$ 44,170

11. OTHER LIABILITIES

Other liabilities consisted of the following:

	As of December 31,	
	2014	2013
Deferred tax liabilities	$ —	$ 37,272
Deferred rent	12,202	14,701
Deferred compensation	24,939	4,285
Unsettled trades and redemption payable	4,090	2,516
Other	5,170	4,500
Total Other Liabilities	$ 46,401	$ 63,274

12. OTHER INCOME, NET

Other income, net consisted of the following:

	For the Year Ended December 31,		
	2014	2013	2012
Tax receivable agreement adjustment	$ 32,182	$ 13,038	$ 3,937
Gain on derivatives	14,039	10,203	—
Gain (Loss) on extinguishment of liability/debt	13,395	(2,741)	—
Gain on acquisitions	—	—	1,951,897
Rental income	5,566	5,334	4,387
Foreign exchange gain (loss)	(7,131)	4,142	(790)
Loss on assets held for sale	—	(1,087)	—
Other	2,541	11,225	5,248
Total Other Income, Net	$ 60,592	$ 40,114	$ 1,964,679

13. INCOME TAXES

The Company is treated as a partnership for income tax purposes and is therefore not subject to U.S. federal, state and local income taxes. APO Corp., a wholly-owned subsidiary of the Company, is subject to U.S. federal, state and local corporate income taxes. Certain other subsidiaries of the Company are subject to New York City Unincorporated Business Tax (“NYC UBT”) attributable to the Company’s operations apportioned to New York City. In addition, certain non-U.S. subsidiaries of the Company are subject to income taxes in their local jurisdictions.

The Company’s provision for income taxes totaled $147.2 million, $107.6 million and $65.4 million for the years ended December 31, 2014, 2013 and 2012, respectively. The Company’s effective tax rate was approximately 16.8%, 4.3%, and 2.1% for the years ended December 31, 2014, 2013 and 2012, respectively.

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The provision for income taxes is presented in the following table:

	For the Year Ended December 31,		
	2014	**2013**	**2012**
Current:			
Federal income tax	$ 53,426	$ 30,422	$ —
Foreign income tax	6,080	4,733	3,411
State and local income tax	7,369	9,728	7,722
Subtotal	66,875	44,883	11,133
Deferred:			
Federal income tax	28,702	40,955	55,114
Foreign income tax	(137)	130	(277)
State and local income tax	51,805	21,601	(560)
Subtotal	80,370	62,686	54,277
Total Income Tax Provision	$ 147,245	$ 107,569	$ 65,410

The following table reconciles the provision for taxes to the U.S. Federal statutory tax rate:

	For the Year Ended December 31,		
	2014	**2013**	**2012**
U.S. Statutory Tax Rate	35.0 %	35.0 %	35.0 %
Income Passed Through to Non-Controlling Interests	(23.4)	(24.1)	(30.9)
Income passed through to Class A shareholders	0.1	(7.9)	(4.4)
Equity Based Compensation - AOG Units	—	0.2	1.8
Foreign income tax	0.4	0.1	0.1
State and Local Income Taxes (net of Federal Benefit)	4.7	1.1	0.2
Amortization & Other Accrual Adjustments	—	(0.1)	0.3
Effective Income Tax Rate	16.8 %	4.3 %	2.1 %

Deferred income taxes are provided for the effects of temporary differences between the tax basis of an asset or liability and its reported amount in the consolidated statements of financial condition. These temporary differences result in taxable or deductible amounts in future years.

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The Company’s deferred tax assets and liabilities on the consolidated statements of financial condition consist of the following:

	As of December 31,	
	2014	**2013**
Deferred Tax Assets:		
Depreciation and amortization	$ 543,288	$ 553,251
Revenue recognition	40,250	51,790
Net operating loss carryforwards	—	776
Equity-based compensation - RSUs and AAA RDUs	35,678	42,784
Foreign tax credit	3,457	7,528
Other	1,437	4,070
Total Deferred Tax Assets	624,110	660,199
Deferred Tax Liabilities:		
Unrealized gains from investments	13,053	36,939
Other	4,340	333
Total Deferred Tax Liabilities	$ 17,393	$ 37,272

As of December 31, 2014, the Company had no remaining net operating loss carryforwards. In addition, the Company’s foreign tax credit carryforwards will begin to expire in 2021.

The Company considered its historical and current year earnings, current utilization of existing deferred tax assets and deferred tax liabilities, the 15 year amortization periods of the tax basis of its intangible assets and short and long term business forecasts in evaluating whether it should establish a valuation allowance. Based on this positive evidence, the Company concluded it is more likely than not, that the deferred tax assets will be realized and that no valuation allowance was needed at December 31, 2014.

Under U.S. GAAP, a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. Based upon the Company’s review of its federal, state, local and foreign income tax returns and tax filing positions, the Company determined that no unrecognized tax benefits for uncertain tax positions were required to be recorded. In addition, the Company does not believe that it has any tax positions for which it is reasonably possible that it will be required to record significant amounts of unrecognized tax benefits within the next twelve months.

The Company's primary jurisdictions in which it operates are the United States, New York State, New York City, California and the United Kingdom. In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax authorities. With a few exceptions, as of December 31, 2014, the Company's U.S. federal, state, local and foreign income tax returns for the years 2011 through 2014 are open under the general statute of limitations provisions and therefore subject to examination. Currently, the Internal Revenue Service is examining the tax returns of Apollo Global Management, LLC and various subsidiaries for tax years 2010 to 2012. The City of New York is examining certain subsidiaries' tax returns for tax years 2011 and 2012, and the City of Los Angeles is examining certain subsidiaries' tax returns for tax years 2011 to 2013.

The Company has recorded a deferred tax asset for the future amortization of tax basis intangibles as a result of the 2007 Reorganization. The Company recognized an additional step-up in tax basis of intangibles as a result of subsequent exchanges of AOG Units for Class A shares in 2013 and 2014. As a result of these exchanges of AOG Units for Class A shares, there were increases in the deferred tax asset established from the 2007 Reorganization which was recorded in deferred tax assets in the consolidated statements of financial condition for the expected tax benefit associated with these increases. A related tax receivable agreement liability was recorded in due to affiliates in the consolidated statements of financial condition for the expected payments under the tax receivable agreement entered into by and among APO Corp., the Managing Partners, the Contributing Partners, and other parties thereto (as amended, the "tax receivable agreement") (see note 17). The increases in the deferred tax asset less the related liability resulted in increases to additional paid-in capital which was recorded in the consolidated statements of changes in

shareholders' equity for the years ended December 31, 2014 and 2013. The amortization period for these tax basis intangibles is 15 years. Accordingly, the related deferred tax assets will reverse over the same period.

The tables below present the transactions during the years ended December 31, 2013 and 2014 related to the exchange of AOG Units for Class A shares and the resulting impact to the deferred tax asset, tax receivable agreement liability and additional paid-in capital.

	For the Year Ended December 31, 2013		
Date of Exchange of AOG Units for Class A shares	Increase in Deferred Tax Asset	Increase in Tax Receivable Agreement Liability	Increase to Additional Paid In Capital
For the Year Ended December 31, 2013	$ 149,327	$ 126,928	$ 22,399

	For the Year Ended December 31, 2014		
Date of Exchange of AOG Units for Class A shares	Increase in Deferred Tax Asset	Increase in Tax Receivable Agreement Liability	Increase to Additional Paid In Capital
For the Year Ended December 31, 2014	$ 58,696	$ 47,878	$ 10,818

During the years ended December 31, 2014 and 2013, the Company adjusted the estimated rate of tax it expects to pay in the future and thereby reduced its net deferred tax assets, and increased its income tax provision, by $36.2 million and $16.9 million, respectively (see note 17 for details regarding the impact on the tax receivable agreement liability).

14. DEBT

Debt consisted of the following:

	As of December 31, 2014		As of December 31, 2013	
	Outstanding Balance	Annualized Weighted Average Interest Rate	Outstanding Balance	Annualized Weighted Average Interest Rate
2013 AMH Credit Facilities - Term Facility	$ 500,000	1.36%	$ 750,000	1.37%
2024 Senior Notes[1]	499,058	4.00%	N/A	N/A
2014 AMI Term Facility I[2]	16,204	2.34%	N/A	N/A
2014 AMI Term Facility II[3]	18,752	1.93%	N/A	N/A
Total Debt	$ 1,034,014		$ 750,000	

(1) Includes impact of any amortization of note discount and interest rate hedge.

(2) On July 3, 2014, Apollo Management International LLP ("AMI"), a subsidiary of the Company, entered into a €13.4 million five year credit agreement (the "2014 AMI Term Facility I"). Proceeds from the borrowing were used to fund the Company's investment in a European CLO it manages.

(3) On December 9, 2014, AMI entered into a €15.5 million five year credit agreement (the "2014 AMI Term Facility II"). Proceeds from the borrowing were used to fund the Company's investment in a European CLO it manages.

2007 AMH Credit Agreement—On April 20, 2007, Apollo Management Holdings, L.P. ("AMH"), a subsidiary of the Company which is a Delaware limited partnership, entered into a $1.0 billion seven year credit agreement (the "2007 AMH Credit Agreement"). Interest payable under the 2007 AMH Credit Agreement was based on Eurodollar LIBOR or Alternate Base Rate

("ABR") as determined by the borrower. On December 20, 2010, Apollo amended the 2007 AMH Credit Agreement to extend the maturity date of $995.0 million (including the $90.9 million of fair value debt repurchased by the Company) of the term loan from April 20, 2014 to January 3, 2017 and modified certain other terms of the 2007 AMH Credit Agreement. On December 20, 2010, an affiliate of AMH that was a guarantor under the 2007 AMH Credit Agreement repurchased approximately $180.8 million of the term loan in connection with the extension of the maturity date of such loan and thus the 2007 AMH Credit Agreement (excluding the portions held by AMH affiliates) had a remaining balance of $728.3 million. Interest expense incurred by the Company related to the 2007 AMH Credit Agreement was $28.3 million and $36.0 million for the years ended December 31, 2013 and 2012, respectively. Amortization expense related to the 2007 AMH Credit Agreement was $0.7 million and $0.5 million for the years ended December 31, 2013 and 2012, respectively.

The outstanding loans under the 2007 AMH Credit Agreement were refinanced on December 18, 2013 with the net proceeds from the 2013 AMH Credit Facilities (as defined below). Additionally, the net proceeds were used to pay fees and expenses associated with the 2013 AMH Credit Facilities. The 2007 AMH Credit Agreement and all related loan documents and security with respect thereto were terminated in connection with the refinancing.

2013 AMH Credit Facilities—On December 18, 2013, AMH and its subsidiaries and certain other subsidiaries of the Company (collectively, the "Borrowers") entered into new credit facilities (the "2013 AMH Credit Facilities") with JPMorgan Chase Bank, N.A. The 2013 AMH Credit Facilities provide for (i) a term loan facility to AMH (the “Term Facility”) that includes $750 million of the term loan from third-party lenders and $271.7 million of the term loan held by a subsidiary of the Company and (ii) a $500 million revolving credit facility (the “Revolver Facility”), in each case, with a final maturity date of January 18, 2019.

Interest on the borrowings is based on an adjusted LIBOR rate or alternate base rate, in each case plus an applicable margin, and undrawn revolving commitments bear a commitment fee. Under the terms of the 2013 AMH Credit Facilities, the applicable margin ranges from 1.125% to 1.75% for LIBOR loans and 0.125% to 0.75% for alternate base rate loans, and the undrawn revolving commitment fee ranges from 0.125% to 0.25%, in each case depending on the Company’s corporate rating assigned by Standard & Poor’s Ratings Group, Inc. The 2013 AMH Credit Facilities do not require any scheduled amortization payments or other mandatory prepayments (except with respect to overadvances on the Revolver Facility) prior to the final maturity date, and the Borrowers may prepay the loans and/or terminate or reduce the revolving commitments under the 2013 AMH Credit Facilities at any time without penalty. In connection with the issuance of the 2024 Senior Notes (as defined below), $250 million of the proceeds were used to repay a portion of the Term Facility outstanding with third party lenders at par. The interest rate on the $500 million Term Facility as of December 31, 2014 was 1.37% and the commitment fee as of December 31, 2014 on the $500 million undrawn Revolver Facility was 0.125%. Interest expense incurred by the Company related to the 2013 AMH Credit Facilities was $9.0 million and $0.4 million for the years ended December 31, 2014 and 2013, respectively.

As of December 31, 2014 and December 31, 2013, $500 million and $750 million of the Term Facility was outstanding with third-party lenders, respectively, and there was approximately $271.7 million of the Term Facility that was held by a subsidiary of the Company. As of December 31, 2014 and December 31, 2013, the Revolver Facility was undrawn. The estimated fair value of the Company’s long-term debt obligation related to the 2013 AMH Credit Facilities is approximately $501.3 million based on obtained broker quotes as of December 31, 2014. The $500.0 million carrying value of debt that is recorded on the consolidated statements of financial condition at December 31, 2014 is the amount for which the Company expects to settle the 2013 AMH Credit Facilities. The Company has determined that the long-term debt obligation related to the 2013 AMH Credit Facilities would be categorized as a Level III liability in the fair value hierarchy based on the Company's number of broker quotes obtained, the quality of the broker quotes, the standard deviations of the observed broker quotes and the corroboration of the broker quotes to independent pricing services.

In accordance with U.S. GAAP, the Company determined that the refinancing of the outstanding loans under the 2007 AMH Credit Agreement resulted in a debt extinguishment. As a result, the Company recorded a loss on extinguishment of $2.7 million, of which $1.6 million related to previously capitalized costs incurred in relation to the 2007 AMH Credit Agreement and $1.1 million related to expenses incurred in relation to the 2013 AMH Credit Facilities, in other income, net in the consolidated statement of operations for the year ended December 31, 2013. In addition, the Company capitalized debt issuance costs of $6.6 million incurred in relation to the 2013 AMH Credit Facilities, which was recorded in other assets in the consolidated statements of financial condition as of December 31, 2013 to be amortized over the life of the term loan and line of credit. In connection with the repayment of the Term Facility, $1.9 million of unamortized debt issuance costs were recognized by the Company as loss on extinguishment recorded in other income, net in the consolidated statements of operations for the year ended December 31, 2014. Debt issuance cost amortization expense related to the 2013 AMH Credit Facilities was $1.0 million for the year ended December 31, 2014.

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As of December 31, 2014, the 2013 AMH Credit Facilities were guaranteed and collateralized by AMH and its subsidiaries, Apollo Management, L.P., Apollo Capital Management, L.P., Apollo International Management, L.P., AAA Holdings, L.P., Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX L.P., ST Holdings GP, LLC and ST Management Holdings, LLC. The 2013 AMH Credit Facilities contain affirmative and negative covenants which limit the ability of the Borrowers, the guarantors and certain of their subsidiaries to, among other things, incur indebtedness and create liens. Additionally, the 2013 AMH Credit Facilities contain financial covenants which require the Borrowers and their subsidiaries to maintain (1) at least $40 billion of Fee-Generating Assets Under Management and (2) a maximum total net leverage ratio of not more than 4.00 to 1.00 (subject to customary equity cure rights). The 2013 AMH Credit Facilities also contain customary events of default, including events of default arising from non-payment, material misrepresentations, breaches of covenants, cross default to material indebtedness, bankruptcy and changes in control of the Company.

Borrowings under the Revolver Facility may be used for working capital and general corporate purposes, including, without limitation, permitted acquisitions. In addition, the Borrowers may incur incremental facilities in respect of the Revolver Facility and the Term Facility in an aggregate amount not to exceed $500 million plus additional amounts so long as the Borrowers are in compliance with a net leverage ratio not to exceed 3.75 to 1.00.

2024 Senior Notes—On May 30, 2014, AMH issued $500 million in aggregate principal amount of its 4.000% Senior Notes due 2024 (the "2024 Senior Notes"), at an issue price of 99.722% of par. Interest on the 2024 Senior Notes is payable semi-annually in arrears on May 30 and November 30 of each year. The 2024 Senior Notes will mature on May 30, 2024. The discount will be amortized into interest expense on the consolidated statements of operations over the term of the 2024 Senior Notes. Interest expense incurred by the Company related to the 2024 Senior Notes was $11.7 million for the year ended December 31, 2014.

The Company capitalized debt issuance costs of $5.5 million incurred in connection with the issuance of the 2024 Senior Notes, which was recorded in other assets in the consolidated statements of financial condition as of December 31, 2014 to be amortized over the term of the notes. Debt issuance cost amortization expense related to the issuance of the 2024 Senior Notes was $0.3 million for the year ended December 31, 2014.

As of December 31, 2014, the 2024 Senior Notes were guaranteed by Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P., AMH Holdings (Cayman), L.P. and any other entity that is required to become a guarantor of the notes under the terms of the indenture governing the 2024 Senior Notes (the "2024 Senior Notes Indenture"). The 2024 Senior Notes Indenture includes covenants that restrict the ability of AMH and, as applicable, the guarantors to incur indebtedness secured by liens on voting stock or profit participating equity interests of their respective subsidiaries or merge, consolidate or sell, transfer or lease assets. The 2024 Senior Notes Indenture also provides for customary events of default.

The estimated fair value of the Company's long-term debt obligation related to the 2024 Senior Notes is approximately $506.2 million based on obtained broker quotes as of December 31, 2014. The face amount of $500.0 million related to the 2024 Senior Notes is the amount the Company is obligated to settle the 2024 Senior Notes. The Company has determined that the long-term debt obligation related to the 2024 Senior Notes would be categorized as a Level II liability in the fair value hierarchy based on the number of broker quotes obtained, the quality of the broker quotes, the standard deviations of the observed broker quotes and the corroboration of the broker quotes to independent pricing services.

As of December 31, 2014, the table below presents the contractual maturities for the Company's debt arrangements:

	2015	2016	2017	2018	2019	Thereafter	Total
2013 AMH Credit Facilities - Term Facility	$ —	$ —	$ —	$ —	$ 500,000	$ —	$ 500,000
2024 Senior Notes	—	—	—	—	—	500,000	500,000
2014 AMI Term Facility I	—	—	—	—	16,204	—	16,204
2014 AMI Term Facility II	—	—	—	—	18,752	—	18,752
Total Obligations as of December 31, 2014	$ —	$ —	$ —	$ —	$ 534,956	$ 500,000	$ 1,034,956

15. NET INCOME (LOSS) PER CLASS A SHARE

U.S. GAAP requires use of the two-class method of computing earnings per share for all periods presented for each class of common stock and participating security as if all earnings for the period had been distributed. Under the two-class method, during periods of net income, the net income is first reduced for distributions declared on all classes of securities to arrive at undistributed earnings. During periods of net losses, the net loss is reduced for distributions declared on participating securities only if the security has the right to participate in the earnings of the entity and an objectively determinable contractual obligation to share in net losses of the entity.

The remaining earnings are allocated to Class A shares and participating securities to the extent that each security shares in earnings as if all of the earnings for the period had been distributed. Earnings or losses allocated to each class of security are then divided by the applicable number of shares to arrive at basic earnings per share. For the diluted earnings, the denominator includes all outstanding Class A shares and includes the number of additional Class A shares that would have been outstanding if the dilutive potential Class A shares had been issued. The numerator is adjusted for any changes in income or loss that would result from the issuance of these potential Class A shares.

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The table below presents basic and diluted net income (loss) per Class A share using the two-class method for the years ended December 31, 2014, 2013 and 2012:

	For the Year Ended December 31,		
	2014	2013	2012
Numerator:			
Net income attributable to Apollo Global Management, LLC	$ 168,229	$ 659,391	$ 310,957
Distributions declared on Class A shares	(483,458) (1)	(556,954) (2)	(172,887) (3)
Distributions on participating securities	(72,074)	(93,235)	(31,175)
Earnings allocable to participating securities	— (4)	(1,394)	(16,855)
Undistributed income (loss) attributable to Class A shareholders: Basic	(387,303)	7,808	90,040
Dilution effect on undistributed income attributable to Class A shareholders	—	9,106	3,425
Dilution effect on distributable income attributable to participating securities	—	(1,329)	(85)
Undistributed income (loss) attributable to Class A shareholders: Diluted	$ (387,303)	$ 15,585	$ 93,380
Denominator:			
Weighted average number of Class A shares outstanding: Basic	155,349,017	139,173,386	127,693,489
Dilution effect of share options and unvested RSUs	—	3,040,964	1,846,888
Weighted average number of Class A shares outstanding: Diluted	155,349,017	142,214,350	129,540,377
Net Income per Class A share: Basic			
Distributed Income	$ 3.11	$ 4.00	$ 1.35
Undistributed Income (Loss)	(2.49)	0.06	0.71
Net Income per Class A Share: Basic	$ 0.62	$ 4.06	$ 2.06
Net Income per Class A Share: Diluted(5)			
Distributed Income	$ 3.11	$ 3.92	$ 1.34
Undistributed Income (Loss)	(2.49)	0.11	0.72
Net Income per Class A Share: Diluted	$ 0.62	$ 4.03	$ 2.06

(1) The Company declared a $1.08, $0.84, $0.46 and $0.73 distribution on Class A shares on February 7, 2014, May 8, 2014, August 6, 2014 and October 30, 2014, respectively.

(2) The Company declared a $1.05, $0.57, $1.32 and $1.01 distribution on Class A shares on February 8, 2013, May 6, 2013, August 8, 2013 and November 7, 2013, respectively.

(3) The Company declared a $0.46, $0.25, $0.24 and $0.40 distribution on Class A shares on February 10, 2012, May 8, 2012, August 12, 2012 and November 9, 2012, respectively.

(4) No allocation of losses was made to the participating securities as the holders do not have a contractual obligation to share in the losses of the Company with Class A shareholders.

(5) For the year ended December 31, 2014, the Company had an undistributed loss attributable to Class A shareholders and none of the classes of securities resulted in dilution. For the year ended December 31, 2014, AOG Units, restricted share units ("RSUs"), share options and participating securities were anti-dilutive and were accordingly excluded from the diluted earnings per share calculation. For the years ended December 31, 2013 and December 31, 2012, share options and unvested RSUs were determined to be dilutive, and were accordingly included in the diluted earnings per share calculation. For the year ended December 31, 2013 and 2012, the AOG Units and participating securities were determined to be anti-dilutive and were accordingly excluded from the diluted earnings per share calculation.

On October 24, 2007, the Company commenced the granting of RSUs that provide the right to receive, subject to vesting, Class A shares of Apollo Global Management, LLC, pursuant to the Company's 2007 Omnibus Equity Incentive Plan. Certain RSU grants to employees provide the right to receive distribution equivalents on vested RSUs on an equal basis any time a distribution is declared. The Company refers to these RSU grants as "Plan Grants." For certain Plan Grants, distribution equivalents are paid in January of the calendar year next following the calendar year in which a distribution on Class A shares was declared. In addition, certain RSU grants to employees provide that both vested and unvested RSUs participate in distribution equivalents on an equal basis with the Class A shareholders any time a distribution is declared. The Company refers to these as "Bonus Grants." For the years ended December 31, 2014, 2013 and 2012, the weighted average vested RSUs were 19.5 million, 20.7 million and

18.5 million, respectively. For the years ended December 31, 2014, 2013 and 2012, the weighted average unvested RSUs were 9.6 million, 10.8 million and 16.7 million, respectively.

Any distribution equivalent paid to an employee will not be returned to the Company upon forfeiture of the award by the employee. Vested and unvested RSUs that are entitled to non-forfeitable distribution equivalents qualify as participating securities and are included in the Company's basic and diluted earnings per share computations using the two-class method. The holder of an RSU participating security would have a contractual obligation to share in the losses of the entity if the holder is obligated to fund the losses of the issuing entity or if the contractual principal or mandatory redemption amount of the participating security is reduced as a result of losses incurred by the issuing entity. Because the RSU participating securities do not have a mandatory redemption amount and the holders of the participating securities are not obligated to fund losses, neither the vested RSUs nor the unvested RSUs are subject to any contractual obligation to share in losses of the Company.

In addition, certain share options were granted to employees under the Company's 2007 Omnibus Equity Incentive Plan. For the years ended December 31, 2014, 2013 and 2012, weighted average unexercised options were 0.5 million, 3.7 million and 5.1 million, respectively.

Holders of AOG Units are subject to the vesting requirements and transfer restrictions set forth in the agreements with the respective holders, and may a limited number of times each year, upon notice (subject to the terms of the Exchange Agreement), exchange their AOG Units for Class A shares on a one-for-one basis. A limited partner must exchange one partnership unit in each of the Apollo Operating Group partnerships to effectuate an exchange for one Class A share.

At December 31, 2014 and 2013, if all of the outstanding AOG Units were exchanged for Class A shares, the result would be an additional 222,680,477 and 228,954,598 Class A shares added to the basic earnings per share calculation. For the years ended December 31, 2014, 2013 and 2012, the weighted average AOG units outstanding were 225.0 million, 234.1 million and 240.0 million, respectively.

Apollo Global Management, LLC has one Class B share outstanding, which is held by BRH Holdings GP, Ltd. ("BRH"). The voting power of the Class B share is reduced on a one vote per one AOG Unit basis in the event of an exchange of AOG Units for Class A shares, as discussed above. The Class B share has no net income (loss) per share as it does not participate in Apollo's earnings (losses) or distributions. The Class B share has no distribution or liquidation rights. The Class B share has voting rights on a pari passu basis with the Class A shares. The Class B share represented 65.4% and 69.3% of the total voting power of the Company's shares entitled to vote as of December 31, 2014 and December 31, 2013, respectively.

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The table below presents transactions in Class A shares during each quarter during the years ended December 31, 2014, 2013 and 2012 and the resulting impact on the Company's and Holdings' ownership interests in the Apollo Operating Group:

Date	Type of Class A Shares Transaction	Number of Shares Issued in Class A Shares Transaction (in thousands)		Apollo Global Management, LLC ownership% in Apollo Operating Group before Class A Shares Transaction	Apollo Global Management, LLC ownership% in Apollo Operating Group after Class A Shares Transaction	Holdings ownership% in Apollo Operating Group before Class A Shares Transaction	Holdings ownership% in Apollo Operating Group after Class A Shares Transaction
Quarter Ended March 31, 2012	Issuance	2,388		34.1%	34.5%	65.9%	65.5%
Quarter Ended June 30, 2012	Issuance	150		34.5%	34.5%	65.5%	65.5%
Quarter Ended September 30, 2012	Issuance	3,414		34.5%	35.1%	65.5%	64.9%
Quarter Ended December 31, 2012	Issuance	180		35.1%	35.1%	64.9%	64.9%
Quarter Ended March 31, 2013	Issuance	2,091		35.1%	35.5%	64.9%	64.5%
Quarter Ended June 30, 2013	Issuance/Offering	9,577	(1)	35.5%	38.0%	64.5%	62.0%
Quarter Ended September 30, 2013	Issuance	1,977		38.0%	38.3%	62.0%	61.7%
Quarter Ended December 31, 2013	Issuance/Exchange	2,581	(1)	38.3%	39.0%	61.7%	61.0%
Quarter Ended March 31, 2014	Issuance	2,672		39.0%	39.4%	61.0%	60.6%
Quarter Ended June 30, 2014	Issuance/Exchange	7,344	(1)	39.4%	41.2%	60.6%	58.8%
Quarter Ended September 30, 2014	Issuance	3,660		41.2%	41.8%	58.8%	58.2%
Quarter Ended December 31, 2014	Issuance/Exchange	3,090	(1)	41.8%	42.3%	58.2%	57.7%

(1) In May 2013, November 2013, May 2014 and October 2014, certain holders of AOG Units exchanged their AOG Units for Class A shares and approximately 8.8 million, 2.3 million, 6.2 million and 0.1 million Class A shares were issued by the Company in the exchanges, respectively.

16. EQUITY-BASED COMPENSATION

AOG Units

The fair value of the AOG Units of approximately $5.6 billion was charged to compensation expense on a straight-line basis over the five or six year service period, as applicable. For the years ended December 31, 2013 and 2012, $30.0 million and $480.9 million of compensation expense was recognized, respectively. The AOG Units were fully vested and amortized as of June 30, 2013.

The following table summarizes the activity of the AOG Units for the years ended December 31, 2013 and 2012:

	AOG Units	Weighted Average Grant Date Fair Value
Balance at January 1, 2012	22,593,210	22.64
Granted	199,050	17.36
Forfeited	(199,050)	20.00
Vested	(21,092,844)	22.80
Balance at December 31, 2012	1,500,366	20.00
Vested	(1,500,366)	20.00
Balance at December 31, 2013	—	$ —

RSUs

On October 24, 2007, the Company commenced the granting of RSUs under the Company's 2007 Omnibus Equity Incentive Plan. These grants are accounted for as a grant of equity awards in accordance with U.S. GAAP. The fair value of all grants after March 29, 2011 is based on the grant date fair value, which considers the public share price of the Company. For Plan Grants, the fair value is based on grant date fair value, and is discounted primarily for transfer restrictions and lack of distributions until vested. For Bonus Grants, the fair value is discounted primarily for transfer restrictions and in certain cases timing of distributions. For Plan Grants that are not eligible for distributions on unvested shares, the discount for the lack of distributions until vested based on the present value of a growing annuity calculation had a weighted average of 32.5%, 30.5% and 23.3% for the years ended December 31, 2014, 2013 and 2012, respectively. Additionally, for Plan Grants, the marketability discount for transfer restrictions based on the Finnerty Model calculation, after considering the discount for lack of pre-vesting distributions, had a weighted average of 5.1%, 6.0% and 5.0% for the years ended December 31, 2014, 2013 and 2012, respectively. For Bonus Grants, the marketability discount for transfer restrictions based on the Finnerty Model calculation had a weighted average of 3.2%, 3.2% and 4.9% for the years ended December 31, 2014, 2013 and 2012, respectively. The estimated total fair value is charged to compensation expense on a straight-line basis over the vesting period, which for Plan Grants is generally up to six years, with the first installment vesting one year after grant and quarterly vesting thereafter, and for Bonus Grants is annual vesting over three years.

The fair value of grants made in 2014, 2013 and 2012 is $149.1 million, $56.6 million and $73.5 million, respectively. Of the awards granted in 2012, 972,266 RSUs relate to awards granted as part of the Stone Tower acquisition. The fair value of these awards was not charged to compensation expense, but charged to additional paid in capital in the consolidated statements of changes in shareholder's equity. See note 3 for further discussion of the Stone Tower acquisition. The actual forfeiture rate was 6.7%, 5.3% and 3.9% for the years ended December 31, 2014, 2013 and 2012, respectively. For the years ended December 31, 2014, 2013 and 2012, $80.7 million, $87.7 million and $110.2 million of compensation expense was recognized, respectively.

In addition, during 2014, the Company entered into an agreement with an executive officer providing for the grant of RSUs when certain metrics have been achieved. In accordance with U.S. GAAP, equity-based compensation expense is recognized only when certain metrics are met or deemed probable. Accordingly, for the year ended December 31, 2014, no equity-based compensation expense was recognized relating to these RSUs.

The following table summarizes RSU activity for the years ended December 31, 2014, 2013 and 2012:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of RSUs Outstanding
Balance at January 1, 2012	20,480,773	$ 11.38	20,240,008	40,720,781 (1)
Granted	5,377,562	13.68	—	5,377,562
Forfeited	(966,725)	11.02	—	(966,725)
Delivered	—	11.69	(7,894,214)	(7,894,214)
Vested	(10,167,136)	12.28	10,167,136	—
Balance at December 31, 2012	14,724,474	11.62	22,512,930	37,237,404 (1)
Granted	2,101,277	26.95	—	2,101,277
Forfeited	(888,594)	13.30	—	(888,594)
Delivered	—	12.30	(6,879,050)	(6,879,050)
Vested	(7,159,871)	12.60	7,159,871	—
Balance at December 31, 2013	8,777,286	14.32	22,793,751	31,571,037 (1)
Granted	7,046,490	21.16	—	7,046,490
Forfeited(2)	(1,055,639)	12.19	—	(1,055,639)
Delivered	—	12.96	(9,490,011)	(9,490,011)
Vested(2)	(4,050,502)	16.75	4,050,502	—
Balance at December 31, 2014	10,717,635	$ 18.11	17,354,242	28,071,877 (1)

(1) Amount excludes RSUs which have vested and have been issued in the form of Class A shares.

(2) In connection with the departure of an employee from the Company, such employee vested in 625,000 RSUs that were previously granted to him and forfeited 625,000 RSUs that were previously granted to him. As a result of the additional vesting, the Company recorded an incremental compensation expense of $17.5 million related to the relevant RSU award for the year ended December 31, 2014.

Units Expected to Vest—As of December 31, 2014, approximately 10,100,000 RSUs were expected to vest over the next 3.8 years.

Share Options

The following options have been granted under the Company's 2007 Omnibus Equity Incentive Plan:

Date of Grant	Options Granted	Vesting Terms
December 2, 2010 [1]	5,000,000	Vested and became exercisable with respect to 4/24 of the option shares on December 31, 2011 and the remainder vest in equal installments over each of the remaining 20 quarters with full vesting on December 31, 2016; 1,250,000 of these options vested in connection with the optionee's employment termination and an equal number of options were forfeited during the quarter ended March 31, 2014.
January 22, 2011	555,556	Half of such options that vested and became exercisable on December 31, 2011 were exercised on March 5, 2012 and the other half that were due to become exercisable on December 31, 2012 were forfeited during the quarter ended March 31, 2012.
April 9, 2011	25,000	Vested and became exercisable with respect to half of the option shares on December 31, 2011 and the other half vested in four equal quarterly installments starting on March 31, 2012 and ending on December 31, 2012 and are fully vested as of the date of this report.
July 9, 2012	50,000	Will vest and become exercisable with respect to 4/24 of the option shares on June 30, 2013 and the remainder will vest in equal installments over each of the remaining 20 quarters with full vesting on June 30, 2018.
December 28, 2012	200,000	Will vest and become exercisable with respect to 4/24 of the option shares on June 30, 2013 and the remainder will vest in equal installments over each of the remaining 20 quarters with full vesting on June 30, 2018.

(1) In connection with the departure of an employee from the Company, such employee vested in 1,250,000 share options that were previously granted to him and forfeited 1,250,000 share options that were previously granted to him. As a result of the additional vesting, the Company recorded an incremental compensation expense of $28.1 million related to the relevant option award agreement for the year ended December 31, 2014.

For the years ended December 31, 2014, 2013 and 2012, $28.2 million, $4.7 million and $4.8 million of compensation expense was recognized as a result of these grants, respectively.

There were no share options granted during the year ended December 31, 2014. Apollo measures the fair value of each option award on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for options granted during 2012 and 2011:

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Assumptions:	2012	2011
Risk-free interest rate	1.11%	2.79%
Weighted average expected dividend yield	8.13%	2.25%
Expected volatility factor(1)	45.00%	40.22%
Expected life in years	6.66	5.72
Fair value of options per share	$ 3.01	$ 8.44

(1) The Company determined the expected volatility based on comparable companies using daily stock prices and the volatility of the Company's share price.

The following table summarizes the share option activity for the years ended December 31, 2014, 2013 and 2012:

	Options Outstanding	Weighted Average Exercise Price	Aggregate Fair Value	Weighted Average Remaining Contractual Term
Balance at January 1, 2012	5,580,556	$ 8.14	$ 32,996	8.93
Granted	250,000	16.26	752	9.90
Exercised	(277,778)	9.00	(2,364)	—
Forfeited	(277,778)	9.00	(2,364)	—
Balance at December 31, 2012	5,275,000	8.44	29,020	8.01
Granted	—	—	—	—
Exercised	(2,324,997)	8.12	(12,896)	—
Forfeited	—	—	—	—
Balance at December 31, 2013	2,950,003	8.69	16,124	7.08
Exercised	(1,468,750)	8.03	(8,217)	—
Forfeited	(1,250,000)	8.00	(7,025)	—
Balance at December 31, 2014	231,253	16.60	882	7.93
Exercisable at December 31, 2014	85,417	$ 17.11	$ 276	7.99

Options Expected to Vest—As of December 31, 2014, approximately 137,000 options were expected to vest.

The expected life of the options granted represents the period of time that options are expected to be outstanding and is based on the contractual term of the option. Unamortized compensation cost related to unvested share options at December 31, 2014 was $0.4 million and is expected to be recognized over a weighted average period of 3.5 years. The intrinsic value of options exercised was $26.6 million, $42.9 million and $1.4 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Delivery of Class A Shares - RSUs and Share Options

During the years ended December 31, 2014, 2013 and 2012, the Company delivered Class A shares in settlement of vested RSUs and exercised share options. The Company has generally allowed holders of vested RSUs and exercised share options to settle their tax liabilities by reducing the number of Class A shares delivered to them, which the Company refers to as "net share settlement." Additionally, the Company has generally allowed holders of share options to settle their exercise price by reducing the number of Class A Shares delivered to them at the time of exercise by an amount sufficient to cover the exercise price. The net share settlement results in a tax liability for the Company and a corresponding accumulated deficit adjustment. This adjustment for the years ended December 31, 2014, 2013 and 2012 was $0.4 million, $85.9 million and $26.0 million, respectively, which is recorded as accumulated deficit in the consolidated statements of changes in shareholders' equity. During the year ended December 31, 2014, the Company changed its methodology from net share settlement to a "sell-to-cover" methodology. Under this

methodology, holders of vested RSUs and exercised share options settle their tax liability through a broker-assisted sale of shares equal to their tax liability. The proceeds from such sale are remitted back to the Company.

The delivery of Class A shares in settlement of vested RSUs and exercised share options does not cause a transfer of amounts in the consolidated statements of changes in shareholders' equity to the Class A shareholders. The delivery of Class A shares in settlement of vested RSUs and exercised share options causes the income allocated to the Non-Controlling Interests to shift to the Class A shareholders from the date of delivery forward. During the years ended December 31, 2014, 2013 and 2012, the Company delivered 10,491,649, 5,181,389 and 6,130,951 Class A shares in settlement of vested RSUs and exercised share options, which caused the Company's ownership interest in the Apollo Operating Group to increase to 40.6% from 39.0%. The gross value of the settlement of these shares was $289.0 million, $212.9 million and $110.1 million, respectively based on Apollo's share price at the time of the delivery.

AAA RDUs

Incentive units that provide the right to receive AAA restricted depositary units ("RDUs") following vesting are granted periodically to employees of Apollo. These grants are accounted for as equity awards in accordance with U.S. GAAP. The incentive units granted to employees generally vest over three years. In contrast, the Company's Managing Partners and Contributing Partners have received distributions of fully-vested AAA RDUs. The fair value at the date of the grants is recognized on a straight-line basis over the vesting period (or upon grant in the case of fully vested AAA RDUs). The grant date fair value is based on the public share price of AAA. Vested AAA RDUs can be converted into ordinary common units of AAA subject to applicable securities law restrictions. During the years ended December 31, 2014, 2013 and 2012, the actual forfeiture rate was 1.1%, 0.0% and 0.0%, respectively. For the years ended December 31, 2014, 2013 and 2012, $0.4 million, $1.2 million and $1.0 million of compensation expense was recognized, respectively.

During the years ended December 31, 2014, 2013 and 2012 the Company delivered 120,354, 114,896 and 60,702 RDUs, respectively. The deliveries in 2014, 2013 and 2012 resulted in a satisfaction of liability of $1.2 million, $1.2 million and $1.8 million, respectively, and the recognition of a net decrease of additional paid in capital in 2014, 2013 and 2012 of $2.2 million $1.0 million and $2.5 million, respectively. These amounts are presented in the consolidated statements of changes in shareholders' equity. There was $1.2 million and $1.2 million of liability for undelivered RDUs included in accrued compensation and benefits in the consolidated statements of financial condition as of December 31, 2014 and December 31, 2013, respectively. The following table summarizes RDU activity for the years ended December 31, 2014, 2013, and 2012, respectively:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of RDUs Outstanding
Balance at January 1, 2012	196,653	$ 8.17	60,702	257,355
Granted	256,673	9.45	—	256,673
Delivered	—	8.69	(60,702)	(60,702)
Vested	(114,896)	9.02	114,896	—
Balance at December 31, 2012	338,430	8.85	114,896	453,326
Granted	27,286	26.90	—	27,286
Delivered	—	9.02	(114,896)	(114,896)
Vested	(120,354)	9.83	120,354	—
Balance at December 31, 2013	245,362	10.38	120,354	365,716
Granted	18,426	33.05	—	18,426
Forfeited	(2,861)	8.36	—	(2,861)
Delivered	—	9.02	(120,354)	(120,354)
Vested	(96,267)	11.17	96,267	—
Balance at December 31, 2014	164,660	$ 12.49	96,267	260,927

Units Expected to Vest—As of December 31, 2014, approximately 155,000 RDUs were expected to vest over the next 1.9 years.

The following table summarizes the activity of RDUs available for future grants:

	RDUs Available For Future Grants	
Balance at January 1, 2012	1,947,837	
Purchases	187,261	
Granted/Issued	(449,753)	(1)
Forfeited	—	
Balance at December 31, 2012	1,685,345	
Purchases	6,236	
Granted/Issued	(39,272)	(1)
Forfeited	—	
Balance at December 31, 2013	1,652,309	
Purchases	9,719	
Granted/Issued	(18,426)	
Forfeited	2,861	
Balance at December 31, 2014	1,646,463	

(1) During 2013 and 2012, the Company delivered 11,986 and 193,080 to certain employees as part of AAA's carry reinvestment program, respectively. This resulted in a decrease in profit sharing payable of $0.2 million and $1.2 million in 2013 and 2012, respectively in the consolidated statements of financial condition.

Restricted Stock and Restricted Stock Unit Awards— Apollo Commercial Real Estate Finance, Inc.

ARI restricted stock awards and ARI restricted stock unit awards ("ARI RSUs") granted to the Company and certain of the Company's employees generally vest over three years, either quarterly or annually. The awards granted to the Company are accounted for as investments and deferred revenue in the consolidated statements of financial condition. As these awards vest, the deferred revenue is recognized as management fees. The investment is accounted for using the equity method of accounting for awards granted to the Company and as a deferred compensation asset for the awards granted to employees. Compensation expense is recognized on a straight line-basis over the vesting period for the awards granted to the employees. The Company recorded an asset and a liability upon receiving the awards on behalf of the Company's employees. The fair value of the awards to employees is based on the grant date fair value, which utilizes the public share price of ARI, less discounts for transfer restrictions. The awards granted to the Company's employees are remeasured each period to reflect the fair value of the asset and other liabilities and any changes in these values are recorded in the consolidated statements of operations. For the years ended December 31, 2014, 2013, and 2012, $1.3 million, $2.8 million and $2.3 million of management fees and $1.3 million, $2.0 million and $1.5 million of compensation expense were recognized in the consolidated statements of operations, respectively. The actual forfeiture rate for unvested ARI restricted stock awards and ARI RSUs was 0%, 1.6% and 1.0% for the years ended December 31, 2014, 2013 and 2012, respectively.

The following table summarizes activity for the ARI restricted stock awards and ARI RSUs that were granted to both the Company and certain of its employees for the years ended December 31, 2014, 2013, and 2012:

	ARI Restricted Stock Unvested	ARI RSUs Unvested	Weighted Average Grant Date Fair Value	ARI RSUs Vested	Total Number of ARI RSUs Outstanding
Balance at January 1, 2012	32,502	374,754	$ 15.12	73,542	448,296
Granted to employees of the Company	—	20,000	15.17	—	20,000
Granted to the Company	—	—	—	—	—
Forfeited by employees of the Company	—	(5,522)	14.09	—	(5,522)
Vested awards for employees of the Company	—	(99,690)	15.43	99,690	—
Vested awards of the Company	(32,502)	(52,000)	16.25	52,000	—
Balance at December 31, 2012	—	237,542	14.62	225,232	462,774
Granted to employees of the Company	—	205,000	16.58	—	205,000
Granted to the Company	—	40,000	17.59	—	40,000
Forfeited by employees of the Company	—	(5,000)	16.66	—	(5,000)
Vested awards of the employees of the Company	—	(137,807)	15.48	137,807	—
Vested awards of the Company	—	(65,333)	15.41	65,333	—
Balance at December 31, 2013	—	274,402	15.86	428,372	702,774
Granted to employees of the Company	—	400,254	16.59	—	400,254
Vested awards of the employees of the Company	—	(129,148)	15.55	129,148	—
Vested awards of the Company	—	(65,333)	15.41	65,333	—
Balance at December 31, 2014	—	480,175	$ 16.61	622,853	1,103,028

Units Expected to Vest—As of December 31, 2014, approximately 452,000 ARI RSUs were expected to vest over the next 2.7 years.

Restricted Stock Unit Awards—Apollo Residential Mortgage, Inc.

AMTG restricted stock units ("AMTG RSUs") granted to the Company and certain of the Company's employees generally vest over three years, either quarterly or annually. The awards granted to the Company are accounted for as investments and deferred revenue in the consolidated statements of financial condition. As these awards vest, the deferred revenue is recognized as management fees. The investment is accounted for using the equity method of accounting for awards granted to the Company and as a deferred compensation asset for the awards granted to employees. Compensation expense is recognized on a straight line-basis over the vesting period for the awards granted to the employees. The Company recorded an asset and a liability upon receiving the awards on behalf of the Company's employees. The awards granted to the Company's employees are remeasured each period to reflect the fair value of the asset and other liabilities and any changes in these values are recorded in the consolidated statements of operations.

The fair value of the awards to employees is based on the grant date fair value, which utilizes the public share price of AMTG less discounts for transfer restrictions and timing of distributions. For the years ended December 31, 2014, 2013 and 2012, $0.9 million, $0.9 million and $0.2 million of management fees were recognized in the consolidated statements of operations, respectively. For the years ended December 31, 2014, 2013 and 2012, $0.8 million, $0.8 million and $0.1 million of compensation expense was recognized in the consolidated statements of operations, respectively. The actual forfeiture rate for AMTG RSUs was 2.5%, 1.3% and 0% for the years ended December 31, 2014, 2013 and 2012, respectively.

The following table summarizes activity for the AMTG RSUs that were granted to both the Company and certain of its employees for the years ended December 31, 2014, 2013, and 2012:

	AMTG RSUs Unvested	Weighted Average Grant Date Fair Value	AMTG RSUs Vested	Total Number of AMTG RSUs Outstanding
Balance at January 1, 2012	28,305	$ 17.56	2,570	30,875
Granted to employees of the Company	143,244	20.62	—	143,244
Vested awards of the employees of the Company	(4,042)	16.57	4,042	—
Vested awards of the Company	(6,250)	18.20	6,250	—
Balance at December 31, 2012	161,257	20.28	12,862	174,119
Granted to employees of the Company	25,848	14.73	—	25,848
Forfeited by employees of the Company	(2,359)	18.74	—	(2,359)
Vested awards of the employees of the Company	(51,259)	20.30	51,259	—
Vested awards of the Company	(6,250)	18.20	6,250	—
Balance at December 31, 2013	127,237	19.28	70,371	197,608
Granted to employees of the Company	130,124	16.01	—	130,124
Forfeited by employees of the Company	(4,855)	21.22	—	(4,855)
Vested awards of the employees of the Company	(57,982)	19.56	57,982	—
Vested awards of the Company	(4,688)	18.20	4,688	—
Balance at December 31, 2014	189,836	$ 16.93	133,041	322,877

Units Expected to Vest—As of December 31, 2014, approximately 178,000 AMTG RSUs were expected to vest over the next 2.4 years.

Restricted Share Awards—Athene Holding

Athene Holding has granted restricted share awards ("AHL Awards") to certain employees of Apollo. Certain of the awards granted are subject to time-based vesting conditions that generally vest over five years and certain of the awards vest once certain metrics have been achieved. During 2014, the vesting terms of some of the AHL Awards were modified such that the portion of AHL Awards related to services provided from the date of grant were deemed vested.

The AHL Awards granted to employees of Athene Asset Management, L.P. ("Athene Asset Management"), a consolidated subsidiary of Apollo, are accounted for as a prepaid compensation asset within other assets and deferred revenue in the consolidated statements of financial condition. From the date of grant, the deferred revenue is recognized as management fees and the prepaid compensation asset is recognized as compensation expense over the vesting period. The fair value of the awards to employees is based on the grant date fair value, which utilizes the share price of Athene Holding, less discounts for transfer restrictions. Shares granted as part of the AHL Awards were valued using a multiple-scenario model, which considers the price volatility of the underlying stock price of Athene Holding, time to expiration and the risk-free rate. The awards granted are recognized as liability awards remeasured each period to reflect the fair value of the prepaid compensation asset and deferred revenue. Any changes in fair value are recorded in management fees and equity-based compensation expense in the consolidated statements of operations.

For the year ended December 31, 2014, $16.7 million of management fees and equity-based compensation expense was recognized in the consolidated statements of operations relating to these AHL Awards.

The following table summarizes activity for the AHL Awards that were granted to certain of its employees for the year ended December 31, 2014:

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	AHL Awards Unvested	Weighted Average Grant Date Fair Value	AHL Awards Vested	Total Number of AHL Awards Outstanding
Balance at January 1, 2014	1,717,568	$ 1.23	—	1,717,568
Granted to employees of the Company	850,000	9.31	—	850,000
Vested awards of the employees of the Company	(849,495)	3.69	849,495	—
Balance at December 31, 2014	1,718,073	$ 4.00	849,495	2,567,568

Units Expected to Vest—As of December 31, 2014, approximately 476,107 AHL Awards were expected to vest over the next 2.2 years and 1,241,966 AHL Awards may vest if certain metrics are achieved.

Equity-Based Compensation Allocation

Equity-based compensation is allocated based on ownership interests. Therefore, the amortization of the AOG Units is allocated to shareholders' equity attributable to Apollo Global Management, LLC and the Non-Controlling Interests, which results in a difference in the amounts charged to equity-based compensation expense and the amounts credited to shareholders' equity attributable to Apollo Global Management, LLC in the Company's consolidated financial statements.

Below is a reconciliation of the equity-based compensation allocated to Apollo Global Management, LLC for the year ended December 31, 2014:

	Total Amount	Non-Controlling Interest % in Apollo Operating Group	Allocated to Non-Controlling Interest in Apollo Operating Group(1)	Allocated to Apollo Global Management, LLC
RSUs and Share Options	$ 107,017	—%	$ —	$ 107,017
AHL Awards	16,738	57.7	9,938	6,800
Other equity-based compensation awards	2,565	57.7	1,517	1,048
Total Equity-Based Compensation	$ 126,320		11,455	114,865
Less other equity-based compensation awards (2)			(11,455)	(5,994)
Capital Increase Related to Equity-Based Compensation			$ —	$ 108,871

(1) Calculated based on average ownership percentage for the period considering Class A share issuances during the period.
(2) Includes equity-based compensation reimbursable by certain funds.

Below is a reconciliation of the equity-based compensation allocated to Apollo Global Management, LLC for the year ended December 31, 2013:

	Total Amount	Non-Controlling Interest % in Apollo Operating Group	Allocated to Non-Controlling Interest in Apollo Operating Group(1)	Allocated to Apollo Global Management, LLC
AOG Units	$ 30,007	61.0%	$ 19,163	$ 10,844
RSUs and Share Options	92,185	—	—	92,185
Other equity-based compensation awards	4,035	61.0	2,494	1,541
Total Equity-Based Compensation	$ 126,227		21,657	104,570
Less other equity-based compensation awards(2)			(2,494)	365
Capital Increase Related to Equity-Based Compensation			$ 19,163	$ 104,935

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(1) Calculated based on average ownership percentage for the period considering Class A share issuances during the period.
(2) Includes equity-based compensation reimbursable by certain funds.

Below is a reconciliation of the equity-based compensation allocated to Apollo Global Management, LLC for the year ended December 31, 2012:

	Total Amount	Non-Controlling Interest % in Apollo Operating Group	Allocated to Non-Controlling Interest in Apollo Operating Group[1]	Allocated to Apollo Global Management, LLC
AOG Units	$ 480,931	64.9%	$ 313,856	$ 167,075
RSUs and Share Options	115,013	—	—	115,013
Other equity-based compensation awards	2,710	64.9	1,769	941
Total Equity-Based Compensation	$ 598,654		315,625	283,029
Less other equity-based compensation awards[2]			(1,769)	(741)
Capital Increase Related to Equity-Based Compensation			$ 313,856	$ 282,288

(1) Calculated based on average ownership percentage for the period considering Class A share issuances during the period.
(2) Includes equity-based compensation reimbursable by certain funds.

17. RELATED PARTY TRANSACTIONS AND INTERESTS IN CONSOLIDATED ENTITIES

The Company typically facilitates the initial payment of certain operating costs incurred by the funds that it manages as well as their affiliates. These costs are normally reimbursed by such funds and are included in due from affiliates.

Due from affiliates and due to affiliates are comprised of the following:

	As of December 31,	
	2014	2013
Due from Affiliates:		
Due from private equity funds	$ 30,091	$ 57,582
Due from portfolio companies	41,844	23,484
Due from credit funds[1]	174,165	216,750
Due from Contributing Partners, employees and former employees	1,721	2,659
Due from real estate funds	20,162	12,119
Other	32	4,653
Total Due from Affiliates	$ 268,015	$ 317,247
Due to Affiliates:		
Due to Managing Partners and Contributing Partners in connection with the tax receivable agreement	$ 509,149	$ 525,483
Due to private equity funds	1,158	825
Due to credit funds	5,343	1,773
Distributions payable to employees	49,503	67,290
Total Due to Affiliates	$ 565,153	$ 595,371

(1) As of December 31, 2014 includes unsettled AAA and Athene management fee receivable as discussed in "Athene" below. As of December 31, 2013, includes Athene Services Derivative as discussed in "Athene" below.

Tax Receivable Agreement and Other

Subject to certain restrictions, each of the Managing Partners and Contributing Partners has the right to exchange their vested AOG Units for the Company's Class A shares. Certain Apollo Operating Group entities have made an election under Section 754 of the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), which will result in an adjustment to the tax basis of the assets owned by the Apollo Operating Group at the time of the exchange. These exchanges will result in increases in tax deductions that will reduce the amount of tax that APO Corp. will otherwise be required to pay in the future.

The tax receivable agreement provides for the payment to the Managing Partners and Contributing Partners of 85% of the amount of cash savings, if any, in U.S. federal, state, local and foreign income taxes that APO Corp. would realize as a result of the increases in tax basis of assets that resulted from the 2007 Reorganization and exchanges of AOG Units for Class A shares. If the Company does not make the required annual payment on a timely basis as outlined in the tax receivable agreement, interest is accrued on the balance until the payment date. These payments are expected to occur approximately over the next 20 years. In connection with the amendment of the AMH partnership agreement in April 2010, the tax receivable agreement was revised to reflect the Managing Partners' agreement to defer 25%, or $12.1 million, of the required payments pursuant to the tax receivable agreement that are attributable to the 2010 fiscal year for a period of four years until 2015.

In April 2013, Apollo made a $30.4 million cash payment pursuant to the tax receivable agreement resulting from the realized tax benefit for the 2012 tax year. Included in the payment was approximately $7.6 million and approximately $0.3 million of interest paid to the Managing Partners and Contributing Partners, respectively.

During the years ended December 31, 2014, 2013 and 2012, the Company reduced the tax receivable agreement liability and recorded $32.2 million, $13.0 million and $3.9 million, respectively, in other income, net in the consolidated statement of operations due to changes in projected income estimates and in estimated tax rates.

In April 2014, Apollo made a $32.0 million cash payment pursuant to the tax receivable agreement resulting from the realized tax benefit for the 2013 tax year. Included in the payment was approximately $8.3 million and approximately $0.5 million of interest paid to the Managing Partners and Contributing Partners, respectively.

During the years ended December 31, 2014 and 2013, the Intermediate Holding Companies acquired approximately 6.3 million and 11.1 million Class A shares of Apollo Global Management, LLC, respectively, which were used to acquire an equal number of AOG Units from certain Managing Partners and Contributing Partners in connection with exchanges of AOG Units for Class A shares. These exchanges were taxable for U.S. federal income tax purposes, and resulted in APO Corp. recording a U.S. federal income tax basis adjustment of approximately $97.6 million and $243.1 million in the intangible assets of certain Apollo Operating Group entities during the years ended December 31, 2014 and 2013, respectively.

Pursuant to the tax receivable agreement, the Managing Partners and Contributing Partners who exchanged AOG Units for Class A shares will receive payment from APO Corp. of 85% of the amount of the actual cash tax savings, if any, in U.S. Federal, state, local and foreign income tax that APO Corp. realizes as a result of these increases in tax deductions and tax basis, and certain other tax benefits, including imputed interest expense. APO Corp. retains the benefit from the remaining 15% of actual cash tax savings. As a result of the May 2013, November 2013, and May 2014 exchanges, a $174.8 million liability was recorded to estimate the amount of these future expected payments to be made by APO Corp. to the Managing Partners and Contributing Partners pursuant to the tax receivable agreement.

Due from Contributing Partners, Employees and Former Employees

As of December 31, 2014 and December 31, 2013, due from Contributing Partners, Employees and Former Employee balances include various amounts due to the Company including director fee receivables.

Distributions

In addition to other distributions such as payments pursuant to the tax receivable agreement, the table below presents information regarding the quarterly distributions which were made at the sole discretion of the manager of the Company during 2014, 2013 and 2012 (in millions, except per share data):

Distribution Declaration Date	Distribution per Class A Share	Distribution Payment Date	Distribution to Class A Shareholders	Distribution to Non-Controlling Interest Holders in the Apollo Operating Group	Total Distributions from Apollo Operating Group	Distribution Equivalents on Participating Securities
February 10, 2012	$ 0.46	February 29, 2012	$ 58.1	$ 110.4	$ 168.5	$ 10.3
April 13, 2012	—	April 13, 2012	—	11.0 (1)	11.0	—
May 8, 2012	0.25	May 30, 2012	31.6	60.0	91.6	6.2
August 2, 2012	0.24	August 31, 2012	31.2	57.6	88.8	5.3
November 9, 2012	0.40	November 30, 2012	52.0	96.0	148.0	9.4
For the year ended December 31, 2012	$ 1.35		$ 172.9	$ 335.0	$ 507.9	$ 31.2
February 8, 2013	$ 1.05	February 28, 2013	$ 138.7	$ 252.0	$ 390.7	$ 25.0
April 12, 2013	—	April 12, 2013	—	55.2 (1)	55.2	—
May 6, 2013	0.57	May 30, 2013	80.8	131.8	212.6	14.3
August 8, 2013	1.32	August 30, 2013	189.7	305.2	494.9	30.8
November 7, 2013	1.01	November 29, 2013	147.7	231.2	378.9	24.1
For the year ended December 31, 2013	$ 3.95		$ 556.9	$ 975.4	$ 1,532.3	$ 94.2
February 7, 2014	$ 1.08	February 26, 2014	$ 160.9	$ 247.3	$ 408.2	$ 25.5
April 3, 2014	—	April 3, 2014	—	49.5 (1)	49.5	—
May 8, 2014	0.84	May 30, 2014	130.0	188.4	318.4	20.9
June 16, 2014	—	June 16, 2014	—	28.5 (1)	28.5	—
August 6, 2014	0.46	August 29, 2014	73.6	102.5	176.1	10.2
September 11, 2014	—	September 11, 2014	—	12.4 (1)	12.4	—
October 30, 2014	0.73	November 21, 2014	119.0	162.6	281.6	15.5
December 15, 2014	—	December 15, 2014	—	25.2 (1)	25.2	—
For the year ended December 31, 2014	$ 3.11		$ 483.5	$ 816.4	$ 1,299.9	$ 72.1

(1) On April 13, 2012, April 12, 2013, April 3, 2014, June 16, 2014, September 11, 2014 and December 15, 2014, the Company made a $0.05, $0.23, $0.22, $0.13, $0.06 and $0.11 distribution per AOG Unit, respectively, to the non-controlling interest holders in the Apollo Operating Group.

Indemnity

Carried interest income from certain funds that the Company manages can be distributed to the Company on a current basis, but is subject to repayment by the subsidiary of the Apollo Operating Group that acts as general partner of the fund in the event that certain specified return thresholds are not ultimately achieved. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligation of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular Managing Partner's or Contributing Partner's distributions. An existing shareholders agreement includes clauses that indemnify each of the Company's Managing Partners and certain Contributing Partners against all amounts that they pay pursuant to any of these personal guarantees in favor of certain funds that the Company manages (including costs and expenses related to investigating the basis for or objecting to any claims made in respect of the guarantees) for all interests that the Company's Managing Partners and Contributing Partners have contributed or sold to the Apollo Operating Group.

Accordingly, in the event that the Company's Managing Partners, Contributing Partners and certain investment professionals are required to pay amounts in connection with a general partner obligation for the return of previously made distributions, the Company will be obligated to reimburse the Company's Managing Partners and certain Contributing Partners for the indemnifiable percentage of amounts that they are required to pay even though the Company did not receive the certain distribution to which that general partner obligation related. There was no indemnification liability recorded as of December 31, 2014 and December 31, 2013.

Due to Credit Funds

Based upon a hypothetical liquidation of two of our credit funds, as of December 31, 2014, the Company has recorded a general partner obligation to return previously distributed carried interest income, which represents amounts due to these funds. The actual determination and any required payment of a general partner obligation would not take place until the final disposition of the fund's investments based on contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund. As such, there was a general partner obligation to return previously distributed carried interest income of $3.4 million accrued as of December 31, 2014.

Athene

Athene Holding is the ultimate parent of various insurance company operating subsidiaries. Through its subsidiaries, Athene Holding provides insurance products focused primarily on the retirement market and its business centers primarily on issuing or reinsuring fixed indexed annuities.

Athene Asset Management receives a management fee equal to 0.40% per annum on all assets under management in accounts owned by or related to Athene (the "Athene Accounts"), with certain limited exceptions. In addition, the Company receives sub-advisory management fees and carried interest income with respect to a portion of the assets in the Athene Accounts. With respect to capital invested in an Apollo fund, Apollo receives management fees directly from the relevant funds under the investment management agreements with such funds. Athene Asset Management and other Apollo subsidiaries incur all expenses associated with their provision of services to Athene, including but not limited to, asset allocation services, direct asset management services, risk management, asset and liability matching management, mergers and acquisitions asset diligence, hedging and other services.

Under a transaction advisory services agreement with Athene (the "Athene Services Agreement"), effective February 5, 2013, Apollo earns a quarterly monitoring fee of 0.50% of Athene's capital and surplus as of the end of the applicable quarter multiplied by 2.5, excluding the shares of Athene Holding that were newly acquired (and not in satisfaction of prior commitments to buy such shares) by AAA Investments in the contribution of certain assets by AAA to Athene in October 2012, at the end of each quarter through December 31, 2014, the termination date. This quarterly monitoring fee is not applicable to the amount of invested capital attributable to the Excluded Athene Shares. The Athene Services Agreement was amended in connection with the Athene Private Placement described below (the "Amended Athene Services Agreement"). The Amended Athene Services Agreement adjusts the calculation of Athene Holding's capital and surplus downward by an amount equal to (x) the equity capital raised in the Athene Private Placement and (y) certain disproportionate increases to the statutory capital and surplus of Athene, as compared to the stockholders' equity of Athene calculated on a U.S. GAAP basis, as a result of certain future acquisitions by Athene. Prior to the consummation of the Athene Private Placement, all such monitoring fees were paid pursuant to a derivative contract between Athene and Apollo (the "Athene Services Derivative"). In connection with the Athene Private Placement, the Athene Services Derivative was settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivative was terminated. Following settlement of the Athene Services Derivative, future monitoring fees paid to

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Apollo pursuant to the Amended Athene Services Agreement, will be paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended). Unsettled monitoring fees pursuant to the Amended Athene Services Agreement are recorded as due from affiliates in the consolidated statements of financial condition. For the years ended December 31, 2014, 2013 and 2012, Apollo earned $226.4 million, $107.9 million and $16.8 million, respectively, related to this monitoring fee. The monitoring fee is recorded in advisory and transaction fees from affiliates, net, in the consolidated statements of operations. As of December 31, 2014, Apollo had a $58.2 million receivable recorded in due from affiliates on the consolidated statements of financial condition. As of December 31, 2013, Apollo had a $116.4 million receivable, which was accounted for as a derivative recorded in due from affiliates on the consolidated statements of financial condition.

In accordance with the services agreement among AAA, AAA Investments and the other service recipients party thereto and Apollo (the "AAA Services Agreement"), Apollo receives a management fee for managing the assets of AAA Investments. In connection with each of the contribution of certain assets by AAA to Athene in October 2012, and the initial closing of the Athene Private Placement on April 4, 2014, the AAA Services Agreement was amended (the "Amended AAA Services Agreement"). Pursuant to the Amended AAA Services Agreement, the parties agreed that there will be no management fees payable by AAA Investments with respect to the excluded Athene Shares. AAA Investments agreed to continue to pay Apollo the same management fee on its investment in Athene (other than with respect to the excluded Athene Shares), except that Apollo agreed that the obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020). Prior to the consummation of the Athene Private Placement, all such management fees were accrued pursuant to a derivative contract between AAA Investments and Apollo (the “AAA Services Derivative”). In connection with the Athene Private Placement, the AAA Services Derivative was settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivative was terminated. Following settlement of the AAA Services Derivative, future management fees paid to Apollo pursuant to the Amended AAA Services Agreement will be paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the Exchange Act). Unsettled management fees pursuant to the Amended AAA Services Agreement will be recorded as due from affiliates in the consolidated statements of financial condition. As of December 31, 2014, Apollo had a $3.1 million receivable recorded in due from affiliates related to this management fee on the consolidated statements of financial condition. As of December 31, 2013, Apollo had a $14.3 million receivable related to this management fee, which was accounted for as a derivative recorded in due from affiliates on the consolidated statements of financial condition. The total management fees earned by Apollo related to the Amended AAA Services Agreement for the years ended December 31, 2014, 2013 and 2012 were $1.9 million, $2.2 million and $0.6 million, respectively, which are recorded in management fees from affiliates in the consolidated statements of operations.

Prior to the settlement of the Athene Services Derivative and the AAA Services Derivative, the Amended Athene Services Agreement and the Amended AAA Services Agreement together with the Athene Services Derivative and the AAA Services Derivative, met the definition of derivatives under U.S. GAAP. The Company had classified these derivatives as Level III assets in the fair value hierarchy, as the pricing inputs into the determination of fair value require significant judgment and estimation. After the settlement of the Athene Services Derivative and the AAA Services Derivatives the unsettled shares receivable recorded in due from affiliates related to the Amended Athene Services Agreement and the Amended AAA Services Agreement are valued at fair value based on the price of a common share of Athene Holding. The Company had classified the derivative and the shares receivable as Level III assets in the fair value hierarchy, as the pricing inputs into the determination of fair value require significant judgment and estimation. See note 6 for further discussion regarding fair value measurements.

Prior to the settlement of the Athene Services Derivative and the AAA Services Derivative, the change in unrealized market value of the derivatives was reflected in other income, net in the consolidated statements of operations. For the year ended December 31, 2013 there was $10.2 million of changes in market value recognized related to these derivatives.

In addition, Apollo, as general partner of AAA Investments, is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses, including borrowing costs) on the investments of AAA Investments, except that Apollo will not be entitled to receive any carried interest in respect of the Excluded Athene Shares. Carried interest receivable from AAA Investments will be paid in common shares of Athene Holding (valued at the then fair market value) if there is a distribution in kind of shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the Exchange Act) or paid in cash if AAA sells the shares of Athene Holding. For the years ended December 31, 2014, 2013, and 2012 the Company recorded carried interest income less the related profit sharing expense of $14.6 million, $27.6 million and $35.3 million, respectively, from AAA Investments, which is recorded in the consolidated statements of operations. As of December 31, 2014 and December 31, 2013, the Company had a $121.5 million and a $100.9 million carried interest receivable, respectively, related

to AAA Investments. As of December 31, 2014 and December 31, 2013, the Company had a related profit sharing payable of $34.9 million and $28.8 million, respectively, recorded in profit sharing payable in the consolidated statements of financial condition.

For the years ended December 31, 2014, 2013 and 2012, Apollo earned revenues in the aggregate totaling $546.5 million, $435.1 million and $164.7 million, respectively, consisting of management fees, sub-advisory and monitoring fees and carried interest income from Athene after considering the related profit sharing expense and changes in the market value of the Athene shares owned directly by Apollo, which is recorded in the consolidated statements of operations.

On April 4, 2014, Athene Holding completed an initial closing of a private placement offering of common equity in which it raised $1.048 billion of primary commitments from third-party institutional and certain existing investors in Athene Holding (the “Athene Private Placement”). Shares in the Athene Private Placement were offered at a price per common share of Athene Holding of $26. In connection with the Athene Private Placement, Athene raised an additional $80 million of third party capital at $26 per share, all of which was used to buy back a portion of the shares of one of its existing investors at a price of $26 per share in a transaction that was consummated on April 29, 2014. As announced by AAA on June 24, 2014, a second closing of the Athene Private Placement occurred in which Athene Holding raised $170 million of commitments primarily from employees of Athene and its affiliates at a price per common share of Athene Holding of $26. The Investment Partnership did not purchase any additional common shares of Athene Holding as part of the Athene Private Placement.

As of December 31, 2014, the Company, through its consolidation of AAA, had an approximate 47.7% economic ownership interest in Athene through its investment in AAA Investments (calculated as if the commitments on the Athene Private Placement closed through December 31, 2014 were fully drawn but without giving effect to (i) restricted common shares issued under Athene’s management equity plan, or (ii) common shares to be issued under the Amended Athene Services Agreement or the Amended AAA Services Agreement subsequent to December 31, 2014).

The Company had an approximate 8.1% economic ownership interest in Athene Holding as of December 31, 2014, which comprises Apollo’s direct ownership of 6.9% of the economic equity of Athene Holding plus an additional 1.2% economic ownership interest, which is calculated as the Company’s approximate 2.5% economic ownership interest in AAA plus the Company’s approximate 0.06% economic ownership interest in AAA Investments multiplied by AAA Investments’ approximate 47.7% economic ownership interest in Athene as of December 31, 2014. The remaining ownership interest in AAA is recognized in the Company’s consolidated statements of operations as non-controlling interest in consolidated entities.

As of December 31, 2013, the Company through its consolidation of AAA, had an approximate 68% fully-diluted interest in Athene (after giving effect to restricted common shares issued under Athene's management equity plan and conversion of AAA Investments' note receivable but without giving effect to common shares to be issued under the Amended Athene Services Agreement or the Amended AAA Services Agreement subsequent to December 31, 2013) through its investment in AAA Investments.

The Company had an approximate 1.9% economic ownership interest in Athene Holding as of December 31, 2013, which is calculated as the Company’s approximate 2.6% economic ownership interest in AAA plus the Company’s approximate 0.06% economic ownership interest in AAA Investments multiplied by AAA Investments’ approximate 68% fully diluted interest in Athene as of December 31, 2013. The remaining ownership interest in AAA is recognized in the Company’s consolidated statements of operations as non-controlling interest in consolidated entities.

For the year ended December 31, 2014, the Company accounted for a $7.5 million reduction in management fees from affiliates and salary, bonus and benefits related to Athene.

Regulated Entities

Apollo Global Securities, LLC (“AGS”) is a registered broker dealer with the SEC and is a member of the Financial Industry Regulatory Authority, subject to the minimum net capital requirements of the SEC. AGS was in compliance with these requirements at December 31, 2014. From time to time, this entity is involved in transactions with affiliates of Apollo, including portfolio companies of the funds Apollo manages, whereby AGS earns underwriting and transaction fees for its services.

Apollo Management International LLP, is authorized and regulated by the U.K. Financial Conduct Authority and as such is subject to the capital requirements of the U.K. Financial Conduct Authority. This entity has continuously operated in excess of these regulatory capital requirements.

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Certain other of the Company's U.S. and non-U.S. subsidiaries are subject to various regulations, including a number of U.S. entities that are registered as investment advisors with the SEC. To the extent applicable, these entities have continuously operated in excess of any minimum regulatory capital requirements.

Interests in Consolidated Entities

The table below presents equity interests in Apollo's consolidated, but not wholly-owned, subsidiaries and funds. Net income attributable to Non-Controlling Interests consisted of the following:

	For the Year Ended December 31,		
	2014	2013	2012
AAA[(1)]	$ (196,964)	$ (331,504)	$ (278,454)
Interest in management companies and a co-investment vehicle[(2)]	(13,186)	(18,872)	(7,307)
Other consolidated entities	(17,590)	43,357	50,956
Net income attributable to Non-Controlling Interests in consolidated entities	(227,740)	(307,019)	(234,805)
Net (income) loss attributable to Appropriated Partners' Capital[(3)]	70,729	(149,934)	(1,816,676)
Net income attributable to Non-Controlling Interests in the Apollo Operating Group	(404,682)	(1,257,650)	(685,357)
Net Income attributable to Non-Controlling Interests	$ (561,693)	$ (1,714,603)	$ (2,736,838)
Net income (loss) attributable to Appropriated Partners' Capital[(4)]	(70,729)	149,934	1,816,676
Other Comprehensive (income) loss attributable to Non-Controlling Interests	591	(41)	(2,010)
Comprehensive Income Attributable to Non-Controlling Interests	$ (631,831)	$ (1,564,710)	$ (922,172)

(1) Reflects the Non-Controlling Interests in the net (income) loss of AAA and is calculated based on the Non-Controlling Interests ownership percentage in AAA, which was approximately 97.5%, 97.4% and 97.3% as of December 31, 2014, 2013 and 2012, respectively. As of December 31, 2014, 2013 and 2012, Apollo owned approximately 2.5%, 2.6% and 2.7% of AAA, respectively.
(2) Reflects the remaining interest held by certain individuals who receive an allocation of income from certain of our credit funds.
(3) Reflects net income of the consolidated CLOs classified as VIEs.
(4) Appropriated Partners' Capital is included in total Apollo Global Management, LLC shareholders' equity and is therefore not a component of comprehensive income attributable to Non-Controlling Interests on the consolidated statements of comprehensive income.

18. COMMITMENTS AND CONTINGENCIES

Financial Guarantees—Apollo has provided financial guarantees on behalf of certain employees for the benefit of unrelated third-party lenders in connection with their capital commitments to certain funds managed by the Company. As of December 31, 2014, the maximum exposure relating to these financial guarantees approximated $0.2 million. Apollo has historically not incurred any liabilities as a result of these agreements and does not expect to in the future. Accordingly, no liability has been recorded in the accompanying consolidated financial statements.

Investment Commitments—As a limited partner, general partner and manager of the Apollo private equity, credit and real estate funds, Apollo has unfunded capital commitments as of December 31, 2014, and December 31, 2013 of $646.6 million and $843.7 million, respectively.

Apollo has an ongoing obligation to acquire additional common units of AAA in an amount equal to 25% of the aggregate after-tax cash distributions, if any, that are made by AAA to Apollo's affiliates pursuant to the carried interest distribution rights that are applicable to investments made through AAA Investments.

In addition, as of December 31, 2014, Apollo had an unfunded loan commitment of $15.0 million related to an employee's commitment to purchase common shares of Athene Holding.

Debt Covenants—Apollo's debt obligations contain various customary loan covenants. As of December 31, 2014, the Company was not aware of any instances of non-compliance with its financial covenants.

Litigation and Contingencies—Apollo is, from time to time, party to various legal actions arising in the ordinary course of business including claims and lawsuits, reviews, investigations or proceedings by governmental and self regulatory agencies regarding its business.

In March 2012, plaintiffs filed two putative class actions, captioned Kelm v. Chase Bank (No. 12-cv-332) and Miller v. 1-800-Flowers.com, Inc. (No. 12-cv-396), in the District of Connecticut on behalf of a class of consumers alleging online fraud. The defendants included, among others, Trilegiant Corporation, Inc. ("Trilegiant"), its parent company, Affinion Group, LLC ("Affinion"), and Apollo Global Management, LLC ("AGM"), which is affiliated with funds that are the beneficial owners of 68% of Affinion's common stock. In both cases, plaintiffs allege that Trilegiant, aided by its business partners, who include e-merchants and credit card companies, developed a set of business practices intended to create consumer confusion and ultimately defraud consumers into unknowingly paying fees to clubs for unwanted services. Plaintiffs allege that AGM is a proper defendant because of its indirect stock ownership and ability to appoint the majority of Affinion's board. The complaints assert claims under the Racketeer Influenced Corrupt Organizations Act; the Electronic Communications Privacy Act; the Connecticut Unfair Trade Practices Act; and the California Business and Professional Code, and seek, among other things, restitution or disgorgement, injunctive relief, compensatory, treble and punitive damages, and attorneys' fees. The allegations in Kelm and Miller are substantially similar to those in Schnabel v. Trilegiant Corp. (No. 3:10-cv-957), a putative class action filed in the District of Connecticut in 2010 that names only Trilegiant and Affinion as defendants. The court has consolidated the Kelm, Miller, and Schnabel cases under the caption In re: Trilegiant Corporation, Inc. and ordered that they proceed on the same schedule. On June 18, 2012, the court appointed lead plaintiffs' counsel, and on September 7, 2012, plaintiffs filed their consolidated amended complaint ("CAC"), which alleges the same causes of action against AGM as did the complaints in the Kelm and Miller cases. Defendants filed motions to dismiss on December 7, 2012, plaintiffs filed opposition papers on February 7, 2013, and defendants filed replies on April 5, 2013. On December 5, 2012, plaintiffs filed another putative class action, captioned Frank v. Trilegiant Corp. (No. 12-cv-1721), in the District of Connecticut, naming the same defendants and containing allegations substantially similar to those in the CAC. On January 23, 2013, plaintiffs moved to transfer and consolidate Frank into In re: Trilegiant. On July 24, 2013 the Frank court transferred the case to Judge Bryant, who is presiding over In re: Trilegiant, and on March 28, 2014, Judge Bryant granted the motion to consolidate. On September 25, 2013, the court held oral argument on defendants' motions to dismiss. On March 28, 2014, the court granted in part and denied in part motions to dismiss filed by Affinion and Trilegiant on behalf of all defendants, and also granted separate motions to dismiss filed by certain defendants, including AGM. On that same day, the court directed the clerk to terminate AGM as a defendant in the consolidated action. On April 28, 2014, plaintiffs moved for interlocutory review of certain of the court's motion-to-dismiss rulings, not including its order granting AGM's separate dismissal motion. Defendants filed a response on May 23, 2014, and plaintiffs replied on June 5, 2014. On November 13, 2014, plaintiffs and the remaining defendants filed a Joint Status Report Regarding Discovery stating that no discovery has taken place since plaintiffs filed their interlocutory-review motion.

Various state attorneys general and federal and state agencies have initiated industry-wide investigations into the use of placement agents in connection with the solicitation of investments, particularly with respect to investments by public pension funds. Certain affiliates of Apollo have received subpoenas and other requests for information from various government regulatory agencies and investors in Apollo's funds, seeking information regarding the use of placement agents. CalPERS, one of our Strategic Investors, announced on October 14, 2009, that it had initiated a special review of placement agents and related issues. The report of the CalPERS Special Review was issued on March 14, 2011. That report does not allege any wrongdoing on the part of Apollo or its affiliates. Apollo is continuing to cooperate with all such investigations and other reviews. In addition, on May 6, 2010, the California Attorney General filed a civil complaint against Alfred Villalobos and his company, Arvco Capital Research, LLC ("Arvco") (a placement agent that Apollo has used) and Federico Buenrostro Jr., the former CEO of CalPERS, alleging conduct in violation of certain California laws in connection with CalPERS's purchase of securities in various funds managed by Apollo and another asset manager. Apollo is not a party to the civil lawsuit and the lawsuit does not allege any misconduct on the part of Apollo. Likewise, on April 23, 2012, the SEC filed a lawsuit alleging securities fraud on the part of Arvco, as well as Messrs. Buenrostro and Villalobos, in connection with their activities concerning certain CalPERS investments in funds managed by Apollo. This lawsuit also does not allege wrongdoing on the part of Apollo, and alleges that Apollo was defrauded by Arvco, Villalobos, and Buenrostro. On March 14, 2013, the United States Department of Justice unsealed an indictment against Messrs. Villalobos and Buenrostro alleging, among other crimes, fraud in connection with those same activities; again, Apollo is not accused of any wrongdoing and in fact is alleged to have been defrauded by the defendants. The criminal action was set for trial in a San Francisco federal court in July 2014, but was put on hold after Mr. Buenrostro pleaded guilty on July 11, 2014. As part of Mr. Buenrostro's plea agreement, he admitted to taking cash and other bribes from Mr. Villalobos in exchange for several improprieties, including attempting to influence CalPERS' investing decisions and improperly preparing disclosure letters to satisfy Apollo's requirements. There is no suggestion that Apollo was aware that Mr. Buenrostro had signed the letters with a corrupt motive. The government has indicated that they will file new charges against Mr. Villalobos incorporating Mr. Buenrostro's admissions. On August 7, 2014,

the government filed a superseding indictment against Mr. Villalobos asserting additional charges. Trial had been scheduled for February 23, 2015, but Mr. Villalobos passed away on January 13, 2015. Additionally, on April 15, 2013, Mr. Villalobos, Arvco and related entities (the "Arvco Debtors") brought a civil action in the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court") against Apollo. The action is related to the ongoing bankruptcy proceedings of the Arvco Debtors. This action alleges that Arvco served as a placement agent for Apollo in connection with several funds associated with Apollo, and seeks to recover purported fees the Arvco Debtors claim Apollo has not paid them for a portion of Arvco's placement agent services. In addition, the Arvco Debtors allege that Apollo has interfered with the Arvco Debtors' commercial relationships with third parties, purportedly causing the Arvco Debtors to lose business and to incur fees and expenses in the defense of various investigations and litigations. The Arvco Debtors also seek compensation from Apollo for these alleged lost profits and fees and expenses. The Arvco Debtors' complaint asserts various theories of recovery under the Bankruptcy Code and common law. Apollo denies the merit of all of the Arvco Debtors' claims and will vigorously contest them. The Bankruptcy Court has stayed this action pending the result in the criminal case against Mr. Villalobos. For these reasons, no estimate of possible loss, if any, can be made at this time.

On June 18, 2014, BOKF N.A. (the "First Lien Trustee"), the successor indenture trustee under the indenture governing the First Lien Notes issued by Momentive Performance Materials, Inc. ("Momentive"), commenced a lawsuit in the Supreme Court for the State of New York, New York County against AGM and members of an ad hoc group of Second Lien Noteholders (including, but not limited to, Euro VI (BC) S.a.r.l.). The First Lien Trustee amended its complaint on July 2, 2014 (the "First Lien Intercreditor Action"). In the First Lien Intercreditor Action, the First Lien Trustee seeks, among other things, a declaration that the defendants violated an intercreditor agreement entered into between holders of the first lien notes and holders of the second lien notes. On July 16, 2014, the successor indenture trustee under the indenture governing the 1.5 Lien Notes (the "1.5 Lien Trustee," and, together with the First Lien Trustee, the "Indenture Trustees") filed an action in the Supreme Court of the State of New York, New York County that is substantially similar to the First Lien Intercreditor Action (the "1.5 Lien Intercreditor Action," and, together with the First Lien Intercreditor Action, the "Intercreditor Actions"). AGM subsequently removed the Intercreditor Actions to federal district court, and the Intercreditor Actions were automatically referred to the Bankruptcy Court adjudicating the Momentive chapter 11 bankruptcy cases. The Indenture Trustees then filed motions with the Bankruptcy Court to remand the Intercreditor Actions back to the state court (the "Remand Motions"). On September 9, 2014, the Bankruptcy Court denied the Remand Motions. On August 15, 2014, the defendants in the Intercreditor Actions (including AGM) filed a motion to dismiss the 1.5 Lien Intercreditor Action and a motion for judgment on the pleadings in the First Lien Intercreditor Action (the "Dismissal Motions"). On September 30, 2014, the Bankruptcy Court granted the Dismissal Motions. In its order granting the Dismissal Motions, the Bankruptcy Court gave the Indenture Trustees until mid-November 2014 to move to amend some, but not all, of the claims alleged in their respective complaints. On November 14, 2014, the Indenture Trustees moved to amend their respective complaints pursuant to the Bankruptcy Court's order (the "Motions to Amend"). On January 9, 2015, the defendants filed their oppositions to the Motions to Amend. On January 16, 2015, the Bankruptcy Court denied the Motions to Amend. The Bankruptcy Court gave the Indenture Trustees until March 2, 2015 to seek to amend their respective complaints. The Indenture Trustees have not yet indicated whether they intend to file additional motions to amend. Accordingly, we are unable at this time to assess a potential risk of loss. In addition, we do not believe that AGM is a proper defendant in these actions.

On June 13, 2014, plaintiffs Stark Master Fund Ltd and Stark Global Opportunities Master Fund Ltd filed a lawsuit in the United States District Court for the Eastern District of Wisconsin against AGM and Apollo Management Holdings, L.P. (the "Apollo Defendants"), as well as Credit Suisse Securities (USA) LLC and Deutsche Bank Securities (USA) LLC (the "Bank Defendants"). The complaint alleges that AGM and the other defendants entered into an undisclosed and improper agreement concerning the financing of a potential acquisition by Hexion Specialty Chemicals Inc., and on this basis alleges a variety of common law misrepresentation claims, both intentional and negligent. The Apollo Defendants and Bank Defendants filed motions to dismiss the complaint on October 15, 2014. Rather than respond to the motions, plaintiffs filed an Amended Complaint on November 5, 2014. The Apollo Defendants and Bank Defendants filed motions to dismiss the Amended Complaint on December 23, 2014. Plaintiffs filed a motion for leave to conduct jurisdictional discovery on February 2, 2015, and pursuant to the parties' stipulation approved by the court the motion shall be fully briefed on or before March 9, 2015. Plaintiffs must file their opposition to Defendants' motion to dismiss the Amended Complaint on or before 30 days following either a decision from the Court on Plaintiffs' motion for jurisdictional discovery or the close of jurisdictional discovery, whichever is later. Because the claims against the Apollo Defendants are in their early stages, no reasonable estimate of possible loss, if any, can be made at this time.

There are several pending actions concerning transactions related to Caesars Entertainment Operating Company, Inc.'s ("CEOC") restructuring efforts. Apollo is not a defendant in these matters.

- In re: Caesars Entertainment Operating Company, Inc. bankruptcy proceedings, No. 15-10047 (Del. Bk.) (the "Delaware Bankruptcy Action") and No. 15-01145 (N.D. Ill. Bk.) (the "Illinois Bankruptcy

Action”). On January 12, 2015, three holders of CEOC second lien notes issued filed an involuntary bankruptcy petition against CEOC in the United States Bankruptcy Court for the District of Delaware.

- On February 2, 2015, the court in the Delaware Bankruptcy Action ordered that all CEOC bankruptcy proceedings should take place in the Illinois Bankruptcy Action.

- Wilmington Savings Fund Society, FSB v. Caesars Entertainment Corp. et al., No. 10004-CVG (Del. Ch.) (the “Trustee Action”). On August 4, 2014, Wilmington Savings Fund Society, FSB (“WSFS”), as trustee for certain CEOC second-lien notes, sued Caesars Entertainment Corporation (“Caesars Entertainment”), Caesars Entertainment’s subsidiary, CEOC, other Caesars Entertainment-affiliated entities, and certain of Caesars Entertainment’s directors, including Marc Rowan, Eric Press, David Sambur (each an Apollo Partner) and Jeff Benjamin (an Apollo consultant), in the Delaware Chancery Court. WSFS (i) asserts claims (against some or all of the defendants) for fraudulent conveyance, breach of fiduciary duty, breach of contract, corporate waste and aiding and abetting related to certain transactions between CEOC and other Caesars Entertainment affiliates, and (ii) requests (among other things) that the court unwind the challenged transactions and award damages. Defendants filed a motion to dismiss or stay the Trustee Action in favor of the Caesars Action, which was argued on December 5, 2014.

- Caesars Entertainment Operating Co., et al. v. Appaloosa Investment Ltd. P’ship et al., No. 652392/2014 (N.Y. Sup. Ct.) (the “Caesars Action”). On August 5, 2014, Caesars Entertainment Corporation and Caesars Entertainment’s subsidiary CEOC sued certain institutional CEOC second-lien noteholders and CEOC first-lien noteholder Elliott Management Corporation (“EMC”). On September 15, 2014, an amended complaint was filed adding WSFS as a defendant. The amended complaint asserts claims for (among other things) tortious interference with prospective economic advantage, a declaratory judgment that certain transactions related to CEOC’s restructuring are valid and appropriate and that there has not been a default under the indentures governing the notes. On October 15, 2014, defendants moved to dismiss the complaint, and the motion was fully briefed on December 1, 2014. On January 15, 2015, Caesars Entertainment and CEOC agreed to voluntarily dismiss their claims against EMC without prejudice, and EMC agreed to withdraw its motion to dismiss without prejudice. The remaining parties in the Caesars Action and the parties in the Trustee action described below have agreed to stay discovery pending decision on the respective motions to dismiss.

- Meehancombs Global Credit Opportunities Master Fund, L.P., et al. v. Caesars Entertainment Corp., et al., No. 14-cv-7091 (S.D.N.Y.) (the “Meehancombs Action”). On September 3, 2014, institutional investors allegedly holding approximately $137 million in CEOC unsecured senior notes sued CEOC and Caesars Entertainment for breach of contract and the implied covenant of good faith, Trust Indenture Act violations and a declaratory judgment challenging the August 2014 private financing transaction in which a portion of outstanding senior unsecured notes were purchased by Caesars Entertainment, and a majority of the noteholders agreed to amend the indenture to terminate Caesars Entertainment’s guarantee of the notes and modify certain restrictions on CEOC’s ability to sell assets. On October 2, 2014, a related putative class action complaint was filed on behalf of the holders of these notes captioned Danner v. Caesars Entertainment Corp., et al., No. 14-cv-7973 (S.D.N.Y.) (the “Danner Action”), against Caesars Entertainment alleging similar claims to the Meehancombs Action. Caesars Entertainment and CEOC filed a motion to dismiss on November 12, 2014. On January 15, 2015, the court granted the motion with respect to a Trust Indenture Act claim by Meehancombs but otherwise denied the motion. On January 30, 2015, plaintiffs filed an amended complaint seeking relief against Caesars Entertainment only, which Caesars Entertainment answered on February 12, 2015.

- UMB Bank v. Caesars Entertainment Corporation, et al., No. 10393 (Del. Ch.) (the “UMB Action.”). On November 25, 2014, UMB Bank, as trustee for certain CEOC notes, sued Caesars Entertainment, CEOC, other Caesars Entertainment-affiliated entities, and certain of Caesars

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Entertainment's directors, including Marc Rowan, Eric Press, David Sambur (each an Apollo Partner) and Jeffrey Benjamin (an Apollo consultant), in Delaware Chancery Court. The lawsuit alleges claims for actual and constructive fraudulent conveyance and transfer, insider preferences, illegal dividends, breach of contract, intentional interference with contractual relations, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, usurpation of corporate opportunities, and unjust enrichment. The UMB Action seeks appointment of a receiver for CEOC, a constructive trust, and other relief. The UMB Action has been assigned to the same judge overseeing the Trustee Action. Upon filing the complaint, UMB Bank moved to expedite is claim seeking a receiver, on which the court held oral argument on December 17, 2014. On January 15, 2015, the court entered a stipulated order staying the UMB Action as to all parties due to CEOC's bankruptcy filing.

- Koskie v. Caesars Acquisition Company, et al., No. A-14-711712-C (Clark Cnty Nev. Dist. Ct.) (the "Koskie Action"). On December 30, 2014, Nicholas Koskie brought a shareholder class action on behalf of shareholders of Caesars Acquisition Company ("CAC") against CAC, Caesars Entertainment, and members of CAC's Board of Directors, including Marc Rowan and David Sambur (each an Apollo partner). The lawsuit challenges CAC and Caesars Entertainment's plan to merge, alleging that the proposed transaction will not give CAC shareholders fair value. Koskie asserts claims for breach of fiduciary duty relating to the director defendants' interrelationships with the entities involved the proposed transaction.

- Apollo believes that the claims in the Trustee Action, the UMB Action, the Meehancombs Action, the Danner Action, and the Koskie Action are without merit. For this reason, and because the claims are in their early stages, and because of pending bankruptcy proceedings involving CEOC, no reasonable estimate of possible loss, if any, can be made at this time.

Following the January 16, 2014 announcement that CEC Entertainment, Inc. ("CEC") had entered into a merger agreement with certain entities affiliated with Apollo (the "Merger Agreement"), four putative shareholder class actions were filed in the District Court of Shawnee County, Kansas on behalf of purported stockholders of CEC against, among others, CEC, its directors and Apollo and certain of its affiliates, which include Queso Holdings Inc., Q Merger Sub Inc., Apollo Management VIII, L.P., and AP VIII Queso Holdings, L.P. The first purported class action, which is captioned Hilary Coyne v. Richard M. Frank et al., Case No. 14C57, was filed on January 21, 2014 (the "Coyne Action"). The second purported class action, which was captioned John Solak v. CEC Entertainment, Inc. et al., Civil Action No. 14C55, was filed on January 22, 2014 (the "Solak Action"). The Solak Action was dismissed for lack of prosecution on October 14, 2014. The third purported class action, which is captioned Irene Dixon v. CEC Entertainment, Inc. et al., Case No. 14C81, was filed on January 24, 2014 and additionally names as defendants Apollo Management VIII, L.P. and AP VIII Queso Holdings, L.P. (the "Dixon Action"). The fourth purported class action, which is captioned Louisiana Municipal Public Employees' Retirement System v. Frank, et al., Case No. 14C97, was filed on January 31, 2014 (the "LMPERS Action") (together with the Coyne and Dixon Actions, the "Shareholder Actions"). A fifth purported class action, which was captioned McCullough v. Frank, et al., Case No. CC-14-00622-B, was filed in the County Court of Dallas County, Texas on February 7, 2014. This action was dismissed for want of prosecution on May 21, 2014. Each of the Shareholder Actions alleges, among other things, that CEC's directors breached their fiduciary duties to CEC's stockholders in connection with their consideration and approval of the Merger Agreement, including by agreeing to an inadequate price, agreeing to impermissible deal protection devices, and filing materially deficient disclosures regarding the transaction. Each of the Shareholder Actions further alleges that Apollo and certain of its affiliates aided and abetted those alleged breaches. As filed, the Shareholder Actions seek, among other things, rescission of the various transactions associated with the merger, damages and attorneys' and experts' fees and costs. On February 7, 2014 and February 11, 2014, the plaintiffs in the Shareholder Actions pursued a consolidated action for damages after the transaction closed. Thereafter, the Shareholder Actions were consolidated under the caption In re CEC Entertainment, Inc. Stockholder Litigation, Case No. 14C57, and the parties have engaged in limited discovery. No defendant has any obligation to answer or otherwise respond to any of the complaints in the consolidated action until the plaintiffs file or designate an operative complaint. Although Apollo cannot predict the ultimate outcome of the above action, it believes that such action is without merit.

On June 10, 2014, Magnetar Global Event Driven Fund Ltd., Spectrum Opportunities Master Fund, Ltd., Magnetar Capital Master Fund, Ltd., and Blackwell Partners LLC, as the purported beneficial owners of shares held as of record by the nominal petitioner Cede & Co., (the "Appraisal Petitioners"), filed an action for statutory appraisal under Kansas state law against CEC in the U.S. District Court for the District of Kansas, captioned Magnetar Global Event Driven Master Fund Ltd, et al. v. CEC

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Entertainment, Inc., 2:14-cv-02279-RDR-KGS. The Appraisal Petitioners seek appraisal of 750,000 shares of common stock. CEC has answered the complaint and filed a verified list of stockholders, as required under Kansas law. On September 3, 2014, the court entered a scheduling order that contemplated that discovery would commence in the fall of 2014 and would be substantially completed by May 2015. On January 13, 2015, the court entered a revised scheduling order that contemplated that fact discovery would be completed by March 13, 2015, expert discovery would be completed by June 15, 2015, and a pretrial conference would occur on June 29, 2015. Thereafter, the scheduling order contemplates dispositive motion practice and a trial on the merits of the Appraisal Petitioners' claims. Although Apollo cannot predict the ultimate outcome of the above actions, Apollo believes that such actions are without merit.

On September 29, 2014, Athlon Energy Inc. ("Athlon") and Encana Corporation ("Encana") jointly announced that they had entered into an Agreement and Plan of Merger, dated as of September 27, 2014 (the "Merger Agreement"), pursuant to which a wholly-owned subsidiary of Encana ("Merger Sub") would commence a tender offer (the "Offer") to acquire all of the issued and outstanding shares of Athlon common stock. Following completion of the Offer, Merger Sub would be merged with and into Athlon (the "Proposed Transaction"). On October 23, 2014, The City of Cambridge Retirement System filed a putative class action complaint captioned The City of Cambridge Retirement System v. Reeves, et al., C.A. No. 10277-VCG (the "Cambridge Action") in the Delaware Court of Chancery naming Merger Sub, AGM and members of Athlon's board of directors as defendants. The Cambridge Action alleges, among other things, that members of Athlon's board of directors breached their fiduciary duties in connection with their consideration and approval of the proposed transaction, and that Encana, Merger Sub and AGM aided and abetted those breaches of fiduciary duty. On November 3, 2014, the parties to the Cambridge Action and several other similar actions filed in Delaware and Texas state court before the Cambridge Action (none of which named AGM as a defendant (collectively, the "Actions")), entered into a Memorandum of Understanding to settle the Actions. On December 19, 2014, the parties to the Actions entered into a formal settlement agreement, and on December 22, 2014, the parties submitted the settlement agreement and accompanying papers to the court for its approval. Under the terms of the proposed settlement, AGM will not be required to contribute any cash and will be granted full and customary releases.

Although the ultimate outcome of these matters cannot be ascertained at this time, Apollo is of the opinion, after consultation with counsel, that the resolution of any such matters to which it is a party at this time will not have a material adverse effect on the consolidated financial statements. Legal actions material to Apollo could, however, arise in the future.

Commitments—Apollo leases office space and certain office equipment under various lease and sublease arrangements, which expire on various dates through 2024. As these leases expire, it can be expected that in the normal course of business, they will be renewed or replaced. Certain lease agreements contain renewal options, rent escalation provisions based on certain costs incurred by the landlord or other inducements provided by the landlord. Rent expense is accrued to recognize lease escalation provisions and inducements provided by the landlord, if any, on a straight-line basis over the lease term and renewal periods where applicable. Apollo has entered into various operating lease service agreements in respect of certain assets.

As of December 31, 2014, the approximate aggregate minimum future payments required for operating leases were as follows:

	2015	2016	2017	2018	2019	Thereafter	Total
Aggregate minimum future payments	$ 38,863	$ 38,225	$ 36,114	$ 31,742	$ 31,348	$ 24,214	$ 200,506

Expenses related to non-cancellable contractual obligations for premises, equipment, auto and other assets were $42.5 million, $42.0 million and $41.2 million for the years ended December 31, 2014, 2013 and 2012, respectively.

Other Long-term Obligations—These obligations relate to payments with respect to certain consulting agreements entered into by Apollo Investment Consulting LLC, a subsidiary of Apollo. A significant portion of these costs are reimbursable by funds or portfolio companies. As of December 31, 2014, fixed and determinable payments due in connection with these obligations were as follows:

	2015	2016	2017	2018	2019	Thereafter	Total
Other long-term obligations	$ 10,400	$ 4,575	$ 4,470	$ 4,470	$ 2,235	$ —	$ 26,150

Contingent Obligations—Carried interest income with respect to private equity funds and certain credit and real estate funds is subject to reversal in the event of future losses to the extent of the cumulative carried interest recognized in income to date. If all of the existing investments became worthless, the amount of cumulative revenues that have been recognized by Apollo through December 31, 2014 and that would be reversed approximates $2.9 billion. Management views the possibility of all of the investments becoming worthless as remote. Carried interest income is affected by changes in the fair values of the underlying investments in the funds that Apollo manages. Valuations, on an unrealized basis, can be significantly affected by a variety of external factors including, but not limited to, bond yields and industry trading multiples. Movements in these items can affect valuations quarter to quarter even if the underlying business fundamentals remain stable.

Additionally, at the end of the life of certain funds that the Company manages, there could be a payment due to a fund by the Company if the Company, as general partner, has received more carried interest income than was ultimately earned. The general partner obligation amount, if any, will depend on final realized values of investments at the end of the life of each fund or as otherwise set forth in the respective limited partnership agreement of the fund. As of December 31, 2014, the Company has recorded a general partner obligation to return previously distributed carried interest income of $3.4 million relating to the Company's credit funds (see note 17 for further for further information).

Certain funds may not generate carried interest income as a result of unrealized and realized losses that are recognized in the current and prior reporting period. In certain cases, carried interest income will not be generated until additional unrealized and realized gains occur. Any appreciation would first cover the deductions for invested capital, unreturned organizational expenses, operating expenses, management fees and priority returns based on the terms of the respective fund agreements.

One of the Company’s subsidiaries, AGS, provides underwriting commitments in connection with securities offerings to the portfolio companies of the funds Apollo manages. As of December 31, 2014, there were no underwriting commitments outstanding related to such offerings.

Contingent Consideration

In connection with the acquisition of Stone Tower in April 2012, the Company agreed to pay the former owners of Stone Tower a specified percentage of any future carried interest income earned from certain of the Stone Tower funds, CLOs, and strategic investment accounts. This contingent consideration liability had an acquisition date fair value of $117.7 million, which was determined based on the present value of estimated future carried interest payments, and is recorded in profit sharing payable in the consolidated statements of financial condition. On July 31, 2014, the Company extinguished a portion of this contingent consideration obligation and recognized a gain in the amount of $13.4 million, which was recorded in other income, net in the consolidated statements of operations for the year ended December 31, 2014. In exchange for the extinguishment, the Company granted a former owner of Stone Tower and current Apollo employee 350,000 RSUs with rights to receive, subject to a three-year vesting period, distribution equivalents. (see note 16 for further information regarding the accounting for RSUs). The fair value of the remaining contingent obligation was $84.5 million and $121.4 million as of December 31, 2014 and December 31, 2013, respectively.

In connection with the Gulf Stream acquisition, the Company agreed to make payments to the former owners of Gulf Stream under a contingent consideration obligation which required the Company to transfer cash to the former owners of Gulf Stream based on a specified percentage of carried interest income. The contingent liability had a fair value of $11.6 million and $14.1 million as of December 31, 2014 and December 31, 2013, respectively, which was recorded in profit sharing payable in the consolidated statements of financial condition.

The contingent consideration obligations will be remeasured to fair value at each reporting period until the obligations are satisfied. The changes in the fair value of the contingent consideration obligations will be reflected in profit sharing expense in the consolidated statements of operations.

The contingent consideration obligations are measured at fair value and are characterized as Level III liabilities. See note 6 for further information regarding fair value measurements.

19. MARKET AND CREDIT RISK

In the normal course of business, Apollo encounters market and credit risk concentrations. Market risk reflects changes in the value of investments due to changes in interest rates, credit spreads or other market factors. Credit risk includes the risk of default on Apollo’s investments, where the counterparty is unable or unwilling to make required or expected payments.

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The Company is subject to a concentration risk related to the investors in its funds. As of December 31, 2014, there were more than 1,000 investors in Apollo's active private equity, credit and real estate funds, and no individual investor accounted for more than 10% of the total committed capital to Apollo's active funds.

Apollo's derivative financial instruments contain credit risk to the extent that its counterparties may be unable to meet the terms of the agreements. Apollo seeks to minimize this risk by limiting its counterparties to highly rated major financial institutions with good credit ratings. Management does not expect any material losses as a result of default by other parties.

Substantially all amounts on deposit with major financial institutions that exceed insured limits are invested in interest-bearing accounts with U.S. money center banks.

Apollo is exposed to economic risk concentrations insofar as Apollo is dependent on the ability of the funds that it manages to compensate it for the services it provides to these funds. Further, the incentive income component of this compensation is based on the ability of such funds to generate returns above certain specified thresholds.

Additionally, Apollo is exposed to interest rate risk. Apollo has debt obligations that have variable rates. Interest rate changes may therefore affect the amount of interest payments, future earnings and cash flows. At December 31, 2014 and December 31, 2013, $535.0 million and $750.0 million of Apollo's debt balance (excluding debt of the consolidated VIEs) had a variable interest rate, respectively.

20. SEGMENT REPORTING

Apollo conducts its management and incentive businesses primarily in the United States and substantially all of its revenues are generated domestically. These businesses are conducted through the following three reportable segments:

- ***Private Equity***—primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments;
- ***Credit***—primarily invests in non-control corporate and structured debt instruments; and
- ***Real Estate***—primarily invests in real estate equity for the acquisition and recapitalization of real estate assets, portfolios, platforms and operating companies, and real estate debt including first mortgage and mezzanine loans, preferred equity and commercial mortgage backed securities.

These business segments are differentiated based on the varying investment strategies. The performance is measured by management on an unconsolidated basis because management makes operating decisions and assesses the performance of each of Apollo's business segments based on financial and operating metrics and data that exclude the effects of consolidation of any of the affiliated funds.

The Company's financial results vary since carried interest, which generally constitutes a large portion of the income from the funds that Apollo manages, as well as the transaction and advisory fees that the Company receives, can vary significantly from quarter to quarter and year to year. As a result, the Company emphasizes long-term financial growth and profitability to manage its business.

The tables below present the financial data for Apollo's reportable segments further separated between the management business and incentive business as of December 31, 2014, 2013 and 2012, and for the years ended December 31, 2014, 2013 and 2012, respectively, which management believes is useful to the reader. The Company's management business has fairly stable revenues and expenses except for transaction fees, while its incentive business is more volatile and can have significant fluctuations as it is affected by changes in the fair value of investments due to market performance. The financial results of the management entities, as reflected in the "management" business section of the segment tables that follow, generally include management fee revenues, advisory and transaction fees and expenses exclusive of profit sharing expense. The financial results of the advisory entities, as reflected in the "incentive" business sections of the segment tables that follow, generally include carried interest income, investment income and profit sharing expense.

Economic Net Income (Loss)

ENI is a key performance measure used by management in evaluating the performance of Apollo's private equity, credit and real estate segments. Management believes the components of ENI, such as the amount of management fees, advisory and transaction fees and carried interest income, are indicative of the Company's performance. Management also uses ENI in making key operating decisions such as the following:

- Decisions related to the allocation of resources such as staffing decisions including hiring and locations for deployment of the new hires;
- Decisions related to capital deployment such as providing capital to facilitate growth for the business and/or to facilitate expansion into new businesses; and
- Decisions relating to expenses, such as determining annual discretionary bonuses and equity-based compensation awards to its employees. With respect to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in such funds and those of the Company's shareholders by providing such individuals a profit sharing interest in the carried interest income earned in relation to the funds. To achieve that objective, a certain amount of compensation is based on the Company's performance and growth for the year.

ENI is a measure of profitability and has certain limitations in that it does not take into account certain items included under U.S. GAAP. ENI represents segment income (loss) attributable to Apollo Global Management, LLC, which excludes the impact of (i) non-cash charges related to RSUs granted in connection with the 2007 private placement and amortization of AOG Units, (ii) income tax expense, (iii) amortization of intangibles associated with the 2007 Reorganization as well as acquisitions,

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(iv) Non-Controlling Interests excluding the remaining interest held by certain individuals who receive an allocation of income from certain of our credit management companies and (v) non-cash revenue and expense related to equity awards granted by unconsolidated affiliates to employees of the Company. In addition, segment data excludes the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements as such carried interest income, management fees and other revenues from these consolidated entities are reflected on an unconsolidated basis.

The following table presents financial data for Apollo's reportable segments as of and for the year ended December 31, 2014:

	As of and for the Year Ended December 31, 2014			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Revenues:				
Advisory and transaction fees from affiliates, net	$ 58,241	$ 255,186	$ 2,655	$ 316,082
Management fees from affiliates	315,069	538,742	47,213	901,024
Carried interest income from affiliates	231,983	165,589	8,949	406,521
Total Revenues	605,293	959,517	58,817	1,623,627
Expenses	403,323	517,435	67,991	988,749
Other Income	45,011	79,086	9,259	133,356
Non-Controlling Interests	—	(12,688)	—	(12,688)
Economic Net Income	$ 246,981	$ 508,480	$ 85	$ 755,546
Total Assets	$ 1,835,453	$ 2,139,441	$ 202,977	$ 4,177,871

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The following table reconciles the total segments to Apollo Global Management, LLC's consolidated financial statements as of and for the year ended December 31, 2014:

	As of and for the Year Ended December 31, 2014		
	Total Reportable Segments	Consolidation Adjustments and Other	Consolidated
Revenues	$ 1,623,627	$ (63,544) (1)	$ 1,560,083
Expenses	988,749	54,814 (2)	1,043,563
Other income	133,356	227,291 (3)	360,647
Non-Controlling Interests	(12,688)	(549,005)	(561,693)
Economic Net Income	$ 755,546 (5)	N/A	N/A
Total Assets	$ 4,177,871	$ 19,000,966 (6)	$ 23,178,837

(1) Represents advisory fees, management fees and carried interest income earned from consolidated VIEs which are eliminated in consolidation. Includes non-cash revenues related to equity awards granted by unconsolidated affiliates to employees of the Company.
(2) Represents the addition of expenses of consolidated funds and the consolidated VIEs and expenses related to RSUs granted in connection with the 2007 private placement. Includes non-cash expenses related to equity awards granted by unconsolidated affiliates to employees of the Company.
(3) Results from the following:

	For the Year Ended December 31, 2014
Net gains from investment activities	$ 204,181
Net gains from investment activities of consolidated variable interest entities	22,564
Loss from equity method investments[4]	(1,049)
Other Income, net	1,595
Total Consolidation Adjustments	$ 227,291

(4) Includes $498 reflecting the remaining interest of certain individuals who receive an allocation of income from a private equity co-investment vehicle.
(5) The reconciliation of Economic Net Income to Net Income Attributable to Apollo Global Management, LLC reported in the consolidated statements of operations consists of the following:

	For the Year Ended December 31, 2014
Economic Net Income	$ 755,546
Income tax provision	(147,245)
Net income attributable to Non-Controlling Interests in Apollo Operating Group	(404,682)
Non-cash charges related to equity-based compensation[7]	(502)
Amortization of intangible assets	(34,888)
Net Income Attributable to Apollo Global Management, LLC	$ 168,229

(6) Represents the addition of assets of consolidated funds and the consolidated VIEs.
(7) Includes the impact of non-cash charges related to amortization of RSUs granted in connection with the 2007 private placement as discussed in note 16 to our consolidated financial statements. Additionally, includes non-cash revenues related to equity awards granted by unconsolidated affiliates to employees of the Company.

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The following tables present additional financial data for Apollo's reportable segments for the year ended December 31, 2014:

	For the Year Ended December 31, 2014					
	Private Equity			Credit		
	Management	Incentive	Total	Management	Incentive	Total
Revenues:						
Advisory and transaction fees from affiliates, net	$ 58,241	$ —	$ 58,241	$ 255,186	$ —	$ 255,186
Management fees from affiliates	315,069	—	315,069	538,742	—	538,742
Carried interest income (loss) from affiliates:						
Unrealized losses[1]	—	(1,196,093)	(1,196,093)	—	(156,644)	(156,644)
Realized gains	—	1,428,076	1,428,076	41,199	281,034	322,233
Total Revenues	373,310	231,983	605,293	835,127	124,390	959,517
Compensation and benefits[2]	146,215	178,373	324,588	259,283	95,070	354,353
Other expenses[3]	78,735	—	78,735	163,082	—	163,082
Total Expenses	224,950	178,373	403,323	422,365	95,070	517,435
Other Income	12,976	32,035	45,011	28,538	50,548	79,086
Non-Controlling Interests	—	—	—	(12,688)	—	(12,688)
Economic Net Income	$ 161,336	$ 85,645	$ 246,981	$ 428,612	$ 79,868	$ 508,480

(1) Included in unrealized carried interest income (loss) from affiliates for the year ended December 31, 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $3.4 million in aggregate with respect to two of our credit funds. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement of the fund.

(2) Compensation and benefits includes equity-based compensation expense related to the management business for RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options.

(3) Other expenses exclude amortization of intangibles associated with the 2007 Reorganization as well as acquisitions.

	For the Year Ended December 31, 2014		
	Real Estate		
	Management	Incentive	Total
Revenues:			
Advisory and transaction fees from affiliates, net	$ 2,655	$ —	$ 2,655
Management fees from affiliates	47,213	—	47,213
Carried interest income from affiliates:			
Unrealized gains	—	4,951	4,951
Realized gains	—	3,998	3,998
Total Revenues	49,868	8,949	58,817
Compensation and benefits[1]	41,460	2,747	44,207
Other expenses[2]	23,784	—	23,784
Total Expenses	65,244	2,747	67,991
Other Income	3,584	5,675	9,259
Economic Net Income (Loss)	$ (11,792)	$ 11,877	$ 85

(1) Compensation and benefits includes equity-based compensation expense related to the management business for RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options.

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(2) Other expenses exclude amortization of intangibles associated with the 2007 Reorganization as well as acquisitions.

The following table presents the financial data for Apollo's reportable segments as of and for the year ended December 31, 2013:

	As of and for the Year Ended December 31, 2013			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Revenues:				
Advisory and transaction fees from affiliates, net	$ 78,371	$ 114,643	$ 3,548	$ 196,562
Management fees from affiliates	284,833	392,433	53,436	730,702
Carried interest income from affiliates	2,517,247	373,692	5,222	2,896,161
Total Revenues	2,880,451	880,768	62,206	3,823,425
Expenses	1,284,657	482,015	69,886	1,836,558
Other Income	93,512	55,133	6,124	154,769
Non-Controlling Interests	—	(13,985)	—	(13,985)
Economic Net Income (Loss)	$ 1,689,306	$ 439,901	$ (1,556)	$ 2,127,651
Total Assets	$ 3,148,975	$ 1,918,565	$ 145,996	$ 5,213,536

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The following table reconciles the total reportable segments to Apollo Global Management, LLC's financial statements as of and for the year ended December 31, 2013:

	As of and for the Year Ended December 31, 2013		
	Total Reportable Segments	Consolidation Adjustments and Other	Consolidated
Revenues	$ 3,823,425	$ (89,854) [(1)]	$ 3,733,571
Expenses	1,836,558	105,157 [(2)]	1,941,715
Other income	154,769	534,938 [(3)]	689,707
Non-Controlling Interests	(13,985)	(1,700,618)	(1,714,603)
Economic Net Income	$ 2,127,651 [(5)]	N/A	N/A
Total Assets	$ 5,213,536	$ 17,264,445 [(6)]	$ 22,477,981

(1) Represents advisory fees, management fees and carried interest income earned from consolidated VIEs which are eliminated in consolidation. Includes non-cash revenues related to equity awards granted by unconsolidated affiliates to employees of the Company.

(2) Represents the addition of expenses of consolidated funds and the consolidated VIEs and expenses related to RSUs granted in connection with the 2007 private placement and equity-based compensation expense comprising amortization of AOG Units and amortization of intangible assets. Includes non-cash expenses related to equity awards granted by unconsolidated affiliates to employees of the Company.

(3) Results from the following:

	For the Year Ended December 31, 2013
Net gains from investment activities	$ 342,828
Net gains from investment activities of consolidated variable interest entities	199,742
Gain from equity method investments[(4)]	(5,860)
Interest income	(1,772)
Total Consolidation Adjustments	$ 534,938

(4) Includes $(4,888) reflecting the remaining interest of certain individuals who receive an allocation of income from a private equity co-investment vehicle.

(5) The reconciliation of Economic Net Income to Net Income Attributable to Apollo Global Management, LLC reported in the consolidated statements of operations consists of the following:

	For the Year Ended December 31, 2013
Economic Net Income	$ 2,127,651
Income tax provision	(107,569)
Net income attributable to Non-Controlling Interests in Apollo Operating Group	(1,257,650)
Non-cash charges related to equity-based compensation[(7)]	(59,847)
Amortization of intangible assets	(43,194)
Net Income Attributable to Apollo Global Management, LLC	$ 659,391

(6) Represents the addition of assets of consolidated funds and the consolidated VIEs.

(7) Includes the impact of non-cash charges related to amortization of AOG Units and RSUs granted in connection with the 2007 private placement as discussed in note 16 to our consolidated financial statements. Additionally, includes non-cash revenues related to equity awards granted by unconsolidated affiliates to employees of the Company.

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The following tables present additional financial data for Apollo's reportable segments for the year ended December 31, 2013:

	For the Year Ended December 31, 2013					
	Private Equity			Credit		
	Management	Incentive	Total	Management	Incentive	Total
Revenues:						
Advisory and transaction fees from affiliates, net	$ 78,371	$ —	$ 78,371	$ 114,643	$ —	$ 114,643
Management fees from affiliates	284,833	—	284,833	392,433	—	392,433
Carried interest income from affiliates:						
Unrealized gains (losses)[1]	—	454,722	454,722	—	(56,568)	(56,568)
Realized gains	—	2,062,525	2,062,525	36,922	393,338	430,260
Total Revenues	363,204	2,517,247	2,880,451	543,998	336,770	880,768
Compensation and benefits[2]	141,728	1,030,404	1,172,132	177,223	142,728	319,951
Other expenses[3]	112,525	—	112,525	162,064	—	162,064
Total Expenses	254,253	1,030,404	1,284,657	339,287	142,728	482,015
Other Income	13,006	80,506	93,512	28,540	26,593	55,133
Non-Controlling Interests	—	—	—	(13,985)	—	(13,985)
Economic Net Income	$ 121,957	$ 1,567,349	$ 1,689,306	$ 219,266	$ 220,635	$ 439,901

(1) Included in unrealized carried interest income from affiliates for the year ended December 31, 2013 was reversal of $19.3 million and $0.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to SOMA and APC, respectively. The general partner obligation is recognized based upon a hypothetical liquidation of the fund's net assets as of the reporting date. The actual determination and any required payment of a general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund.

(2) Compensation and benefits includes equity-based compensation expense related to the management business for RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options.

(3) Other expenses excludes amortization of intangibles associated with the 2007 Reorganization as well as acquisitions.

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	For the Year Ended December 31, 2013		
	Real Estate		
	Management	Incentive	Total
Revenues:			
Advisory and transaction fees from affiliates, net	$ 3,548	$ —	$ 3,548
Management fees from affiliates	53,436	—	53,436
Carried interest income from affiliates:			
Unrealized gains	—	4,681	4,681
Realized gains	—	541	541
Total Revenues	56,984	5,222	62,206
Compensation and benefits[1]	42,143	123	42,266
Other expenses[2]	27,620	—	27,620
Total Expenses	69,763	123	69,886
Other Income	2,402	3,722	6,124
Economic Net (Loss) Income	$ (10,377)	$ 8,821	$ (1,556)

(1) Compensation and benefits includes equity-based compensation expense related to the management business for RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options.
(2) Other expenses exclude amortization of intangibles associated with the 2007 Reorganization as well as acquisitions.

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The following table presents financial data for Apollo's reportable segments as of and for the year ended December 31, 2012:

	As of and for the Year Ended December 31, 2012			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Revenues:				
Advisory and transaction fees from affiliates, net	$ 121,744	$ 27,551	$ 749	$ 150,044
Management fees from affiliates	277,048	299,667	46,326	623,041
Carried interest income from affiliates	1,667,535	518,852	15,074	2,201,461
Total Revenues	2,066,327	846,070	62,149	2,974,546
Expenses	945,466	454,378	72,437	1,472,281
Other Income	78,691	59,966	2,253	140,910
Non-Controlling Interests	—	(8,730)	—	(8,730)
Economic Net Income (Loss)	$ 1,199,552	$ 442,928	$ (8,035)	$ 1,634,445
Total Assets	$ 2,583,373	$ 1,798,086	$ 76,851	$ 4,458,310

The following table reconciles the total segments to Apollo Global Management, LLC's consolidated financial statements as of and for the year ended December 31, 2012:

	As of and for the Year Ended December 31, 2012		
	Total Reportable Segments	Consolidation Adjustments and Other	Consolidated
Revenues	$ 2,974,546	$ (114,581) (1)	$ 2,859,965
Expenses	1,472,281	575,564 (2)	2,047,845
Other income	140,910	2,160,175 (3)	2,301,085
Non-Controlling Interests	(8,730)	(2,728,108)	(2,736,838)
Economic Net Income	$ 1,634,445 (5)	N/A	N/A
Total Assets	$ 4,458,310	$ 16,178,548 (6)	$ 20,636,858

(1) Represents advisory fees, management fees and carried interest income earned from consolidated VIEs which are eliminated in consolidation. Includes non-cash revenues related to equity awards granted by unconsolidated affiliates to employees of the Company.

(2) Represents the addition of expenses of consolidated funds and the consolidated VIEs and expenses related to RSUs granted in connection with the 2007 private placement. Includes non-cash expenses related to equity awards granted by unconsolidated affiliates to employees of the Company.

(3) Results from the following:

	For the Year Ended December 31, 2012
Net gains from investment activities	$ 289,386
Net losses from investment activities of consolidated variable interest entities	(71,704)
Loss from equity method investments[4]	(10,947)
Other Income, net	1,543
Gain on acquisition	$ 1,951,897
Total Consolidation Adjustments	$ 2,160,175

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(4) Includes $1,423 reflecting the remaining interest of certain individuals who receive an allocation of income from a private equity co-investment vehicle.

(5) The reconciliation of Economic Net Income to Net Income Attributable to Apollo Global Management, LLC reported in the consolidated statements of operations consists of the following:

	For the Year Ended December 31, 2012
Economic Net Income	$ 1,634,445
Income tax provision	(65,410)
Net income attributable to Non-Controlling Interests in Apollo Operating Group	(685,357)
Non-cash charges related to equity-based compensation(7)	(529,712)
Amortization of intangible assets	(43,009)
Net Income Attributable to Apollo Global Management, LLC	$ 310,957

(6) Represents the addition of assets of consolidated funds and the consolidated VIEs.

(7) Includes the impact of non-cash charges related to amortization of RSUs granted in connection with the 2007 private placement as discussed in note 16 to our consolidated financial statements. Additionally, includes non-cash revenues related to equity awards granted by unconsolidated affiliates to employees of the Company.

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The following tables present additional financial data for Apollo's reportable segments for the year ended December 31, 2012:

	For the Year Ended December 31, 2012					
	Private Equity			Credit		
	Management	Incentive	Total	Management	Incentive	Total
Revenues:						
Advisory and transaction fees from affiliates, net	$ 121,744	$ —	$ 121,744	$ 27,551	$ —	$ 27,551
Management fees from affiliates	277,048	—	277,048	299,667	—	299,667
Carried interest income from affiliates:						
Unrealized losses[1]	—	854,919	854,919	—	301,077	301,077
Realized gains	—	812,616	812,616	37,842	179,933	217,775
Total Revenues	398,792	1,667,535	2,066,327	365,060	481,010	846,070
Compensation and benefits[2]	135,281	726,874	862,155	166,883	138,444	305,327
Other expenses[3]	83,311	—	83,311	149,051	—	149,051
Total Expenses	218,592	726,874	945,466	315,934	138,444	454,378
Other Income	4,653	74,038	78,691	15,008	44,958	59,966
Non-Controlling Interests	—	—	—	(8,730)	—	(8,730)
Economic Net Income	$ 184,853	$ 1,014,699	$ 1,199,552	$ 55,404	$ 387,524	$ 442,928

(1) Included in unrealized carried interest income from affiliates for December 31, 2012 was a reversal of $75.3 million of the entire general partner obligation to return previously distributed carried interest income with respect to Fund VI and reversal of previously recognized realized carried interest income due to the general partner obligation to return previously distributed carried interest income of $1.2 million and $0.3 million with respect to SOMA and APC, respectively. The general partner obligation is recognized based upon a hypothetical liquidation of the funds' net assets as of December 31, 2012. The actual determination and any required payment of a general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund.

(2) Compensation and benefits includes equity-based compensation expense related to the management business for RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options.

(3) Other expenses exclude amortization of intangibles associated with the 2007 Reorganization as well as acquisitions.

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

	For the Year Ended December 31, 2012		
	Real Estate		
	Management	Incentive	Total
Revenues:			
Advisory and transaction fees from affiliates, net	$ 749	$ —	$ 749
Management fees from affiliates	46,326	—	46,326
Carried interest income from affiliates:			
Unrealized losses	—	10,401	10,401
Realized gains	—	4,673	4,673
Total Revenues	47,075	15,074	62,149
Compensation and benefits[(1)]	41,352	6,815	48,167
Other expenses[(2)]	24,270	—	24,270
Total Expenses	65,622	6,815	72,437
Other Income	1,271	982	2,253
Economic Net (Loss) Income	$ (17,276)	$ 9,241	$ (8,035)

(1) Compensation and benefits includes equity-based compensation expense related to the management business for RSUs (excluding RSUs granted in connection with the 2007 private placement) and share options.
(2) Other expenses exclude amortization of intangibles associated with the 2007 Reorganization as well as acquisitions.

21. SUBSEQUENT EVENTS

On January 13, 2015, the Company issued 681,421 Class A shares in settlement of vested RSUs. This issuance caused the Company's ownership interest in the Apollo Operating Group to increase from 42.3% to 42.4%.

On February 5, 2015, the Company declared a cash distribution of $0.86 per Class A share, which will be paid on February 27, 2015 to holders of record on February 17, 2015.

On February 6, 2015, the Company issued 225,000 Class A shares in exchange for AOG Units. This issuance did not cause a material change to the Company's ownership interest in the Apollo Operating Group.

On February 10, 2015, the Company issued 3,946,444 Class A shares in settlement of vested RSUs. This issuance caused the Company's ownership interest in the Apollo Operating Group to increase from 42.4% to 43.0%.

Apollo, through its subsidiary Apollo MidCap Holdings (Cayman), L.P., has entered into a subscription agreement providing for an aggregate commitment of $50.0 million to subscribe for (i) Class A Variable Funding Subordinated Notes due 2114 (“Class A Notes”) of Midcap Finco Limited (“FinCo”), an Irish company that includes the existing operations and assets of MidCap Financial LLC, a specialty finance company that originates commercial lending opportunities, and (ii) ordinary shares of Finco’s holding company (“Ordinary Shares”). The subscription agreement has a commitment period of three years (subject to extension under certain circumstances), and $8.0 million of the commitment was drawn on February 3, 2015. Pursuant to an investment management agreement, Apollo, through its subsidiary Apollo Capital Management, L.P., is acting as the investment manager of FinCo’s credit business. Certain third parties have also entered into subscription agreements for Class A Notes and Ordinary Shares.

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

22. QUARTERLY FINANCIAL DATA (UNAUDITED)

	For the Three Months Ended			
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014
Revenues	$ 491,400	$ 572,152	$ 221,135	$ 275,396
Expenses	314,119	354,369	177,388	197,687
Other Income (Loss)	314,912	69,556	(82,135)	58,314
Income (Loss) Before Provision for Taxes	$ 492,193	$ 287,339	$ (38,388)	$ 136,023
Net Income (Loss)	$ 459,644	$ 252,302	$ (67,764)	$ 85,740
Net income attributable to Apollo Global Management, LLC	$ 72,169	$ 71,668	$ 2,210	$ 22,182
Net Income per Class A Share - Basic	$ 0.32	$ 0.33	$ (0.05)	$ 0.04
Net Income per Class A Share - Diluted	$ 0.32	$ 0.33	$ (0.05)	$ 0.04

	For the Three Months Ended			
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013
Revenues	$ 1,309,073	$ 497,261	$ 1,132,089	$ 795,148
Expenses	622,602	322,787	600,115	396,211
Other Income (Loss)	132,173	(8,165)	210,820	354,879
Income Before Provision for Taxes	$ 818,644	$ 166,309	$ 742,794	$ 753,816
Net Income	$ 800,065	$ 148,170	$ 695,590	$ 730,169
Net income attributable to Apollo Global Management, LLC	$ 248,978	$ 58,737	$ 192,516	$ 159,160
Net Income per Class A Share - Basic	$ 1.60	$ 0.32	$ 1.13	$ 0.94
Net Income per Class A Share - Diluted	$ 1.59	$ 0.32	$ 1.13	$ 0.93

	For the Three Months Ended			
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012
Revenues	$ 776,743	$ 211,628	$ 712,373	$ 1,159,221
Expenses	523,230	316,962	520,008	687,645
Other Income	192,188	1,950,461	27,348	131,088
Income Before Provision for Taxes	$ 445,701	$ 1,845,127	$ 219,713	$ 602,664
Net Income	$ 431,141	$ 1,834,477	$ 197,796	$ 584,381
Net income (Loss) attributable to Apollo Global Management, LLC	$ 98,043	$ (41,386)	$ 82,791	$ 171,509
Net Income (Loss) per Class A Share-Basic	$ 0.66	$ (0.38)	$ 0.55	$ 1.12
Net Income (Loss) per Class A Share - Diluted	$ 0.66	$ (0.38)	$ 0.55	$ 1.12

ITEM 8A. UNAUDITED SUPPLEMENTAL PRESENTATION OF STATEMENTS OF FINANCIAL CONDITION

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(dollars in thousands, except share data)

	December 31, 2014			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIE's	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$ 1,204,052	$ —	$ —	$ 1,204,052
Cash and cash equivalents held at consolidated funds	—	1,611	—	1,611
Restricted cash	6,353	—	—	6,353
Investments	857,391	2,173,989	(151,374)	2,880,006
Assets of consolidated variable interest entities				
Cash and cash equivalents	—	1,088,952	—	1,088,952
Investments, at fair value	—	15,658,948	(295)	15,658,653
Other assets	—	323,932	(692)	323,240
Carried interest receivable	958,846	—	(47,180)	911,666
Due from affiliates	278,632	—	(10,617)	268,015
Fixed assets, net	35,906	—	—	35,906
Deferred tax assets	606,717	—	—	606,717
Other assets	81,083	3,578	(277)	84,384
Goodwill	88,852	—	(39,609)	49,243
Intangible assets, net	60,039	—	—	60,039
Total Assets	**$ 4,177,871**	**$ 19,251,010**	**$ (250,044)**	**$ 23,178,837**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	43,772	474	—	44,246
Accrued compensation and benefits	59,278	—	—	59,278
Deferred revenue	199,614	—	—	199,614
Due to affiliates	564,799	354	—	565,153
Profit sharing payable	434,852	—	—	434,852
Debt	1,034,014	—	—	1,034,014
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	14,170,474	(47,374)	14,123,100
Other liabilities	—	728,957	(239)	728,718
Due to affiliates	—	58,526	(58,526)	—
Other liabilities	42,183	4,218	—	46,401
Total Liabilities	**$ 2,378,512**	**$ 14,963,003**	**$ (106,139)**	**$ 17,235,376**
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Additional paid in capital	2,256,054	—	(1,771)	2,254,283
Accumulated deficit	(1,433,759)	2,175,406	(2,142,308)	(1,400,661)
Appropriated partners' capital	—	972,774	(39,608)	933,166
Accumulated other comprehensive income (loss)	33,052	—	(33,358)	(306)
Total Apollo Global Management, LLC shareholders' equity	855,347	3,148,180	(2,217,045)	1,786,482
Non-Controlling Interests in consolidated entities	9,228	1,139,827	2,073,140	3,222,195
Non-Controlling Interests in Apollo Operating Group	934,784	—	—	934,784
Total Shareholders' Equity	**1,799,359**	**4,288,007**	**(143,905)**	**5,943,461**
Total Liabilities and Shareholders' Equity	**$ 4,177,871**	**$ 19,251,010**	**$ (250,044)**	**$ 23,178,837**

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APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(dollars in thousands, except share data)

	December 31, 2013			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIE's	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$ 1,078,120	$ —	$ —	$ 1,078,120
Cash and cash equivalents held at consolidated funds	—	1,417	—	1,417
Restricted cash	9,199	—	—	9,199
Investments	509,712	1,971,654	(87,483)	2,393,883
Assets of consolidated variable interest entities				
Cash and cash equivalents	—	1,095,170	—	1,095,170
Investments, at fair value	—	14,127,480	(1,118)	14,126,362
Other assets	—	280,718	—	280,718
Carried interest receivable	2,366,766	—	(79,691)	2,287,075
Due from affiliates	323,177	—	(5,930)	317,247
Fixed assets, net	40,251	—	—	40,251
Deferred tax assets	660,199	—	—	660,199
Other assets	42,333	1,837	—	44,170
Goodwill	88,852	—	(39,609)	49,243
Intangible assets, net	94,927	—	—	94,927
Total Assets	**$ 5,213,536**	**$ 17,478,276**	**$ (213,831)**	**$ 22,477,981**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	37,880	279	—	38,159
Accrued compensation and benefits	41,711	—	—	41,711
Deferred revenue	279,479	—	—	279,479
Due to affiliates	594,518	853	—	595,371
Profit sharing payable	992,240	—	—	992,240
Debt	750,000	—	—	750,000
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	12,424,839	(877)	12,423,962
Other liabilities	—	609,413	(4,350)	605,063
Due to affiliates	—	81,272	(81,272)	—
Other liabilities	60,647	2,627	—	63,274
Total Liabilities	**$ 2,756,475**	**$ 13,119,283**	**$ (86,499)**	**$ 15,789,259**
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Additional paid in capital	2,624,113	—	469	2,624,582
Accumulated deficit	(1,587,536)	1,971,682	(1,952,633)	(1,568,487)
Appropriated partners' capital	—	1,620,928	(39,849)	1,581,079
Accumulated other comprehensive income (loss)	33,774	—	(33,679)	95
Total Apollo Global Management, LLC shareholders' equity	1,070,351	3,592,610	(2,025,692)	2,637,269
Non-Controlling Interests in consolidated entities	4,987	766,383	1,898,360	2,669,730
Non-Controlling Interests in Apollo Operating Group	1,381,723	—	—	1,381,723
Total Shareholders' Equity	**2,457,061**	**4,358,993**	**(127,332)**	**6,688,722**
Total Liabilities and Shareholders' Equity	**$ 5,213,536**	**$ 17,478,276**	**$ (213,831)**	**$ 22,477,981**

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

We maintain “disclosure controls and procedures”, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework* (2013 framework). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The effectiveness of our internal control over financial reporting as of December 31, 2014 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report which is included in Item 8 of this Annual Report on Form 10-K.

ITEM 9B. OTHER INFORMATION

None.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

The following table presents certain information concerning our board of directors and executive officers:

Name	Age	Position(s)
Leon Black	63	Chairman, Chief Executive Officer and Director
Joshua Harris	50	Senior Managing Director and Director
Marc Rowan	52	Senior Managing Director and Director
Martin Kelly	47	Chief Financial Officer
John Suydam	55	Chief Legal Officer and Chief Compliance Officer
James Zelter	52	Managing Director-Credit
Christopher Weidler	39	Chief Accounting Officer and Controller
Michael Ducey	66	Director
Paul Fribourg	61	Director
Robert Kraft	73	Director
A.B. Krongard	78	Director
Pauline Richards	66	Director

Leon Black. Mr. Black is the Chairman of the board of directors and Chief Executive Officer of Apollo and a Managing Partner of Apollo Management, L.P. In 1990, Mr. Black founded Apollo Management, L.P. and Lion Advisors, L.P. to manage investment capital on behalf of a group of institutional investors, focusing on corporate restructuring, leveraged buyouts and taking minority positions in growth-oriented companies. From 1977 to 1990, Mr. Black worked at Drexel Burnham Lambert Incorporated, where he served as a Managing Director, head of the Mergers & Acquisitions Group, and co-head of the Corporate Finance Department. Mr. Black also serves on the board of directors of the general partner of AAA and previously served on the board of directors of Sirius XM Radio Inc. Mr. Black is a trustee of The Museum of Modern Art, The Mount Sinai Medical Center, The Metropolitan Museum of Art, and The Asia Society. He is also a member of The Council on Foreign Relations and The Partnership for New York City. He is also a member of the boards of directors of FasterCures and the Port Authority Task Force. Mr. Black graduated summa cum laude from Dartmouth College in 1973 with a major in Philosophy and History and received an MBA from Harvard Business School in 1975. Mr. Black has significant experience making and managing private equity investments on behalf of Apollo and has over 35 years' experience financing, analyzing and investing in public and private companies. In his prior positions with Drexel and in his positions at Apollo, Mr. Black is responsible for leading and overseeing teams of professionals. His extensive experience allows Mr. Black to provide insight into various aspects of Apollo's business and is of significant value to the board of directors.

Joshua Harris. Mr. Harris is a Senior Managing Director and a member of the board of directors of Apollo and a Managing Partner of Apollo Management, L.P., which he co-founded in 1990. Prior to 1990, Mr. Harris was a member of the Mergers and Acquisitions group of Drexel Burnham Lambert Incorporated. Mr. Harris has previously served on the board of directors of Berry Plastics Group Inc., EP Energy Corporation, EPE Acquisition, LLC, CEVA Logistics, Momentive Performance Materials Holdings LLC, Constellium N.V., LyondellBasell Industries B.V., Momentive Specialty Chemicals Inc. and Momentive Specialty Chemicals Holdings LLC. Mr. Harris is a member of the Federal Reserve Bank of New York's Investor Advisory Committee, the Council of Foreign Relations, and is on the Board of Trustees of Mount Sinai Medical Center. He participates on the University of Pennsylvania's Wharton School's Board of Overseers, the Board of Dean's Advisors at the Harvard Business School and certain other charitable and educational boards. Mr. Harris is the Managing Partner of the Philadelphia 76ers and the Managing Member of the New Jersey Devils. Mr. Harris graduated summa cum laude and Beta Gamma Sigma from the University of Pennsylvania's Wharton School of Business with a B.S. in Economics and received his M.B.A. from the Harvard Business School, where he graduated as a Baker and Loeb Scholar. Mr. Harris has significant experience in making and managing private equity investments on behalf of Apollo and has over 25 years' experience in financing, analyzing and investing in public and private companies. Mr. Harris's extensive knowledge of Apollo's business and experience in a variety of senior leadership roles enhance the breadth of experience of the board of directors.

Marc Rowan. Mr. Rowan is a Senior Managing Director and member of the board of directors of Apollo and a Managing Partner of Apollo Management, L.P., which he co-founded in 1990. Prior to 1990, Mr. Rowan was a member of the Mergers & Acquisitions Group of Drexel Burnham Lambert Incorporated, with responsibilities in high yield financing, transaction idea generation and merger structure negotiation. Mr. Rowan currently serves on the boards of directors of Athene Holding Ltd, Caesars Entertainment Corporation, Caesars Acquisition Co. and Caesars Entertainment Operating Co. He has previously served on the boards of directors of the general partner of AAA, AMC Entertainment, Inc., Cablecom GmbH, Culligan Water Technologies, Inc., Countrywide Holdings Limited, Furniture Brands International Inc., Mobile Satellite Ventures, LLC, National Cinemedia, Inc., National Financial Partners, Inc., New World Communications, Inc., Norwegian Cruise Lines, Quality Distribution, Inc., Samsonite Corporation, SkyTerra Communications Inc., Unity Media SCA, Vail Resorts, Inc. and Wyndham International, Inc. Mr. Rowan is also active in charitable activities. He is a founding member and Chairman of the Youth Renewal Fund and is a member of the Board of Overseers of the University of Pennsylvania's Wharton School of Business and serves on the boards of directors of Jerusalem Online and the New York City Police Foundation. Mr. Rowan graduated summa cum laude from the University of Pennsylvania's Wharton School of Business with a B.S. and an M.B.A. in Finance. Mr. Rowan has significant experience making and managing private equity investments on behalf of Apollo and has over 26 years' experience financing, analyzing and investing in public and private companies. Mr. Rowan's extensive financial background and expertise in private equity investments enhance the breadth of experience of the board of directors.

Martin Kelly. Mr. Kelly joined Apollo in 2012 as Chief Financial Officer. Mr. Kelly also oversees the Firm's IT, Risk, Operations and Audit groups. From 2008 to 2012, Mr. Kelly was with Barclays Capital and, from 2000 to 2008, Mr. Kelly was with Lehman Brothers Holdings Inc. Prior to departing Barclays Capital, Mr. Kelly served as Managing Director, CFO of the Americas, and Global Head of Financial Control for their Corporate and Investment Bank. Prior to joining Lehman Brothers in 2000, Mr. Kelly spent 13 years with PricewaterhouseCoopers LLP, including serving in the Financial Services Group in New York from 1994 to 2000. Mr. Kelly was appointed a Partner of the firm in 1999. Mr. Kelly received a degree in Commerce, majoring in Finance and Accounting, from the University of New South Wales in 1989.

John Suydam. Mr. Suydam joined Apollo in 2006 and serves as Apollo's Chief Legal Officer. From 2002 to 2006, Mr. Suydam was a partner at O'Melveny & Myers LLP where he served as head of Mergers and Acquisitions and co-head of the Corporate Department. Prior to that time, Mr. Suydam served as Chairman of the law firm O'Sullivan, LLP which specialized in representing private equity investors. Mr. Suydam serves on the boards of The Legal Action Center, Environmental Solutions Worldwide, Inc. and New York University School of Law, and is a member of the Department of Medicine Advisory Board of the Mount Sinai Medical Center. Mr. Suydam received his J.D. from New York University and graduated magna cum laude with a B.A. in History from the State University of New York at Albany.

James Zelter. Mr. Zelter joined Apollo in 2006. Mr. Zelter is the Managing Director of Apollo's credit business, Chief Executive Officer and director of AINV. Prior to joining Apollo, Mr. Zelter was with Citigroup Inc. and its predecessor companies from 1994 to 2006. From 2003 to 2005, Mr. Zelter was Chief Investment Officer of Citigroup Alternative Investments, and prior to that he was responsible for the firm's Global High Yield franchise. Prior to joining Citigroup in 1994, Mr. Zelter was a High Yield Trader at Goldman, Sachs & Co. Mr. Zelter has significant experience in global credit markets and has overseen the broad expansion of Apollo's credit platform. Mr. Zelter is a board member of DUMAC, the investment management company that oversees the Duke Endowment and Duke Foundation, and is on the board of the Dalton School. Mr. Zelter has a B.A. in Economics from Duke University.

Christopher Weidler. Mr. Weidler joined Apollo in 2013. Prior to joining Apollo, Mr. Weidler was with Barclays, where he most recently served as a Managing Director and the Financial Controller of the Americas. Since February 2005, Mr. Weidler served in a variety of leadership roles at Barclays that included Global Head of U.S. GAAP Technical Accounting and Global Head of Financial Reporting and Legal Entity Control for the Investment Bank. Prior to joining Barclays, Mr. Weidler spent eight years with PricewaterhouseCoopers LLP in the firm's New York Audit and Assurance practice and in London in the firm's Global Capital Markets Group. Mr. Weidler received a B.S. in Accounting from Villanova University in 1997.

Michael Ducey. Mr. Ducey has served as an independent director of Apollo and a member of the audit committee and as Chairman of the conflicts committee of our board of directors since 2011. Most recently, Mr. Ducey was with Compass Minerals International, Inc., from March 2002 to May 2006, where he served in a variety of roles, including as President, Chief Executive Officer and Director prior to his retirement in May 2006. Prior to joining Compass Minerals International, Inc., Mr. Ducey worked for nearly 30 years at Borden Chemical, Inc., in various management, sales, marketing, planning and commercial development positions, and ultimately as President, Chief Executive Officer and Director. Mr. Ducey is currently a director of and serves as the Chairman of the audit committee of Verso Paper Holdings, Inc. He is also the Chairman of the compliance and governance committee and the nominations committee of the board of directors of HaloSource, Inc. From September 2009 to December 2012, Mr. Ducey was the non-executive Chairman of TPC Group, Inc. and served on the audit committee and the environmental health and safety committee. From June 2006 to May 2008, Mr. Ducey served on the board of directors of and as a member of the governance and compensation committee of the board of directors of UAP Holdings Corporation. Also, from July 2010 to May

2011, Mr. Ducey was a member of the board of directors and served on the audit committee of Smurfit-Stone Container Corporation. Mr. Ducey graduated from Otterbein University with a degree in Economics and an M.B.A. in finance from the University of Dayton. Mr. Ducey's comprehensive corporate background and his experience serving on various boards and committees add significant value to the board of directors.

Paul Fribourg. Mr. Fribourg has served as an independent director of Apollo and as a member of the conflicts committee of our board of directors since 2011. From 1997 to the present, Mr. Fribourg has served as Chairman and Chief Executive Officer of Continental Grain Company. Prior to 1997, Mr. Fribourg served in a variety of other roles at Continental Grain Company, including Merchandiser, Product Line Manager, Group President and Chief Operating Officer. Mr. Fribourg serves on the boards of directors of Restaurant Brands International Inc., Loews Corporation, Castleton Commodities International LLC and The Estee Lauder Companies, Inc. He also serves as a board member of the Rabobank International North American Agribusiness Advisory Board, the New York University Mitchell Jacobson Leadership Program in Law and Business Advisory Board and Endeavor Global Inc. Mr. Fribourg is also a member of the Council on Foreign Relations, the Brown University Advisory Council on China and the International Business Leaders Advisory Council for The Mayor of Shanghai. Mr. Fribourg graduated magna cum laude from Amherst College and completed the Advanced Management Program at Harvard Business School. Mr. Fribourg's extensive corporate experience enhances the breadth of experience and independence of the board of directors.

Robert Kraft. Mr. Kraft has served as an independent director of Apollo and as a member of the conflicts committee of our board of directors since 2014. Mr. Kraft is Chairman and Chief Executive Officer of The Kraft Group, which includes the New England Patriots, New England Revolution, Gillette Stadium, Rand-Whitney Group and International Forest Products Corporation. Mr. Kraft serves on a number of NFL Committees, including the Executive Committee, Finance Committee and Broadcast Committee (Chairman). Since 2006, Mr. Kraft has been a member of the board of directors of Viacom Inc. He also serves as Chairman for both the New England Patriots Charitable Foundation and the Robert and Myra Kraft Family Foundation, and is a director of the Dana Farber Cancer Institute. Mr. Kraft's corporate strategic and operational experience combined with his strong relationships in the business community make him a valuable member of the board of directors.

A.B. Krongard. Mr. Krongard has served as an independent director of Apollo and as a member of the audit committee of our board of directors since 2011. From 2001 to 2004, Mr. Krongard served as Executive Director of the Central Intelligence Agency. From 1998 to 2001, Mr. Krongard served as Counselor to the Director of Central Intelligence. Prior to 1998, Mr. Krongard served in various capacities at Alex Brown, Incorporated, including serving as Chief Executive Officer beginning in 1991 and assuming additional duties as Chairman of the board of directors in 1994. Upon the merger of Alex Brown, Incorporated with Bankers Trust Corporation in 1997, Mr. Krongard served as Vice-Chairman of the Board of Bankers Trust Corporation and served in such capacity until joining the Central Intelligence Agency. Mr. Krongard serves as the Lead Director and audit committee Chairman of Under Armour, Inc. and also serves as a board member of Iridium Communications Inc., Seventy-Seven Energy Inc. and In-Q-Tel, Inc. Mr. Krongard graduated with honors from Princeton University and received a J.D. from the University of Maryland School of Law, where he also graduated with honors. Mr. Krongard also serves as the Vice Chairman of the Johns Hopkins Health System. Mr. Krongard's comprehensive corporate background contributes to the range of experience of the board of directors.

Pauline Richards. Ms. Richards has served as an independent director of Apollo and as Chairman of the audit committee of our board of directors since 2011. Ms. Richards currently serves as Chief Operating Officer of Armour Group Holdings Limited, a position she has held since 2008. Ms. Richards also serves as a member of the Audit and Compensation Committees of the board of directors of Wyndham Worldwide, a position she has held since 2006; is a director of Hamilton Insurance Group, serving on the audit and investment committees, a position she has held since 2013; and is the Treasurer of the board of directors of PRIDE Bermuda, a drug prevention organization of which she has been a member for over 20 years. Prior to 2008, Ms. Richards served as Director of Development of Saltus Grammar School from 2003 to 2008, as Chief Financial Officer of Lombard Odier Darier Hentsch (Bermuda) Limited from 2001 to 2003, and as Treasurer of Gulf Stream Financial Limited from 1999 to 2000. Ms. Richards also served as a member of the Audit Committee and chair of the Corporate Governance Committee of the board of directors of Butterfield Bank from 2006 to 2013. Ms. Richards graduated from Queen's University, Ontario, Canada, with a BA in psychology and has obtained certification as a CPA, CMA. Ms. Richards' extensive finance experience and her service on the boards of other public companies add significant value to the board of directors.

Our Manager

Our operating agreement provides that so long as the Apollo Group beneficially owns at least 10% of the aggregate number of votes that may be cast by holders of outstanding voting shares, our manager, which is owned and controlled by our Managing Partners, will manage all of our operations and activities and will have discretion over significant corporate actions, such as the issuance of securities, payment of distributions, sales of assets, making certain amendments to our operating agreement and other matters, and our board of directors will have no authority other than that which our manager chooses to delegate to it. We refer to the Apollo Group's beneficial ownership of at least 10% of such voting power as the "Apollo control condition." For

purposes of our operating agreement, the "Apollo Group" means (i) our manager and its affiliates, including their respective general partners, members and limited partners, (ii) Holdings and its affiliates, including their respective general partners, members and limited partners, (iii) with respect to each Managing Partner, such Managing Partner and such Managing Partner's "group" (as defined in Section 13(d) of the Exchange Act), (iv) any former or current investment professional of or other employee of an "Apollo employer" (as defined below) or the Apollo Operating Group (or such other entity controlled by a member of the Apollo Operating Group), (v) any former or current executive officer of an Apollo employer or the Apollo Operating Group (or such other entity controlled by a member of the Apollo Operating Group); and (vi) any former or current director of an Apollo employer or the Apollo Operating Group (or such other entity controlled by a member of the Apollo Operating Group). With respect to any person, "Apollo employer" means Apollo Global Management, LLC or such other entity controlled by Apollo Global Management, LLC or its successor as may be such person's employer but does not include any portfolio companies.

Decisions by our manager are made by its executive committee, which is composed of our three Managing Partners. Each Managing Partner will remain on the executive committee for so long as he is employed by us, provided that Mr. Black, upon his retirement, may at his option remain on the executive committee until his death or disability or any commission of an act that would constitute cause if Mr. Black had still been employed by us. Other than those actions that require unanimous consent, actions by the executive committee are determined by majority vote of its voting members, except as to the following matters, as to which Mr. Black will have the right of veto: (i) the designations of directors to our board, or (ii) a sale or other disposition of the Apollo Operating Group and/or its subsidiaries or any portion thereof, through a merger, recapitalization, stock sale, asset sale or otherwise, to an unaffiliated third party (other than through an exchange of Apollo Operating Group units, transfers by a founder or a permitted transferee to another permitted transferee, or the issuance of bona fide equity incentives to any of our non-founder employees) that constitutes (x) a direct or indirect sale of a ratable interest (or substantially ratable interest) in each entity that constitutes the Apollo Operating Group or (y) a sale of all or substantially all of the assets of Apollo (this clause (ii), an "LB Approval Event"). Exchanges of Apollo Operating Group units for Class A shares that are not pro rata among our Managing Partners or in which each Managing Partner has the option not to participate are not subject to Mr. Black's right of veto.

Subject to limited exceptions described in our operating agreement, our manager may not sell, exchange or otherwise dispose of all or substantially all of our assets and those of our subsidiaries, taken as a whole, in a single transaction or a series of related transactions without the approval of holders of a majority of the aggregate number of voting shares outstanding; provided, however, that this does not preclude or limit our manager's ability, in its sole discretion, to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of our assets and those of our subsidiaries (including for the benefit of persons other than us or our subsidiaries, including affiliates of our manager) and does not apply to any forced sale of any or all of our assets pursuant to the foreclosure of, or other realization upon, any such encumbrance.

We will reimburse our manager and its affiliates for all costs incurred in managing and operating us, and our operating agreement provides that our manager will determine the expenses that are allocable to us. The agreement does not limit the amount of expenses for which we will reimburse our manager and its affiliates.

Board Composition and Limited Powers of Our Board of Directors

For so long as the Apollo control condition is satisfied, our manager shall (i) nominate and elect all directors to our board of directors, (ii) set the number of directors of our board of directors and (iii) fill any vacancies on our board of directors. After the Apollo control condition is no longer satisfied, each of our directors will be elected by the vote of a plurality of our shares entitled to vote, voting as a single class, to serve until his or her successor is duly elected or appointed and qualified or until his or her earlier death, retirement, disqualification, resignation or removal. Our board currently consists of eight members. For so long as the Apollo control condition is satisfied, our manager may remove any director, with or without cause, at anytime. After such condition is no longer satisfied, a director or the entire board of directors may be removed by the affirmative vote of holders of 50% or more of the total voting power of our shares.

As noted, so long as the Apollo control condition is satisfied, our manager will manage all of our operations and activities, and our board of directors will have no authority other than that which our manager chooses to delegate to it. In the event that the Apollo control condition is not satisfied, our board of directors will manage all of our operations and activities.

Pursuant to a delegation of authority from our manager, which may be revoked, our board of directors has established and at all times will maintain audit and conflicts committees of the board of directors that have the responsibilities described below under "-Committees of the Board of Directors-Audit Committee" and "-Committees of the Board of Directors-Conflicts Committee."

Where action is required or permitted to be taken by our board of directors or a committee thereof, a majority of the directors or committee members present at any meeting of our board of directors or any committee thereof at which there is a quorum shall be the act of our board or such committee, as the case may be. Our board of directors or any committee thereof may also act by unanimous written consent.

Under the Agreement Among Managing Partners (as described under “Item 13. Certain Relationships and Related Transactions-Lenders Rights Agreement-Amendments to Managing Partner Transfer Restrictions”), the vote of a majority of the independent members of our board of directors will decide the following: (i) in the event that a vacancy exists on the executive committee of our manager and the remaining members of the executive committee cannot agree on a replacement (other than a replacement for Mr. Black nominated by Mr. Black or his representative, which requires the approval of only one member of the executive committee), the independent members of our board of directors shall select one of the two nominees to the executive committee of our manager presented to them by the remaining members of such executive committee to fill the vacancy on such executive committee and (ii) in the event that Mr. Black wishes to exercise his ability to cause an LB Approval Event, the affirmative vote of the majority of the independent members of our board of directors shall be required to approve such a transaction. We are not a party to the Agreement Among Managing Partners, and neither we nor our shareholders (other than our Strategic Investors, as described under “Item 13. Certain Relationships and Related Transactions-Lenders Rights Agreement-Amendments to Managing Partner Transfer Restrictions”) have any right to enforce the provisions described above. Such provisions can be amended or waived upon agreement of our Managing Partners at any time.

Committees of the Board of Directors

We have established an audit committee as well as a conflicts committee. Our audit committee has adopted a charter that complies with current SEC and NYSE rules relating to corporate governance matters. Our board of directors may from time to time establish other committees of our board of directors.

Audit Committee

The primary purpose of our audit committee is to assist our manager in overseeing and monitoring (i) the quality and integrity of our financial statements, (ii) our compliance with legal and regulatory requirements, (iii) our independent registered public accounting firm’s qualifications and independence and (iv) the performance of our independent registered public accounting firm.

The current members of our audit committee are Messrs. Ducey and Krongard and Ms. Richards. Ms. Richards currently serves as Chairperson of the committee. Each of the members of our audit committee meets the independence standards and financial literacy requirements for service on an audit committee of a board of directors pursuant to the Exchange Act and NYSE rules applicable to audit committees and corporate governance. Furthermore, our manager has determined that Ms. Richards is an “audit committee financial expert” within the meaning of Item 407(d)(5) of Regulation S-K. Our audit committee has a charter which is available on our website at www.agm.com under the “Investor Relations” section.

Conflicts Committee

The current members of our conflicts committee are Messrs. Ducey, Fribourg and Kraft. Mr. Ducey currently serves as Chairman of the committee. The purpose of the conflicts committee is to review specific matters that our manager believes may involve conflicts of interest. The conflicts committee will determine whether the resolution of any conflict of interest submitted to it is fair and reasonable to us. Any matters approved by the conflicts committee will be conclusively deemed to be fair and reasonable to us and not a breach by us of any duties that we may owe to our shareholders. In addition, the conflicts committee may review and approve any related person transactions, other than those that are approved pursuant to our related person policy, as described under “Item 13. Certain Relationships and Related Party Transactions-Statement of Policy Regarding Transactions with Related Persons,” and may establish guidelines or rules to cover specific categories of transactions.

Code of Business Conduct and Ethics

We have a Code of Business Conduct and Ethics, which applies to, among others, our principal executive officer, principal financial officer and principal accounting officer. A copy of our Code of Business Conduct and Ethics is available on our website at www.agm.com under the “Investor Relations” section. We intend to disclose any amendment to or waiver of the Code of Business Conduct and Ethics on behalf of an executive officer or director either on our website or in an 8-K filing.

Corporate Governance Guidelines

We have Corporate Governance Guidelines that address significant issues of corporate governance and set forth procedures by which our manager and board of directors carry out their respective responsibilities. The guidelines are available for viewing on our website at www.agm.com under the “Investor Relations” section. We will also provide the guidelines, free of charge, to shareholders who request them. Requests should be directed to our Secretary at Apollo Global Management, LLC, 9 West 57th Street, 43rd Floor, New York, New York 10019.

Communications with the Board of Directors

A shareholder or other interested party who wishes to communicate with our directors, a committee of our board of directors, our independent directors as a group or our board of directors generally may do so in writing. Any such communications may be sent to our board of directors by U.S. mail or overnight delivery and should be directed to our Secretary at Apollo Global Management, LLC, 9 West 57th Street, 43rd Floor, New York, New York 10019, who will forward them to the intended recipient(s). Any such communications may be made anonymously. Unsolicited advertisements, invitations to conferences or promotional materials, in the discretion of our Secretary, are not required, however, to be forwarded to the directors.

Executive Sessions of Independent Directors

The independent directors serving on our board of directors meet periodically in executive sessions during the year at regularly scheduled meetings of our board of directors. These executive sessions will be presided over by one of the independent directors serving on our board of directors selected on an ad-hoc basis.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities to file initial reports of ownership and reports of changes in ownership with the SEC and furnish us with copies of all Section 16(a) forms they file. To our knowledge, based solely on our review of the copies of such reports furnished to us or written representations from such persons that they were not required to file a Form 5 to report previously unreported ownership or changes in ownership, we believe that, with respect to the fiscal year ended December 31, 2014, such persons complied with all such filing requirements.

ITEM 11. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Overview of Compensation Philosophy

Alignment of Interests with Investors and Shareholders. Our principal compensation philosophy is to align the interests of our Managing Partners, Contributing Partners, and other senior professionals with those of our Class A shareholders and fund investors. This alignment, which we believe is a key driver of our success, has been achieved principally by our Managing Partners', Contributing Partners', and other investment professionals' direct beneficial ownership of equity in our business in the form of AOG Units and Class A shares, their ownership of rights to receive a portion of the incentive income earned from our funds, the direct investment by our investment professionals in our funds, and our practice of paying annual incentive compensation partly in the form of equity-based grants that are subject to vesting. As a result of this alignment, the compensation of our professionals is closely tied to the performance of our businesses.

Significant Personal Investment. Our investment professionals generally make significant personal investments in our funds (as more fully described under "Item 13. Certain Relationships and Related Party Transactions"), directly or indirectly, and our professionals who receive carried interests in our funds are generally required to invest their own capital in the funds they work on in amounts that are generally proportionate to the size of their participation in incentive income. We believe that these investments help to ensure that our professionals have capital at risk and reinforce the linkage between the success of the funds we manage, the success of the Company and the compensation paid to our professionals.

Long-Term Performance and Commitment. Most of our professionals have been issued RSUs, which provide rights to receive Class A shares and distributions on those shares. The vesting requirements and minimum retained ownership requirements for these awards contribute to our professionals' focus on long-term performance while enhancing retention of these professionals.

Discouragement of Excessive Risk-Taking. Although investments in alternative assets can pose risks, we believe that our compensation program includes significant elements that discourage excessive risk-taking while aligning the compensation of our professionals with our long-term performance. For example, notwithstanding that we accrue compensation for our carried interest programs (described below) as increases in the value of the portfolio investments are recorded in the related funds, we generally make payments in respect of carried interest allocations to our employees only after profitable investments have actually been realized. This helps to ensure that our professionals take a long-term view that is consistent with the interests of the Company, our shareholders and the investors in our funds. Moreover, if a fund fails to achieve specified investment returns due to diminished performance of later investments, our carried interest program relating to that fund generally permits, for the benefit of the limited partner investors in that fund, the return of carried interest payments (generally net of tax) previously made to us, our Contributing Partners or our other employees. These provisions discourage excessive risk-taking and promote a long-term view that is consistent with the interests of our investors and shareholders. Our general requirement that our professionals invest in the funds we manage further aligns the interests of our professionals, fund investors and Class A shareholders. Finally, the minimum retained ownership requirements of our RSUs, options and AOG Units, as well as a requirement that certain investment professionals use a portion of their distributions of carried interest income and incentive fees to purchase Class A restricted shares, discourage excessive risk-taking because the value of these interests is tied directly to the long-term performance of our Class A shares.

Compensation Elements for Named Executive Officers

Consistent with our emphasis on alignment of interests with our fund investors and Class A shareholders, compensation elements tied to the profitability of our different businesses and that of the funds that we manage are the primary means of compensating our six executive officers listed in the tables below, or the "named executive officers." The key elements of the compensation of our named executive officers during fiscal year 2014 are described below. We distinguish among the compensation components applicable to our named executive officers as appropriate in the below summary. Mr. Black is a member of the group referred to elsewhere in this report as the "Managing Partners," and Mr. Zelter is a member of the group referred to elsewhere in this report as the "Contributing Partners."

Annual Salary. Each of our named executive officers receives an annual salary. The base salaries of our named executive officers are set forth in the Summary Compensation Table below, and those base salaries were set by our Managing Partners in their judgment after considering the historic compensation levels of the officer, competitive market dynamics, and each officer's level of responsibility and anticipated contributions to our overall success.

RSUs. In 2014, a portion of our named executive officers' compensation (other than for Messrs. Black and Spilker) was paid in the form of RSUs. We refer to our annual grants of RSUs as Bonus Grants. The RSUs are subject to multi-year vesting and minimum retained ownership requirements. In 2014, all named executive officers were required to retain at least 85% of any Class A shares issued to them pursuant to RSU awards, net of the number of gross shares sold or netted to pay applicable income or employment taxes. The named executive officer Plan Grants and Bonus Grants are described below under "—Narrative

Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table—Awards of Restricted Share Units Under the Equity Plan."

Carried Interest and Incentive Fees. Carried interests and incentive fee entitlements with respect to our funds confer rights to receive distributions if a distribution is made to investors following the realization of an investment or receipt of operating profit from an investment by the fund. These rights provide their holders with substantial incentives to attain strong returns in a manner that does not subject their capital investment in the Company to excessive risk. Distributions of carried interest generally are subject to contingent repayment (generally net of tax) if the fund fails to achieve specified investment returns due to diminished performance of later investments, while distributions in respect of incentive fees are not subject to contingent repayment. The actual gross amount of carried interest allocations or incentive fees available are a function of the performance of the applicable fund. For these reasons, we believe that participation in carried interest and incentive fees generated by our funds aligns the interests of our professionals with those of our Class A shareholders and fund investors.

We currently have two principal types of carried interest programs, which we refer to as dedicated and incentive pool. Messrs. Zelter and Suydam have been awarded rights to participate in a dedicated percentage of the carried interest or incentive fee income earned by the general partners of certain of our funds. Participation in dedicated carried interest in our private equity funds is typically subject to vesting, which rewards long-term commitment to the firm and thereby enhances the alignment of participants' interests with the Company. As with our distributions in respect of incentive fees, our financial statements characterize the carried interest income allocated to participating professionals in respect of their dedicated carried interests as compensation. Actual distributions in respect of dedicated carried interests and incentive fees are included in the "All Other Compensation" column of the summary compensation table.

Our performance based incentive arrangement referred to as the incentive pool further aligns the overall compensation of our professionals to the realized performance of our business. The incentive pool provides for compensation based on carried interest realizations earned by us during the year and enhances our capacity to offer competitive compensation opportunities to our professionals. "Carried interest realizations earned" means carried interest earned by the general partners of our funds under the applicable fund limited partnership agreements based upon transactions that have closed or other rights to cash that have become fixed in the applicable calendar year period. Under this arrangement, Messrs. Kelly, Zelter, Suydam and Weidler, among other of our professionals, were awarded incentive pool compensation based on carried interest realizations we earned during 2014. Allocations to participants in the incentive pool contain both a fixed component and a discretionary component, both of which may vary year-to-year, including as a result of our overall realized performance and the contributions and performance of each participant. The managing partners determine the amount of the carried interest realizations to place into the incentive pool in their discretion after considering various factors, including Company profitability, management company cash requirements and anticipated future costs, provided that the incentive pool consists of an amount equal to at least one percent (1%) of the carried interest realizations attributable to profits generated after creation of the incentive pool program that were taxable in the applicable year and not allocable to dedicated carried interests. Each participant in the incentive pool is entitled to receive, as a fixed component of participation in the incentive pool, his or her pro rata allocation of this 1% amount each year, provided the participant remains employed by us at the time of allocation. Our financial statements characterize the carried interest income allocated to participating professionals in respect of incentive pool interests as compensation. The "All Other Compensation" column of the summary compensation table includes actual distributions paid from the incentive pool.

Restricted Shares. In 2014, we began to require that a portion of the carried interest and incentive fee distributions in respect of certain of the investment funds we manage be used by our employees who receive those distributions to purchase restricted Class A shares issued under our 2007 Omnibus Equity Incentive Plan. This practice further promotes alignment with our shareholders and encourages investment professionals to maximize the success of the Company as a whole. Like our RSUs, the restricted shares are subject to multi-year vesting, which fosters retention. The first purchases pursuant to this requirement were made in 2015. As a result of this requirement, Mr. Zelter purchased 58,817 restricted Class A shares on February 6, 2015 in respect of realizations for which he received the cash portion of the distributions in 2014. In accordance with SEC rules, these shares will be included in next year's Summary Compensation Table and Grants of Plan-Based Awards Table if Mr. Zelter is one of our named executive officers for 2015. These shares are subject to vesting on June 16th of 2015, 2016 and 2017.

Bonus. One of our named executive officers, Mr. Zelter, received a cash bonus in 2014. The inclusion of discretionary annual bonuses as part of our overall compensation rewards superior performance and enables us to attract and retain talented professionals by enhancing our capacity to offer competitive compensation opportunities while retaining our flexibility to adjust or eliminate these payments from year to year.

Determination of Compensation of Named Executive Officers

Our Managing Partners make all final determinations regarding named executive officer compensation. Decisions about the variable elements of a named executive officer's compensation, including participation in our carried interest and incentive

fee programs and grants of equity-based awards, are based primarily on our Managing Partners' assessment of such named executive officer's individual performance, operational performance for the department or division in which the officer (other than a Managing Partner) serves, and the officer's impact on our overall operating performance and potential to contribute to long-term shareholder value. In evaluating these factors, our Managing Partners do not utilize quantitative performance targets but rather rely upon their judgment about each named executive officer's performance to determine an appropriate reward for the current year's performance. The determinations by our Managing Partners are ultimately subjective, are not tied to specified annual, qualitative or individual objectives or performance factors, and reflect discussions among the Managing Partners. Factors that our Managing Partners typically consider in making such determinations include the named executive officer's type, scope and level of responsibilities and the named executive officer's overall contributions to our success. Our Managing Partners also consider each named executive officer's prior-year compensation, the appropriate balance between incentives for long-term and short-term performance, competitive market dynamics, compensation provided to the named executive officer by other entities, and the compensation paid to the named executive officer's peers within the Company.

Note on Distributions on Apollo Operating Group Units

We note that all of our Managing Partners and Contributing Partners, including Messrs. Black and Zelter, beneficially own AOG Units. In particular, as of December 31, 2014, the Managing Partners beneficially owned, through their interest in Holdings, approximately 51% of the total limited partner interests in the Apollo Operating Group. When made, distributions on these units (which are made on both vested and unvested units) are in the same amount per unit as distributions made to us in respect of the AOG Units we hold. Accordingly, although distributions on AOG Units are distributions on equity rather than compensation, they play a central role in aligning our Managing Partners' and Contributing Partners' interests with those of our Class A shareholders, which is consistent with our compensation philosophy. In 2014, the Managing Partners, including Mr. Black, were required to retain 85% of their AOG Units. The same requirement applied to our Contributing Partners, including Mr. Zelter.

Compensation Committee Interlocks and Insider Participation

Our board of directors does not have a compensation committee. Our Managing Partners make all such compensation determinations, as discussed above under "—Determination of Compensation of Named Executive Officers." For a description of certain transactions between us and the managing partners, see "Item 13. Certain Relationships and Related Party Transactions."

Compensation Committee Report

As noted above, our board of directors does not have a compensation committee. The executive committee of our manager identified below has reviewed and discussed with management the foregoing Compensation Discussion and Analysis and, based on such review and discussion, has determined that the Compensation Discussion and Analysis should be included in this Annual Report on Form 10-K.

Leon Black
Joshua Harris
Marc Rowan

Summary Compensation Table

The following summary compensation table sets forth information concerning the compensation earned by, awarded to or paid to our principal executive officer, our principal financial officer, and our three other most highly compensated executive officers for the fiscal year ended December 31, 2014. In accordance with SEC rules, the table also describes the compensation of our former president, Mr. Spilker. Although he ceased to be one of our executive officers on March 19, 2014, Mr. Spilker's compensation for 2014 placed him among the three most highly paid individuals (other than our principal executive officer and our principal financial officer) who served as an executive officer for a portion of 2014. Managing Partners Messrs. Harris and Rowan are not included in the table because their compensation, as tabulated in accordance with applicable rules, does not result in either of them being among the three most highly compensated executive officers after our principal executive officer and principal financial officer. Our Managing Partners' earnings derive predominantly from distributions they receive as a result of their indirect beneficial ownership of AOG Units and their rights under the tax receivable agreement (described elsewhere in this report, including above under "Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities—Cash Distribution Policy"), rather than from compensation, and accordingly are not included in the below tables. The executive officers named in the table are referred to as the named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Stock Awards ($)[2]	Option Awards ($)[3]	Non-Equity Incentive Plan ($)	All Other Compensation ($)[4]	Total ($)
Leon Black, Chairman, Chief Executive Officer and Director	2014	100,000	—	—	—	—	173,980	273,980
	2013	100,000	—	—	—	—	173,053	273,053
	2012	100,000	—	—	—	—	187,368	287,368
Martin Kelly, Chief Financial Officer	2014	1,000,000	—	698,444	—	—	1,300,000	2,998,444
	2013	1,000,000	—	541,246	—	—	950,000	2,491,246
	2012	300,000	200,000	4,687,530	—	—	1,433,411	6,620,941
James Zelter, Managing Director, Credit	2014	1,200,000	1,049,219	478,927	—	—	28,009,206	30,737,352
	2013	—	3,749,788	3,065,771	—	—	32,599,739	39,415,298
	2012	—	—	2,606,310	—	5,099,193	14,959,920	22,665,423
John Suydam, Chief Legal Officer	2014	3,000,000	—	511,370	—	—	5,420,540	8,931,910
	2013	3,000,000	949,788	504,345	—	—	7,148,168	11,602,301
	2012	3,000,000	—	496,715	—	—	3,405,953	6,902,668
Christopher Weidler, Chief Accounting Officer and Controller	2014	400,000	—	199,549	—	—	600,000	1,199,549
Marc Spilker, *Ceased serving as President on March 19, 2014*	2014	765,151	—	12,337,500	21,025,000	—	950,000	35,077,651
	2013	2,000,000	—	—	—	—	—	2,000,000

(1) Amount shown for 2014 represents a cash bonus earned in 2014.

(2) For Messrs. Kelly, Zelter, Suydam and Weidler, represents the aggregate grant date fair value of stock awards granted, as applicable, computed in accordance with FASB ASC Topic 718. For Mr. Spilker, represents the incremental fair value of an RSU award granted on December 2, 2010 and modified on March 26, 2014 in connection with his employment termination, computed in accordance with FASB ASC Topic 718. The amounts shown do not reflect compensation actually received by the named executive officers, but instead represent the aggregate grant date fair value (in the case of Mr. Spilker, the modification date incremental fair value) of the awards. See note 16 to our consolidated financial statements for further information concerning the assumptions made in valuing our RSU awards. Mr. Zelter's employment agreement entered into on June 20, 2014 provides that if he resigns for good reason, is terminated without cause, or terminates employment due to death or disability in the last six months of 2016 and applicable performance measures are attained, he will be entitled to a grant of 500,000 RSUs in early 2017. Consequently, for accounting purposes the compensation expense for these RSUs, which will not be granted to Mr. Zelter under our equity incentive plan earlier than 2017 (if at all), is treated as established on the date shown, and the associated grant date fair value under FASB ASC Topic 718 is reported as zero in the table because as of June 20, 2014 the accounting recognition requirements for these RSUs had not been met. If all applicable performance measures are attained, the grant date fair value of these RSUs would be $13,555,000.

(3) Represents the modification date incremental fair value of an option award granted on December 2, 2010 to Mr. Spilker and modified on March 26, 2014 in connection with his employment termination, computed in accordance with FASB ASC Topic 718. The amount shown does not reflect compensation actually received by Mr. Spilker, but instead represents the incremental fair value of the award on the date modified.

(4) Amounts included for 2014 represent, in part, actual cash distributions in respect of dedicated carried interest allocations for Messrs. Zelter and Suydam of $25,892,649 and $4,884,786, respectively. Of such amount distributed to Mr. Zelter, $4,645,709 was paid in euros and converted to dollars based on the conversion rate on the date of payment. Also included for Mr. Zelter are cash distributions of $2,065,776 received in 2014 in respect of dedicated incentive fees. The 2014 amounts also include actual incentive pool cash distributions of $1,300,000 for Mr. Kelly, $600,000 for Mr. Weidler, $500,000 for Mr. Suydam and $50,781 for Mr. Zelter. The amount shown for Mr. Spilker represents his one-time lump sum payment received in connection with his employment termination under his transition agreement. The "All Other Compensation" column for 2014 also includes costs relating to Company-provided cars and drivers for the business and personal use of Messrs. Black and Suydam. We provide this benefit because we believe that its cost is outweighed by the convenience, increased efficiency and added security and confidentiality that it offers. The personal use cost was approximately $165,730 for Mr. Black and $34,254 for Mr. Suydam. For Mr. Black, this amount includes both fixed and variable costs, including lease costs, driver compensation, driver meals, fuel, parking, tolls, repairs, maintenance and insurance. For Mr. Suydam, this amount includes the costs to the Company associated with his use of a car service. Except as discussed in this paragraph, no 2014 perquisites or personal benefits individually exceeded the greater of $25,000 or 10% of the total amount of all perquisites and other personal benefits reported for the named executive officer. The cost of excess liability insurance provided to our named executive officers falls below this threshold. None of Messrs. Kelly, Zelter, Spilker or Weidler received perquisites or personal benefits in 2014, except for incidental benefits having an aggregate value of less than $10,000 per individual. Our named executive officers also receive occasional secretarial support with respect to personal matters. We incur no incremental cost for the provision of such additional benefits. Accordingly, no such amount is included in the Summary Compensation Table.

Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table

Employment, Non-Competition and Non-Solicitation Agreement with Chairman and Chief Executive Officer

In July 2012, we entered into an employment, non-competition and non-solicitation agreement with Leon Black, our chairman and chief executive officer and a member of our manager's executive committee, which agreement superseded and is substantially similar to the agreement we entered into with Mr. Black dated July 13, 2007. The term of the agreement concludes on July 19, 2015. Mr. Black is entitled during his employment to an annual salary of $100,000 and to participate in our employee benefit plans, as in effect from time to time.

Employment, Non-Competition and Non-Solicitation Agreement with Chief Financial Officer

On July 2, 2012, we entered into an employment, non-competition and non-solicitation agreement with Martin Kelly, our chief financial officer. His annual base salary is $1,000,000. As provided in his employment agreement, Mr. Kelly received a Plan Grant of 375,000 RSUs in connection with his commencement of employment. He is eligible for an annual bonus in an amount to be determined by us in our discretion. Mr. Kelly participates in the incentive pool and is eligible to receive distributions thereunder.

Employment, Non-Competition and Non-Solicitation Agreement with Managing Director-Credit

We entered into an amended and restated employment agreement with our Managing Director-Credit, James Zelter, on June 20, 2014. The agreement provides that Mr. Zelter is entitled to base pay of $1,200,000 per year and to distributions of carried interest (including incentive pool) income and a bonus equaling an additional $1,800,000 per year. A portion of any such bonus shall be payable in the form of Bonus Grant RSUs. Under the agreement, Mr. Zelter will be eligible to receive a grant of one million RSUs in early 2017 and another one million RSUs in early 2019, in each case if approved by the committee that administers our 2007 Omnibus Equity Incentive Plan and if applicable performance measures regarding profitability of our credit business are attained. We do not currently believe that the performance measures are likely to be attained. Because Mr. Zelter would be entitled to 500,000 of the 2017 RSUs if both (i) the performance measures are attained as of December 31, 2016 and (ii) during the last six months of 2016 Mr. Zelter's employment terminates for good reason, without cause or due to death or disability, we treat the compensation expense for these RSUs, which will not be granted under our equity incentive plan earlier than 2017 (if at all), as established on June 20, 2014 and, in accordance with SEC rules, include these RSUs in the tables as if they had been granted on that date. Pursuant to his employment agreement, Mr. Zelter holds dedicated carried interests and incentive fee rights in respect of certain of the investment funds we manage. His carried interests are subject to vesting or to the right to retain such interests for a limited period following his employment termination. Mr. Zelter receives a portion of his total annual compensation in the form of a Bonus Grant, as discussed below under the section entitled, "Awards of Restricted Share Units Under the Equity Plan." As required by his employment agreement, Mr. Zelter has made investments of his own capital in various of our funds.

Employment, Non-Competition and Non-Solicitation Agreement with Chief Accounting Officer and Controller

On June 4, 2013, we entered into a letter agreement with Christopher Weidler, our Chief Accounting Officer and Controller. The letter agreement provides for a base salary of $400,000 per year. Mr. Weidler is eligible for discretionary annual bonuses, and a portion of any such bonus is payable in the form of Bonus Grant RSUs. In connection with his commencement of employment, Mr. Weidler received a Plan Grant of 35,001 RSUs. Mr. Weidler participates in the incentive pool and is eligible to receive distributions thereunder.

Employment Terms of Chief Legal Officer

John Suydam, our chief legal officer, does not have an employment agreement with us.

Transition Agreement with President

On March 19, 2014, we entered into a transition agreement with Marc Spilker, who stepped down from his service as our president and a non-voting member of our executive committee on March 19, 2014. For the remainder of 2014, Mr. Spilker served as a senior advisor to the Company, assisting the Company with transitioning his duties, and did not receive a base salary. Pursuant to the agreement, he received a one-time lump sum payment of $950,000 in connection with the transition. The transition agreement provided that he forfeited one half of his unvested RSUs and one half of his unvested options to purchase Class A shares on March 19, 2014. Mr. Spilker's employment agreement dated November 24, 2010 had provided for vesting in one half of his unvested options and RSUs in connection with certain employment terminations, and under the transition agreement Mr. Spilker vested in his remaining 625,000 RSUs and 1,250,000 options on March 26, 2014.

Awards of Restricted Share Units Under the Equity Plan

On October 23, 2007, we adopted our 2007 Omnibus Equity Incentive Plan. Grants of RSUs under the plan have been made to certain of our named executive officers primarily pursuant to two programs, which we call the “Plan Grants” and the “Bonus Grants.” Following the 2007 Reorganization, Plan Grants were made to Mr. Suydam and a broad range of our other employees. Plan Grants have also been made to subsequent hires, including Messrs. Kelly, Weidler and Spilker. The Plan Grants generally vest over six years, with the first installment becoming vested approximately one year after grant and the balance vesting thereafter in equal quarterly installments. Holders of Plan Grant RSUs become entitled to distribution equivalents on their vested RSUs if we pay ordinary distributions on our outstanding Class A shares. The administrator of the 2007 Omnibus Equity Incentive Plan determines when shares issued pursuant to the RSU Awards may be disposed of, except that a participant will generally be permitted to sell shares if necessary to cover taxes. Under our retained ownership requirements, in 2014, all executive officers were required to retain at least 85% of any Class A shares issued to them pursuant to RSU awards (net of the number of gross shares sold or netted to pay applicable income or employment taxes).

The RSUs advance several goals of our compensation program. The Plan Grants align employee interests with those of our shareholders by making our employees, upon delivery of the underlying Class A shares, shareholders themselves. Because they vest over time, the Plan Grants reward employees for sustained contributions to the Company and foster retention. The size of the Plan Grants is determined by the Plan administrator based on the grantee’s level of responsibility and contributions to the Company. The restrictive covenants contained in the RSU agreements reinforce our culture of fiduciary protection of our investors by requiring RSU holders to abide by the provisions regarding non-competition, confidentiality and other limitations on behavior described in the immediately preceding paragraph.

The Bonus Grants are also grants of RSUs under the 2007 Omnibus Equity Incentive Plan. However, the Bonus Grants constitute payment of a portion of the annual compensation earned by certain of our professionals, including Messrs. Kelly, Zelter, Suydam and Weidler, subject to the employee’s continued service through the vesting dates. Our named executive officers’ Bonus Grants generally differ from their Plan Grants in the following principal ways:

- The RSU Shares underlying Bonus Grants are scheduled to vest in three equal annual installments.
- Distribution equivalents are earned on Bonus Grant RSUs (whether or not vested) when ordinary distributions are made on Class A shares after the grant date, but distribution equivalents are earned on Plan Grant RSUs only after they have vested.

In determining how many RSUs to grant to Mr. Zelter for services performed in 2014, the committee that administers our 2007 Omnibus Equity Incentive Plan took into account that the independent compensation committees of two publicly traded REITs that we manage, ARI and AMTG, consistent with recommendations they received from us, had authorized grants to Mr. Zelter of 7,500 restricted share units (having a grant date fair value of $124,425) and 6,226 restricted share units (having a grant date fair value of $99,678), respectively, in respect of ARI’s and AMTG’s publicly traded shares for services provided during the same period.

Grants of Plan-Based Awards

The following table presents information regarding RSUs granted to Messrs. Kelly, Zelter, Suydam and Weidler under our 2007 Omnibus Equity Incentive Plan in 2014 and a modification made to Mr. Spilker’s outstanding RSUs in 2014. No options were granted to a named executive officer in 2014, but Mr. Spilker’s outstanding options were modified in 2014 in connection with his employment termination.

Name	Grant Date	Estimated Future Payouts under Equity Incentive Plan Awards Target (#)	Stock Awards: Number of Shares of Stock or Units (#)[2]	Option Awards: Number of Shares Underlying Options (#)	Grant Date Fair Value or Modification Date Incremental Fair Value of Stock and Option Awards ($)[3]
Leon Black	—	—	—	—	—
Martin Kelly	December 29, 2014	—	30,850	—	698,444
James Zelter	June 20, 2014	500,000 [(1)]	—	—	—
	December 29, 2014	—	21,154	—	478,927
John Suydam	December 29, 2014	—	22,587	—	511,370
Christopher Weidler	December 29, 2014	—	8,814	—	199,549
Marc Spilker	December 2, 2010 (modified March 26, 2014)	—	625,000	—	12,337,500
	December 2, 2010 (modified March 26, 2014)	—	—	1,250,000	21,025,000

(1) Mr. Zelter's employment agreement entered into on the date shown provides that if he resigns for good reason, is terminated without cause, or terminates employment due to death or disability in the last six months of 2016 and applicable performance measures regarding profitability of our credit business are attained, he will be entitled to a grant of 500,000 RSUs in early 2017. Consequently, in accordance with applicable accounting rules we treat the compensation expense for these RSUs, which will not be granted under our equity incentive plan earlier than 2017 (if at all), as established on the date shown and, in accordance with SEC rules, include the award in the above table as if it had been granted on that date. These RSUs have no "threshold" or "maximum" values separate from the above "target" number of shares. The grant date fair value of these RSUs as of June 20, 2014 is considered to be zero because as of that date the accounting recognition requirements for these RSUs had not been met.

(2) Represents the aggregate number of RSUs covering our Class A shares (none of the Bonus Grants awarded in 2014 vested in 2014). For a discussion of these grants, please see the discussion above under "—Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table —Awards of Restricted Share Units Under the Equity Plan."

(3) For Messrs. Kelly, Zelter, Suydam and Weidler, represents the aggregate grant date fair value of the RSUs granted in 2014, computed in accordance with FASB ASC Topic 718. For Mr. Spilker, represents the incremental fair value of options and RSUs granted on December 2, 2010 computed in accordance with FASB ASC Topic 718 as of the date such awards were modified on March 26, 2014 in connection with Mr. Spilker's termination of employment. The amounts shown do not reflect compensation actually received, but instead represent the aggregate grant date fair value (in the case of Mr. Spilker, the modification date incremental fair value) of the award.

Outstanding Equity Awards at Fiscal Year-End

The following table presents information regarding unvested RSU awards made by us to our named executive officers under our 2007 Omnibus Equity Incentive Plan that were outstanding at December 31, 2014. Our named executive officers did not hold any options at fiscal year-end.

Name		Stock Awards				
		Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)		Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (7)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that Have Not Vested (#) (8)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have not Vested ($) (9)
Leon Black	—	—		—	—	—
Martin Kelly	December 29, 2014	30,850	(1)	727,443	—	—
	December 26, 2013	12,076	(2)	284,752	—	—
	December 28, 2012	9,011	(3)	212,479	—	—
	September 30, 2012	234,375	(4)	5,526,563	—	—
James Zelter	December 29, 2014	21,154	(1)	498,811	—	—
	June 20, 2014	—		—	500,000	11,790,000
	December 26, 2013	31,838	(2)	750,740	—	—
	May 9, 2013	22,480	(3)	530,078	—	—
	December 28, 2012	98,677	(5)	2,326,804	—	—
John Suydam	December 29, 2014	22,587	(1)	532,601	—	—
	December 26, 2013	11,253	(2)	265,346	—	—
	December 28, 2012	10,115	(3)	238,512	—	—
Christopher Weidler	December 29, 2014	8,814	(1)	207,834	—	—
	September 30, 2013	27,710	(6)	653,402	—	—
Marc Spilker	December 2, 2010	—		—	—	—

(1) Bonus Grant RSUs that vest in substantially equal annual installments on December 31 of each of 2015, 2016 and 2017.

(2) Bonus Grant RSUs that vest in substantially equal annual installments on December 31 of each of 2015 and 2016.

(3) Bonus Grant RSUs that vest on December 31, 2015.

(4) Plan Grant RSUs that vest in substantially equal installments over the 15 calendar quarters beginning March 31, 2015.

(5) Plan Grant RSUs that vest in substantially equal installments over the 16 calendar quarters beginning March 31, 2015.

(6) Plan Grant RSUs that vest in substantially equal installments over the 19 calendar quarters beginning March 31, 2015.

(7) Amounts calculated by multiplying the number of unvested RSUs held by the named executive officer by the closing price of $23.58 per Class A share on December 31, 2014.

(8) Bonus RSUs that vest in substantially equal annual installments on December 31 of each of 2017, 2018 and 2019 but that have not yet been granted (except for accounting purposes). Mr. Zelter's employment agreement entered into on the date shown provides that if he resigns for good reason, is terminated without cause, or terminates employment due to death or disability in the last six months of 2016 and applicable performance measures regarding profitability of our credit business are attained, he will be entitled to a grant of 500,000 RSUs in early 2017. Consequently, for accounting purposes we treat the compensation expense for these RSUs, which will not be granted under our equity plan earlier than 2017 (if at all), as established on the date shown, and, in accordance with SEC rules, include the award in the table as if it were outstanding.

(9) Amount calculated by multiplying the 500,000 RSUs described in the immediately preceding footnote by the closing price of $23.58 per Class A share on December 31, 2014.

Option Exercises and Stock Vested

The following table presents information regarding the number of outstanding initially unvested RSUs held by our named executive officers that vested during 2014 and the number of options exercised by our named executive officers in 2014. With respect to the RSUs, the amounts shown below do not reflect compensation actually received by the named executive officers, but instead are calculations of the number of RSUs that vested during 2014 based on the closing price of our Class A shares on the date of vesting. Shares received by our named executive officers are subject to our retained ownership requirements.

		Option Awards		Stock Awards	
Name	Type of Award	Number of Shares Acquired on Exercise(#)	Value Realized on Exercise($)	Number of Shares Acquired on Vesting(#)	Value Realized on Vesting($)
Leon Black	—	—	—	—	—
Martin Kelly	RSUs	—	—	77,549	2,025,793 (2)
James Zelter	RSUs	—	—	81,370	1,996,540 (2)
John Suydam	RSUs	—	—	29,595	697,850 (2)
Christopher Weidler	RSUs	—	—	7,291	173,438
Marc Spilker	Options	1,458,334	26,421,925 (1)	—	—
	RSUs	—	—	625,000	19,025,000 (2)

(1) Amounts calculated based on the difference between the exercise price of the options and the price of the underlying Class A shares on the applicable exercise date.

(2) Amounts calculated by multiplying the number of RSUs held by the named executive officer that vested on each applicable vesting date in 2014 by the closing price per Class A share on that date. Class A shares underlying these vested RSUs are issued to the named executive officer in accordance with the schedules described above under "—Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table—Awards of Restricted Share Units Under the Equity Plan."

Potential Payments upon Termination or Change in Control

None of the named executive officers is entitled to payment or other benefits in connection with a change in control.

Mr. Black's employment agreement does not provide for severance or other payments or benefits in connection with an employment termination. We may not terminate Mr. Black except for cause or by reason of disability (as such terms are defined in his employment agreement). Under his employment agreement, Mr. Black is required to protect the confidential information of Apollo both during and after employment. In addition, until one year after his employment terminates, Mr. Black is required to refrain from soliciting employees under specified circumstances or interfering with our relationships with investors and to refrain from competing with us in a business that involves primarily (*i.e.*, more than 50%) third-party capital, whether or not the termination occurs during the term of the agreement or thereafter. These post-termination covenants survive any termination or expiration of the Agreement Among Managing Partners (described elsewhere in this report under "Item 13. Certain Relationships and Related Party Transactions—Agreement Among Managing Partners"). If Mr. Black becomes subject to a potential termination for cause or by reason of disability, our manager may appoint an investment professional to perform his functional responsibilities and duties until cause or disability definitively results in his termination or is determined not to have occurred, but the manager may so appoint an investment professional only if Mr. Black is unable to perform his responsibilities and duties or, as a matter of fiduciary duty, should be prohibited from doing so. During any such period, Mr. Black shall continue to serve on the executive committee of our manager unless otherwise prohibited from doing so pursuant to the Agreement Among Managing Partners.

If Mr. Kelly's employment is terminated by us without cause or he resigns for good reason, Mr. Kelly will be entitled to severance of six months' base pay and reimbursement of health insurance premiums paid in the six months following his employment termination. If Mr. Kelly's employment is terminated by us without cause or he resigns for good reason, he will vest in 50% of any unvested portion of his Plan Grant RSUs. If his employment is terminated by reason of death or disability, he will vest in 50% of any unvested portion of his Plan Grant and Bonus Grant RSUs. We may terminate Mr. Kelly's employment with or without cause, and we will provide 90 days' notice (or payment in lieu of such period of notice) prior to a termination without cause. Mr. Kelly is required to give us 90 days' notice prior to a resignation for any reason. He is required to protect the confidential information of Apollo both during and after employment. In addition, during employment and for 12 months after employment, Mr. Kelly is also obligated to refrain from soliciting our employees, interfering with our relationships with investors or other business relations, and competing with us in a business that manages or invests in assets substantially similar to those managed or invested in by Apollo or its affiliates.

We may terminate Mr. Zelter's employment with or without cause, and we will provide 90 days' notice (or payment in lieu of such period of notice) prior to a termination without cause. Mr. Zelter is required to provide 90 days' notice prior to a resignation for any reason. Upon his termination of employment by reason of death or disability, Mr. Zelter will vest in 50% of his then unvested RSUs and restricted shares. Subject to his execution of a release of claims in favor of the Company, upon his termination by the Company other than for cause, Mr. Zelter will vest in 50% of his then unvested restricted shares. Upon his termination of employment other than for cause, his annual cash bonus will be prorated through the last day of his employment termination. If Mr. Zelter's employment is terminated for good reason, without cause or by reason of disability or death, subject to his continued compliance with the restrictive covenants to which he is subject and to his execution of a release of claims in favor of the Company, he will vest in 50% of his then unvested performance award RSUs and, if the employment termination occurs in the last six months of 2016, or if he terminates his employment or service due to the failure of the committee that administers the 2007 Omnibus Equity Incentive Plan to approve the 2016 performance award, then he will vest in 50% of the RSUs covered by that award. Similarly, if that type of employment termination occurs in the last six months of 2018, or if Mr. Zelter terminates his employment or service due to the failure of the committee that administers the 2007 Omnibus Equity Incentive Plan to approve the 2018 performance award, then he will vest in 50% of the RSUs covered by that award. If Mr. Zelter's employment is terminated without cause, or he resigns for good reason, he will retain his dedicated carried interest rights that are not otherwise subject to vesting in respect of certain investment funds we manage in declining percentages for up to three years following his employment termination (100% for the first year, 50% for the second year, and 25% for the third year following employment termination) and the Class A shares that he is required to purchase with a portion of those amounts following his employment termination shall be fully vested shares. He will also be entitled to retain his dedicated carried interests that are subject to vesting to the extent then vested. Mr. Zelter is required to give us 90 days' notice prior to a resignation for any reason. During his employment and for 12 months thereafter, he is also obligated to refrain from soliciting our employees, interfering with our relationships with investors or other business relations, and competing with us in a business that manages or invests in assets substantially similar to those invested in or managed by Apollo or its affiliates.

If Mr. Suydam's employment is terminated by reason of death or disability, he will vest in 50% of his then unvested RSUs. Mr. Suydam is required to protect our confidential information at all times. During his employment and for 12 months thereafter, Mr. Suydam is also obligated to refrain from soliciting our employees, interfering with our relationships with investors or other business relations, and competing with us in a business that manages or invests in assets substantially similar to those invested in or managed by Apollo or its affiliates. Mr. Suydam is required to provide 90 days' notice prior to a resignation for any reason.

Pursuant to Mr. Spilker's transition agreement, he received a lump sum payment of $950,000 in July 2014 in connection with stepping down on March 19, 2014 as our president and as a non-voting member of our executive committee. In connection with his cessation of employment on May 19, 2014, Mr. Spilker also vested in 50% of his then unvested Plan Grant RSUs and options. Under the transition agreement, as in his employment agreement, Mr. Spilker is required to protect the confidential information of Apollo both during and after employment, and, for 12 months after the date of the transition agreement, to refrain from soliciting our employees, interfering with our relationships with investors and other business relations, and competing with us in a business that manages or invests in assets substantially similar to those of Apollo or its affiliates.

If Mr. Weidler's employment is terminated by reason of death or disability, he will vest in 50% of any unvested portion of his RSUs. We may terminate Mr. Weidler's employment with or without cause, and we will provide 90 days' notice (or payment in lieu of such period of notice) prior to a termination without cause. Mr. Weidler is required to provide 90 days' notice prior to a resignation for any reason. Mr. Weidler is required to protect the confidential information of Apollo both during and after employment. In addition, pursuant to his 2014 Bonus Grant, during and for 12 months after his employment with us, he is obligated to refrain from soliciting our employees and interfering with our relationships with investors or other business relations. In addition, during and for three months after his employment with us, he may not compete with us in a business that manages or invests in assets substantially similar to those managed or invested in by Apollo or its affiliates.

The named executive officers' obligations during and after employment were considered by the Managing Partners in determining appropriate post-employment payments and benefits for the named executive officers.

The following table lists the estimated amounts that would have been payable to each of our named executive officers in connection with a termination that occurred on the last day of our last completed fiscal year and the value of any additional equity that would vest upon such termination, except that for Mr. Spilker the table shows the amounts received by him in connection with his actual employment termination on May 19, 2014. When listing the potential payments to named executive officers under the plans and agreements described above, we have assumed that the applicable triggering event occurred on December 31, 2014 and that the price per share of our Class A shares was $23.58, which is equal to the closing price on such date. For purposes of this table, RSU and option acceleration values are based on the $23.58 closing price.

Name	Reason for Employment Termination	Estimated Value of Cash Payments ($)		Estimated Value of Equity Acceleration ($)	
Leon Black	Cause	—		—	
	Death, disability	—		—	
Martin Kelly	Without cause; by executive for good reason	517,592	(1)	2,763,281	(4)
	Death, disability	—		3,375,618	(4)
James Zelter	Without cause; by executive for good reason	11,861,478	(2)	11,790,000	(4)
	Death, disability	—		13,843,217	(4)
John Suydam	Without cause; by executive for good reason	—		—	
	Death; disability	—		518,229	(4)
Christopher Weidler	Without cause; by executive for good reason	—		—	
	Death, disability	—		430,618	(4)
Marc Spilker	*Actual termination effective May 19, 2014*	950,000	(3)	40,342,767	(5)

(1) This amount would have been payable to the named executive officer had his employment been terminated by the Company without cause (and other than by reason of death or disability) or for good reason on December 31, 2014.

(2) Pursuant to Mr. Zelter's employment agreement, had his employment terminated on December 31, 2014, he would have been treated as if he had remained employed, for purposes of receiving carried interest distributions in respect of certain specified funds that remained in existence, for up to 36 additional months (100% in the first year, 50% in the second year, and 25% in the third year). For purposes of the above illustration, we have assumed that these percentages were applied in each of 2015, 2016 and 2017 to the amount of the distributions that he received in 2014 (including the portion of such distributions he was required to use to purchase Class A shares in 2015), and we have included in the amount shown the portion of his projected 2015, 2016 and 2017 distributions that would be required to be used to purchase Class A shares of the Company.

(3) This amount represents the cash payment actually made to Mr. Spilker in connection with his termination of employment on May 19, 2014.

(4) This amount represents the additional equity vesting that the named executive officer would have received had his employment terminated in the circumstances described in the column, "Reason for Employment Termination," on December 31, 2014, based on the closing price of a Class A share on such date. Please see our "Outstanding Equity Awards at Fiscal Year-End" table above for information regarding the named executive officer's unvested equity as of December 31, 2014.

(5) This amount represents the value received by Mr. Spilker from the additional vesting he received on March 26, 2014 in connection with entering into his transition agreement. The portion of this total that relates to options is calculated by multiplying the spread between the option exercise price and the closing price of a Class A share on the date he exercised the options (May 12, 2014) that vested in connection with entering into his transition agreement. The portion of this total that relates to RSUs is calculated by multiplying the number of RSUs that so vested by the closing price on the vesting date (March 26, 2014).

Director Compensation

We do not pay additional remuneration to our employees, including Messrs. Black, Harris and Rowan, for their service on our board of directors. The 2014 compensation of Mr. Black is set forth above on the Summary Compensation Table.

During 2014, each independent director received (1) a base annual director fee of $125,000, (2) an additional annual director fee of $25,000 if he or she a member of the audit committee, (3) an additional annual director fee of $10,000 if he or she was a member of the conflicts committee, (4) an additional annual director fee of $25,000 (incremental to the fee described in (2)) if he or she served as the chairperson of the audit committee, and (5) an additional annual director fee of $15,000 (incremental to the fee described in (3)) if he or she served as the chairperson of the conflicts committee. In addition, independent directors were reimbursed for reasonable expenses incurred in attending board meetings.

Currently, upon initial election to the board of directors, an independent director receives a grant of RSUs with a value of $300,000 that vests in equal annual installments on June 30 of each of the first, second and third years following the year that the grant is made. Mr. Kraft received this type of award on July 14, 2014 in connection with his appointment to the board of directors. Incumbent independent directors receive an annual RSU award with a value of $100,000 that vests on June 30 of the year following the year that the grant is made, and the directors listed on the below table (other than Mr. Kraft) received that award on July 14, 2014.

The following table provides the compensation for our independent directors during the year ended December 31, 2014.

Name	Fees Earned or Paid in Cash	Stock Awards (#)[(1)]	Total
Michael Ducey	$175,000	85,540	$260,540
Paul Fribourg	$135,000	85,540	$220,540
Robert Kraft	$101,250	214,919	$316,169
A. B. Krongard	$150,000	85,540	$235,540
Pauline Richards	$175,000	85,540	$260,540

(1) Represents the aggregate grant date fair value of stock awards granted, as applicable, computed in accordance with FASB ASC Topic 718. See note 16 to our consolidated financial statements for further information concerning the assumptions made in valuing our RSU Plan Grants. The amounts shown do not reflect compensation actually received by the independent directors, but instead represent the aggregate grant date fair value of the awards. Unvested director RSUs are not entitled to distributions or distribution equivalents. As of December 31, 2014, all 10,860 RSUs covered by Mr. Kraft's 2014 award were unvested and outstanding, and for each of Ms. Richards and Messrs. Ducey Fribourg and Krongard, all 3,620 RSUs covered by his or her 2014 award were unvested and outstanding.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding the beneficial ownership of our Class A shares as of February 26, 2015 by (i) each person known to us to beneficially own more than 5% of the voting Class A shares of Apollo Global Management, LLC, (ii) each of our directors, (iii) each person who is a named executive officer for 2014 and (iv) all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. To our knowledge, each person named in the table below has sole voting and investment power with respect to all of the Class A shares and interests in our Class B share shown as beneficially owned by such person, except as otherwise set forth in the notes to the table and pursuant to applicable community property laws. Unless otherwise indicated, the address of each person named in the table is c/o Apollo Global Management, LLC, 9 West 57th Street, New York, NY 10019.

In respect of our Class A shares, the table set forth below assumes the exchange by Holdings of all AOG Units for our Class A shares with respect to which the person listed below has the right to direct such exchange pursuant to the exchange agreement described under "Item 13. Certain Relationships and Related Party Transactions—Exchange Agreement," and the distribution of such shares to such person as a limited partner of Holdings.

	Class A Shares Beneficially Owned			Class B Share Beneficially Owned		
	Number of Shares	Percent[1]	Total Percentage of Voting Power[2]	Number of Shares	Percent	Total Percentage of Voting Power[2]
Directors and Executive Officers:						
Leon Black[3][4]	92,727,166	35.6%	63.8%	1	100%	63.8%
Joshua Harris[3][4]	54,382,643	24.5%	63.8%	1	100%	63.8%
Marc Rowan[3][4]	50,157,022	23.0%	63.8%	1	100%	63.8%
Pauline Richards	21,443	*	*	—	—	—
Alvin Bernard Krongard[5]	270,043	*	*	—	—	—
Michael Ducey[6]	27,496	*	*	—	—	—
Robert Kraft[7]	40,000	*	*	—	—	—
Paul Fribourg	25,443	*	*	—	—	—
Marc Spilker[8]	1,554,321	*	*	—	—	—
Martin Kelly[9]	100,685	*	*	—	—	—
John Suydam[10]	765,749	*	*	—	—	—
James Zelter[11]	2,609,313	1.5%	*	—	—	—
Christopher Weidler[12]	5,924	*	*	—	—	—
All directors and executive officers as a group (twelve persons)[13]	201,132,927	54.7%	57.7%	1	100%	63.8%
BRH[4]	—	—	—	1	100%	63.8%
AP Professional Holdings, L.P.[14]	222,455,477	57.0%	63.8%	—	—	—
5% Stockholders:						
TimesSquare Capital Management, LLC[15]	8,998,700	5.4%	2.6%	—	—	—

*Represents less than 1%.

(1) The percentage of beneficial ownership of our Class A shares is based on voting and non-voting Class A shares outstanding.

(2) The total percentage of voting power is based on voting Class A shares and the Class B share.

(3) The number of Class A shares presented are held by estate planning vehicles, for which this individual disclaims beneficial ownership except to the extent of his pecuniary interest therein. The number of Class A shares presented do not include any Class A shares owned by Holdings with respect to which this individual, as one of the three owners of all of the interests in BRH, the general partner of Holdings, or as a party to the Agreement Among Managing Partners described under "Item 13. Certain Relationships and Related Party Transactions—Agreement Among Managing Partners" or the Managing Partner Shareholders Agreement described under "Item 13. Certain Relationships and Related Party Transactions—Managing Partner Shareholders Agreement," may be deemed to have shared voting or dispositive power. Each of these individuals disclaims any beneficial ownership of these shares, except to the extent of his pecuniary interest therein.

(4) BRH, the holder of the Class B share, is one third owned by Mr. Black, one third owned by Mr. Harris and one third owned by Mr. Rowan. Pursuant to the Agreement Among Managing Partners, the Class B share is to be voted and disposed of by BRH based on the determination of at least two of the three Managing Partners; as such, they share voting and dispositive power with respect to the Class B share.

(5) Includes 250,000 Class A shares held by a trust for the benefit of Mr. Krongard's children, for which Mr. Krongard's children are the trustees. Mr. Krongard disclaims beneficial ownership with respect to such shares, except to the extent of his pecuniary interest therein.

(6) Includes 1,500 Class A shares held by two trusts for the benefit of Mr. Ducey's grandchildren, for which Mr. Ducey and several of Mr. Ducey's immediate family members are trustees and have shared investment power. Mr. Ducey disclaims beneficial ownership of the Class A shares held in the trusts, except to the extent of his pecuniary interest therein.

(7) Includes 40,000 Class A shares held by an entity, which is under the sole control of Mr. Kraft, and may be deemed to be beneficially owned by Mr. Kraft.

(8) Information is as of March 19, 2014, the date Mr. Spilker ceased to be an executive officer. Includes 26,350 Class A shares held by a trust for the benefit of Mr. Spilker's children, for which one of Mr. Spilker's immediate family members is a trustee and has investment power. The amount also includes 26,350 Class A shares held by a not-for-profit tax exempt foundation for which Mr. Spilker and his spouse are trustees with investment power. Mr. Spilker disclaims beneficial ownership with respect to such shares, except to the extent of his pecuniary interest therein.

(9) Includes 15,625 RSUs covering Class A shares which have vested or with respect to which Mr. Kelly has the right to acquire beneficial ownership within 60 days of February 26, 2015.

(10) Includes 114,584 RSUs covering Class A shares which have vested or with respect to which Mr. Suydam has the right to acquire beneficial ownership within 60 days of February 26, 2015. Does not include 343,751 Class A shares that will be delivered to Mr. Suydam, more than 60 days after February 26, 2015 in settlement of vested RSUs. Includes 120,488 Class A shares held by a trust for the benefit of Mr. Suydam's spouse and children, for which Mr. Suydam's spouse is the trustee. Mr. Suydam disclaims beneficial ownership with respect to such shares, except to the extent of his pecuniary interest therein.

(11) Includes 6,167 RSUs covering Class A shares which have vested or with respect to which Mr. Zelter has the right to acquire beneficial ownership within 60 days of February 26, 2015. Includes 300,698 Class A shares held by vehicles, over which Mr. Zelter exercises voting and investment control.

(12) Includes 1,459 RSUs covering Class A shares which have vested or with respect to which Mr. Weidler has the right to acquire beneficial ownership within 60 days of February 26, 2015.

(13) Refers to shares beneficially owned by the individuals who were directors and executive officers as of February 26, 2015. The shares beneficially owned by the directors and executive officers reflected above do not include 343,751 Class A shares that will be delivered to Mr. Suydam more than 60 days after February 26, 2015 in settlement of vested RSUs.

(14) Assumes that no Class A shares are distributed to the limited partners of Holdings. The general partner of Holdings, is BRH, which is one third owned by Mr. Black, one third owned by Mr. Harris and one third owned by Mr. Rowan. BRH is also the general partner of BRH Holdings, L.P., the limited partnership through which Messrs. Black, Harris and Rowan indirectly beneficially own (through estate planning vehicles) their limited partner interests in Holdings. These individuals disclaim any beneficial ownership of these Class A shares, except to the extent of their pecuniary interest therein.

(15) Based on a Schedule 13G filed on February 11, 2015, by TimesSquare Capital Management, LLC ("TimesSquare"). All of the shares reported on this Schedule 13G are owned by investment advisory clients of TimesSquare and in its role as investment advisor, TimesSquare has voting and dispositive power with respect to these shares. The address of TimesSquare Capital Management, LLC is 7 Times Square, 42nd floor, New York, New York 10036.

Securities Authorized for Issuance under Equity Incentive Plans

The following table sets forth information concerning the awards that may be issued under the Company's Omnibus Equity Incentive Plan as of December 31, 2014.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights(1)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)(2)
	(a)	(b)	(c)
Equity Compensation Plans Approved by Security Holders	28,306,686	$16.60	38,090,824
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	28,306,686	$16.60	38,090,824

(1) Reflects the aggregate number of outstanding options and RSUs granted under the Company's 2007 Omnibus Equity Incentive Plan (the "Equity Plan") as of December 31, 2014.

(2) The Class A shares reserved under the Equity Plan are increased on the first day of each fiscal year by (i) the amount (if any) by which (a) 15% of the number of outstanding Class A shares and AOG Units exchangeable for Class A shares on a fully converted and diluted basis on the last day of the immediately

preceding fiscal year exceeds (b) the number of shares then reserved and available for issuance under the Equity Plan, or (ii) such lesser amount by which the administrator may decide to increase the number of Class A shares. The number of shares reserved under the Equity Plan is also subject to adjustment in the event of a share split, share dividend, or other change in our capitalization. Generally, employee shares that are forfeited, canceled, surrendered or exchanged from awards under the Equity Plan will be available for future awards. We have filed a registration statement and intend to file additional registration statements on Form S-8 under the Securities Act to register Class A shares under the Equity Plan (including pursuant to automatic annual increases). Any such Form S-8 registration statement will automatically become effective upon filing. Accordingly, Class A shares registered under such registration statement will be available for sale in the open market.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Agreement Among Managing Partners

Our Managing Partners have entered into the Agreement Among Managing Partners. The Managing Partners own Holdings in accordance with their respective sharing percentages, or "Sharing Percentages," as set forth in the Agreement Among Managing Partners. For the purposes of the Agreement Among Managing Partners, "Pecuniary Interest" means, with respect to each Managing Partner, the number of AOG Units that would be distributable to such Managing Partner assuming that Holdings was liquidated and its assets distributed in accordance with its governing agreements.

Pursuant to the Agreement Among Managing Partners, each of Messrs. Harris and Rowan vested in his interest in the AOG Units in 60 equal monthly installments, and Mr. Black vested in his interest in the AOG Units in 72 equal monthly installments. For the purposes of the vesting provisions of the Agreement Among Managing Partners, our Managing Partners were credited for their employment with us since January 1, 2007. Each is now vested in full. We may not terminate a Managing Partner except for cause or by reason of disability.

The transfer by a Managing Partner of any portion of his Pecuniary Interest to a permitted transferee will in no way affect any of his obligations under the Agreement Among Managing Partners; provided, that all permitted transferees are required to sign a joinder to the Agreement Among Managing Partners.

The Managing Partners' respective Pecuniary Interests in certain funds, or the "Heritage Funds," within the Apollo Operating Group are not held in accordance with the Managing Partners' respective Sharing Percentages. Instead, each Managing Partner's Pecuniary Interest in such Heritage Funds is held in accordance with the historic ownership arrangements among the Managing Partners, and the Managing Partners continue to share the operating income in such Heritage Funds in accordance with their historic ownership arrangement with respect to such Heritage Funds.

The Agreement Among Managing Partners may be amended and the terms and conditions of the Agreement Among Managing Partners may be changed or modified upon the unanimous approval of the Managing Partners. We, our shareholders (other than the Strategic Investors, as set forth under "-Lenders Rights Agreement-Amendments to Managing Partner Transfer Restrictions") and the Apollo Operating Group have no ability to enforce any provision thereof or to prevent the Managing Partners from amending the Agreement Among Managing Partners.

Managing Partner Shareholders Agreement

We have entered into the Managing Partner Shareholders Agreement with our Managing Partners. The Managing Partner Shareholders Agreement provides the Managing Partners with certain rights with respect to the approval of certain matters and the designation of nominees to serve on our board of directors, as well as registration rights for our securities that they own.

Board Representation

The Managing Partner Shareholders Agreement requires our board of directors, so long as the Apollo control condition is satisfied, to nominate individuals designated by our manager such that our manager will have a majority of the designees on our board.

Transfer Restrictions

The Managing Partner Shareholders Agreement provides that no Managing Partner may, nor shall any of such Managing Partner's permitted transferees, directly or indirectly, voluntarily effect cumulative transfers of Pecuniary Interests (as defined in the Managing Partner Shareholders Agreement), representing more than: (i) 15% of his Pecuniary Interests at any time on or after the third anniversary and prior to the fourth anniversary of our IPO; (ii) 22.5% of his Pecuniary Interests at any time on or after the fourth anniversary and prior to the fifth anniversary of our IPO; (iii) 30% of his Pecuniary Interests at any time on or after the fifth anniversary and prior to the sixth anniversary of our IPO; and (iv) 100% of his Pecuniary Interests at any time on or after the sixth anniversary of our IPO, other than, in each case, with respect to transfers (a) from one founder to another founder, (b) to a permitted transferee of such Managing Partner, or (c) in connection with a sale by one or more of our Managing Partners in one or a related series of transactions resulting in the Managing Partners owning or controlling, directly or indirectly, less than 50.1% of the economic or voting interests in us or the Apollo Operating Group, or any other person exercising control over us or the Apollo Operating Group by contract, which would include a transfer of control of our manager.

The percentages referenced in the preceding paragraph will apply to the aggregate amount of Equity Interests held by each Managing Partner (and his permitted transferees) as of July 13, 2007. After six years, each Managing Partner and his permitted transferees may transfer all of the Equity Interests of such Managing Partner to any person or entity in accordance with Rule 144, in a registered public offering or in a transaction exempt from the registration requirements of the Securities Act. The above transfer restrictions will lapse with respect to a Managing Partner if such Managing Partner dies or becomes disabled.

A "permitted transferee" means, with respect to each Managing Partner and his permitted transferees, (i) such Managing Partner's spouse, (ii) a lineal descendant of such Managing Partner's parents (or any such descendant's spouse), (iii) a charitable institution controlled by such Managing Partner, (iv) a trustee of a trust (whether inter vivos or testamentary), the current beneficiaries and presumptive remaindermen of which are one or more of such Managing Partner and persons described in clauses (i) through (iii) above, (v) a corporation, limited liability company or partnership, of which all of the outstanding shares of capital stock or interests therein are owned by one or more of such Managing Partner and persons described in clauses (i) through (iv) above, (vi) an individual mandated under a qualified domestic relations order, (vii) a legal or personal representative of such Managing Partner in the event of his death or disability, (viii) any other Managing Partner with respect to transactions contemplated by the Managing Partner Shareholders Agreement, and (ix) any other Managing Partner who is then employed by Apollo or any of its affiliates or any permitted transferee of such Managing Partner in respect of any transaction not contemplated by the Managing Partner Shareholders Agreement, in each case that agrees in writing to be bound by these transfer restrictions.

Any waiver of the above transfer restrictions may only occur with our consent. As our Managing Partners control the management of our company, however, they have discretion to cause us to grant one or more such waivers. Accordingly, the above transfer restrictions might not be effective in preventing our Managing Partners from selling or transferring their Equity Interests.

Indemnity

Carried interest income from our funds can be distributed to us on a current basis, but is subject to repayment by the subsidiaries of the Apollo Operating Group that act as general partners of the funds in the event that certain specified return thresholds are not ultimately achieved. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligations of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular Managing Partner's or Contributing Partner's distributions. Pursuant to the Managing Partner Shareholders Agreement, we agreed to indemnify each of our Managing Partners and certain Contributing Partners against all amounts that they pay pursuant to any of these personal guarantees in favor of Fund IV, Fund V and Fund VI (including costs and expenses related to investigating the basis for or objecting to any claims made in respect of the guarantees) for all interests that our Managing Partners and Contributing Partners have contributed or sold to the Apollo Operating Group.

Accordingly, in the event that our Managing Partners, Contributing Partners and certain other investment professionals are required to pay amounts in connection with a general partner obligation for the return of previously made distributions with respect to Fund IV, Fund V and Fund VI, we will be obligated to reimburse our Managing Partners and certain Contributing Partners for the indemnifiable percentage of amounts that they are required to pay even though we did not receive the distribution to which that general partner obligation related.

Registration Rights

Pursuant to the Managing Partner Shareholders Agreement, we have granted Holdings, an entity through which our Managing Partners and Contributing Partners own their AOG units, and its permitted transferees the right, under certain circumstances and subject to certain restrictions, to require us to register under the Securities Act our Class A shares held or acquired by them. Under the Managing Partner Shareholders Agreement, the registration rights holders (i) have "demand" registration rights that require us to register under the Securities Act the Class A shares that they hold or acquire, (ii) may require us to make available registration statements permitting sales of Class A shares they hold or acquire in the market from time to time over an extended period and (iii) have the ability to exercise certain piggyback registration rights in connection with registered offerings requested by other registration rights holders or initiated by us. We have agreed to indemnify each registration rights holder and certain related parties against any losses or damages resulting from any untrue statement or omission of material fact in any registration statement or prospectus pursuant to which they sell our shares, unless such liability arose from such holder's misstatement or omission, and each registration rights holder has agreed to indemnify us against all losses caused by his misstatements or omissions. We have filed a shelf registration statement in connection with the rights described above.

Roll-Up Agreements

Pursuant to the Roll-Up Agreements, the Contributing Partners received interests in Holdings, which we refer to as AOG Units, in exchange for their contribution of assets to the Apollo Operating Group. The AOG Units received by our Contributing Partners and any units into which they are exchanged generally vested over six years in equal monthly installments and were fully vested on June 30, 2013. AOG Units were subject to a lock-up until two years after our IPO. Thereafter, 7.5% of the AOG Units became, or will become, tradable on each of the second, third, fourth and fifth anniversaries of our IPO, with the remaining AOG Units becoming tradable on the sixth anniversary of our IPO or upon subsequent vesting. An AOG Unit that is forfeited will revert to the Managing Partners. Our Contributing Partners have the ability to direct Holdings to exercise Holdings' registration rights described above under "-Managing Partner Shareholders Agreement-Registration Rights."

Under their Roll-Up Agreements, each of our Contributing Partners is subject to a noncompetition provision until the first anniversary of the date of termination of his service as a partner to us. During that period, our Contributing Partners are prohibited from (i) engaging in any business activity that we operate in, (ii) rendering any services to any alternative asset management business (other than that of us or our affiliates) that involves primarily (i.e., more than 50%) third-party capital or (iii) acquiring a financial interest in, or becoming actively involved with, any competitive business (other than as a passive holding of a specified percentage of publicly traded companies). In addition, our Contributing Partners are subject to nonsolicitation, nonhire and noninterference covenants during employment and for two years thereafter. Our Contributing Partners are also bound to a nondisparagement covenant with respect to us and our Contributing Partners and to confidentiality restrictions. Resignation by any of our Contributing Partners shall require ninety days' notice. Any restricted period applicable to a Contributing Partner will commence after the ninety day notice of termination period.

Amended and Restated Exchange Agreement

We have entered into an exchange agreement with Holdings under which, subject to certain procedures and restrictions (including any applicable transfer restrictions and lock-up agreements described above) upon 60 days' written notice prior to a designated quarterly date, each Managing Partner and Contributing Partner (or certain transferees thereof) has the right to cause Holdings to exchange the AOG Units that he owns through Holdings for our Class A shares and to sell such Class A shares at the prevailing market price (or at a lower price that such Managing Partner or Contributing Partner is willing to accept). To effect the exchange, Holdings distributes the AOG Units to be exchanged to the applicable Managing Partner or Contributing Partner. Under the exchange agreement, the Managing Partner or Contributing Partner must then simultaneously exchange one AOG Unit (being an equal limited partner interest in each Apollo Operating Group entity) for each Class A share received from our intermediate holding companies. As a Managing Partner or Contributing Partner exchanges his AOG Units, our interest in the AOG Units will be correspondingly increased and the voting power of the Class B share will be correspondingly decreased.

The exchange agreement was amended and restated on May 6, 2013 and further amended and restated on March 5, 2014. The amendments to the original exchange agreement (i) permit exchanging holders certain rights to revoke exchanges of their AOG Units in whole, but not in part, in certain circumstances; (ii) permit transfers of a holder's exchanged shares to a qualifying entity that can sell them under a Rule 10b5-1 trading plan; (iii) require the Company to use its commercially reasonable efforts to file and keep effective a shelf registration statement relating to the exchange of Class A shares received upon an exchange of AOG Units; (iv) modify the exchange mechanics to address certain tax considerations of an exchange for exchanging holders; and (v) require exchanging holders to reimburse APO Corp. for any incremental U.S. federal income tax incurred by APO Corp. as a result of the modification of the exchange mechanics.

Amended and Restated Tax Receivable Agreement

As a result of each of AMH Holdings (Cayman), L.P. and the Apollo Operating Group entities controlled by it or Apollo Management Holdings, L.P. having made an election under Section 754 of the Internal Revenue Code, any exchanges by a Managing Partner or Contributing Partner of AOG Units (together with the corresponding interest in our Class B share), that he owns through Holdings, for our Class A shares in a taxable transaction may result in an adjustment to the tax basis of a portion of the assets owned by the Apollo Operating Group at the time of the exchange. The taxable exchanges may result in increases in the tax depreciation and amortization deductions from depreciable and amortizable assets, as well as an increase in the tax basis of other assets, of the Apollo Operating Group that otherwise would not have been available. A portion of these increases in tax depreciation and amortization deductions, as well as the increase in the tax basis of such other assets, will reduce the amount of tax that APO Corp. would otherwise be required to pay in the future. Additionally, our acquisition of AOG Units from the Managing Partners or Contributing Partners, such as our acquisition of AOG Units from the Managing Partners in the Strategic Investors Transaction, have and may continue to result in increases in tax deductions and tax basis that reduces the amount of tax that APO Corp. would otherwise be required to pay in the future.

APO Corp. has entered into a tax receivable agreement with our Managing Partners and Contributing Partners that provides for the payment by APO Corp. to an exchanging or selling Managing Partner or Contributing Partner of 85% of the amount of actual cash savings, if any, in U.S. Federal, state, local and foreign income tax that APO Corp. realizes (or is deemed to realize in the case of an early termination payment by APO Corp. or a change of control, as discussed below) as a result of these increases in tax deductions and tax basis, and certain other tax benefits, including imputed interest expense, related to payments pursuant to the tax receivable agreement. APO Corp. expects to benefit from the remaining 15% of actual cash savings, if any, in income tax that it realizes. For purposes of the tax receivable agreement, cash savings in income tax will be computed by comparing our actual income tax liability to the amount of such taxes that APO Corp. would have been required to pay had there been no increase to the tax basis of the tangible and intangible assets of the applicable Apollo Operating Group entity as a result of the transaction and had APO Corp. not entered into the tax receivable agreement. The tax savings achieved may not ensure that we have sufficient cash available to pay our tax liability or generate additional distributions to our investors. Also, we may need to incur additional debt to repay the tax receivable agreement if our cash flow needs are not met. The term of the tax receivable agreement will continue until all such tax benefits have been utilized or expired, unless APO Corp. exercises the right to terminate the tax receivable agreement by paying an amount based on the present value of payments remaining to be made under the agreement with respect to units that have been exchanged or sold and units which have not yet been exchanged or sold. Such present value will be determined based on certain assumptions, including that APO Corp. would have sufficient taxable income to fully utilize the deductions that would have arisen from the increased tax deductions and tax basis and other benefits related to the tax receivable agreement. In the event that other of our current or future U.S. subsidiaries become taxable as corporations and acquire AOG Units in the future, or if we become taxable as a corporation for U.S. Federal income tax purposes, each U.S. corporation will become subject to a tax receivable agreement with substantially similar terms. In connection with an amendment of the AMH partnership agreement in April 2010, the tax receivable agreement was revised to reflect the Managing Partners' agreement to defer 25% of required payments pursuant to the tax receivable agreement that are attributable to the 2010 fiscal year until 2015.

The IRS could challenge our claim to any increase in the tax basis of the assets owned by the Apollo Operating Group that results from the exchanges entered into by the Managing Partners or Contributing Partners. The IRS could also challenge any additional tax depreciation and amortization deductions or other tax benefits we claim as a result of such increase in the tax basis of such assets. If the IRS were to successfully challenge a tax basis increase or tax benefits we previously claimed from a tax basis increase, our Managing Partners and Contributing Partners would not be obligated under the tax receivable agreement to reimburse APO Corp. for any payments previously made to it (although future payments would be adjusted to reflect the result of such challenge). As a result, in certain circumstances, payments could be made to our Managing Partners and Contributing Partners under the tax receivable agreement in excess of 85% of APO Corp.'s actual cash tax savings. In general, estimating the amount of payments that may be made to our Managing Partners and Contributing Partners under the tax receivable agreement is by its nature, imprecise, in the absence of an actual transaction, insofar as the calculation of amounts payable depends on a variety of factors. The actual increase in tax basis and the amount and timing of any payments under the tax receivable agreement will vary depending upon a number of factors, including:

- the timing of the transactions-for instance, the increase in any tax deductions will vary depending on the fair market value, which may fluctuate over time, of the depreciable or amortizable assets of the Apollo Operating Group entities at the time of the transaction;
- the price of our Class A shares at the time of the transaction-the increase in any tax deductions, as well as tax basis increase in other assets, of the Apollo Operating Group entities, is directly proportional to the price of the Class A shares at the time of the transaction;
- the taxability of exchanges - to the extent if an exchange is not taxable for any reason, increased deductions will not be available; and
- the amount and timing of our income-APO Corp. will be required to pay 85% of the tax savings as and when realized, if any. If APO Corp. does not have taxable income, it is not required to make payments under the tax receivable agreement for that taxable year because no tax savings were actually realized.

In addition, the tax receivable agreement provides that, upon a merger, asset sale or other form of business combination or certain other changes of control, APO Corp.'s (or its successor's) obligations with respect to exchanged or acquired units (whether exchanged or acquired before or after such change of control) would be based on certain assumptions, including that APO Corp. would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement. As noted above, no payments will be made if a Managing Partner or Contributing Partner elects to exchange his or her AOG Units in a tax-free transaction.

In connection with the first amendment and restatement of the exchange agreement, the tax receivable agreement was amended and restated on May 6, 2013 to conform the agreement to the amended and restated exchange agreement, particularly to address the modified exchange mechanics, and to make non-substantive updates to recognize certain additional Apollo Operating Group entities that have been formed since the original tax receivable agreement was entered into in 2007.

Strategic Investors Transaction

On July 13, 2007, we sold securities to the Strategic Investors in return for a total investment of $1.2 billion. Through our intermediate holding companies, we used all of the proceeds from the issuance of such securities to the Strategic Investors to purchase from our Managing Partners 17.4% of their AOG Units for an aggregate purchase price of $1,068 million, and to purchase from our Contributing Partners a portion of their points for an aggregate purchase price of $156 million. The Strategic Investors hold non-voting Class A shares, which represented 27.6% of our issued and outstanding Class A shares and 11.7% of the economic interest in the Apollo Operating Group, in each case as of December 31, 2014.

As all of their holdings in us are non-voting, neither of the Strategic Investors has any means for exerting control over our company.

Strategic Relationship Agreement

On April 20, 2010, we announced a new strategic relationship agreement with CalPERS, whereby we agreed to reduce management fees and other fees charged to CalPERS on funds we manage, or in the future will manage, solely for CalPERS by $125 million over a five-year period or as close a period as required to provide CalPERS with that benefit. The agreement further provides that we will not use a placement agent in connection with securing any future capital commitments from CalPERS. Through December 31, 2014, the Company has reduced fees charged to CalPERS on the funds it manages by approximately $95.9 million.

Lenders Rights Agreement

In connection with the Strategic Investors Transaction, we entered into a shareholders agreement, or the “Lenders Rights Agreement,” with the Strategic Investors.

Transfer Restrictions

Following the registration effectiveness date, each Strategic Investor may transfer its non-voting Class A shares up to the percentages set forth below during the relevant periods identified:

Period	Maximum Cumulative Amount
Registration Effectiveness Date-2nd anniversary of our IPO	0%
2nd-3rd anniversary of our IPO	25%
3rd-4th anniversary of our IPO	50%
4th-5th anniversary of our IPO	75%
5th anniversary of our IPO (and thereafter)	100%

Notwithstanding the foregoing, at no time following the registration effectiveness date may a Strategic Investor make a transfer representing 2% or more of our total Class A shares to any one person or group of related persons.

Registration Rights

Pursuant to the Lenders Rights Agreement, each Strategic Investor is afforded four demand registrations with respect to non-voting Class A shares, covering offerings of at least 2.5% of our total equity ownership and customary piggyback registration rights. All cutbacks between the Strategic Investors and Holdings (or its members) in any such demand registration shall be pro rata based upon the number of shares available for sale at such time (regardless of which party exercises a demand).

Amendments to Managing Partner Transfer Restrictions

Each Strategic Investor has a consent right with respect to any amendment or waiver of any transfer restrictions that apply to our Managing Partners.

Apollo Operating Group Limited Partnership Agreements

Pursuant to the partnership agreements of the Apollo Operating Group partnerships, the indirect wholly-owned subsidiaries of Apollo Global Management, LLC that are the general partners of those partnerships have the right to determine when distributions will be made to the partners of the Apollo Operating Group and the amount of any such distributions. If a distribution is authorized, such distribution will be made to the partners of the Apollo Operating Group pro rata in accordance with their respective partnership interests.

The partnership agreements of the Apollo Operating Group partnerships also provide that substantially all of our expenses, including substantially all expenses solely incurred by or attributable to Apollo Global Management, LLC (such as expenses incurred in connection with the Private Offering Transactions), will be borne by the Apollo Operating Group; provided that obligations incurred under the tax receivable agreement by Apollo Global Management, LLC and its wholly-owned subsidiaries (which currently consist of our three intermediate holding companies, APO Corp., APO (FC), LLC and APO Asset Co., LLC), income tax expenses of Apollo Global Management, LLC and its wholly-owned subsidiaries and indebtedness incurred by Apollo Global Management, LLC and its wholly-owned subsidiaries shall be borne solely by Apollo Global Management, LLC and its wholly-owned subsidiaries.

Employment Arrangements

Please see the section entitled "Item 11. Executive Compensation-Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table" and "-Potential Payments upon Termination or Change in Control" for a description of the employment agreements of our named executive officers who have employment agreements.

In addition, Joshua Black and Benjamin Black, sons of Leon Black, are each employed by the Company as an Associate in the Company's private equity business. They are each entitled to receive a base salary, incentive compensation and other employee benefits that are offered to similarly situated employees of the Company. Each is also eligible to receive an annual performance-based bonus in an amount determined by the Company in its discretion.

Reimbursements

In the normal course of business, our personnel have made use of aircraft owned as personal assets by Messrs. Black, Rowan and Harris. Messrs. Black, Rowan and Harris paid for their purchases of the aircraft and bear all operating, personnel and maintenance costs associated with their operation for personal use. Payment by us for the business use of these aircraft by Messrs. Black, Rowan and Harris and other of our personnel totaled $608,894, $928,572 and $1,601,325 for 2014 to Mr. Black, Mr. Rowan and Mr. Harris, respectively (which amounts are determined based on the lower of the actual costs of operating the aircraft or a specified hourly market rate).

Investments In Apollo Funds

Our directors and executive officers are generally permitted to invest their own capital (or capital of estate planning vehicles that they control) directly in our funds. In general, such investments are not subject to management fees, and in certain instances, may not be subject to carried interest. The opportunity to invest in our funds is available to all of the senior Apollo professionals and to those of our employees whom we have determined to have a status that reasonably permits us to offer them these types of investments in compliance with applicable laws. From our inception through December 31, 2014, our professionals have committed or invested approximately $1.2 billion of their own capital to our funds.

The amount invested in our investment funds by our directors and executive officers (and their estate planning vehicles) during 2014 was $21,594,185, $17,611,226, $10,047,553, $3,117,160, $3,487,560, $107,144, and $93,369 for Messrs Black, Harris, Rowan, Zelter, Suydam, Kelly, and Weidler respectively. The amount of distributions, including profits and return of capital to our directors and executive officers (and their estate planning vehicles) during 2014 was $62,371,465, $24,873,467, $20,342,373, $7,535,306, $4,208,409, $15,421, and $12,737 for Messrs. Black, Harris, Rowan, Zelter, Suydam, Kelly, and Weidler, respectively.

Sub-Advisory Arrangements and Strategic Investment Accounts

From time to time, we may enter into sub-advisory arrangements with, or establish strategic investment accounts for, our directors and executive officers or vehicles they manage. Such arrangements would be approved in advance in accordance with our policy regarding transactions with related persons. In addition, any such sub-advisory arrangement or strategic investment account would be entered into with, or advised by, an Apollo entity serving as investment advisor registered under the Investment Advisers Act, and any fee arrangements, if applicable would be on an arms-length basis.

Indemnification of Directors, Officers and Others

Under our operating agreement, in most circumstances we will indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts: our manager; any departing manager; any person who is or was an affiliate of our manager or any departing manager; any person who is or was a member, partner, tax matters partner, officer, director, employee, agent, fiduciary or trustee of us or our subsidiaries, our manager or any departing manager or any affiliate of us or our subsidiaries, our manager or any departing manager; any person who is or was serving at the request of our manager or any departing manager or any affiliate of our manager or any departing manager as an officer, director, employee, member, partner, agent, fiduciary or trustee of another person; or any person designated by our manager. We have agreed to provide this indemnification unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that these persons acted in bad faith or engaged in fraud or willful misconduct. We have also agreed to provide this indemnification for criminal proceedings. Any indemnification under these provisions will only be out of our assets. We may purchase insurance against liabilities asserted against and expenses incurred by persons for our activities, regardless of whether we would have the power to indemnify the person against liabilities under our operating agreement.

We have entered into indemnification agreements with each of our directors, executive officers and certain of our employees which set forth the obligations described above.

We have also agreed to indemnify each of our Managing Partners and certain Contributing Partners against certain amounts that they are required to pay in connection with a general partner obligation for the return of previously made carried interest distributions in respect of Fund IV, Fund V and Fund VI. See the above description of the indemnity provisions of the Managing Partner Shareholders Agreement.

Statement of Policy Regarding Transactions with Related Persons

Our board of directors has adopted a written statement of policy regarding transactions with related persons, which we refer to as our “related person policy.” Our related person policy requires that a “related person” (as defined in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our Chief Legal Officer any “related person transaction” (defined as any transaction that is reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. Our Chief Legal Officer will then promptly communicate that information to our manager. No related person transaction will be consummated without the approval or ratification of the executive committee of our manager or any committee of our board of directors consisting exclusively of disinterested directors. It is our policy that persons interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest.

Director Independence

Because more than fifty percent of our voting power is controlled by BRH, we are considered a “controlled company” as defined in the listing standards of the NYSE and we are exempt from the NYSE rules that require that:

- our board of directors be comprised of a majority of independent directors;
- we establish a compensation committee composed solely of independent directors; and
- we establish a nominating and corporate governance committee composed solely of independent directors.

While our board of directors is currently comprised of a majority of independent directors, we plan on availing ourselves of the controlled company exceptions. We have elected not to have a nominating and corporate governance committee comprised entirely of independent directors, nor a compensation committee comprised entirely of independent directors. Our board of directors has determined that five of our eight directors meet the independence standards under the NYSE and the SEC. These directors are Messrs. Ducey, Fribourg, Krongard and Kraft and Ms. Richards.

At such time that we are no longer deemed a controlled company, our board of directors will take all action necessary to comply with all applicable rules within the applicable time period under the NYSE listing standards.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The following table summarizes the aggregate fees for professional services provided by Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu, and their respective affiliates (collectively, the "Deloitte Entities") for the years ended December 31, 2014 and 2013:

	Year Ended December 31,	
	2014	2013
	(in thousands)	
Audit fees	$ 12,810 [1]	$ 13,465 [1]
Audit fees for Apollo fund entities	20,413 [2]	19,505 [2]
Audit-related fees	7,360 [3][4]	2,340 [3][4]
Tax fees	3,275 [5]	3,580 [5]
Tax fees for Apollo fund entities	16,857 [2]	13,835 [2]

(1) Audit fees consisted of fees for (a) the audits of our consolidated financial statements in our Annual Report on Form 10-K and services attendant to, or required by, statute or regulation; (b) reviews of the interim condensed consolidated financial statements included in our quarterly reports on Form 10-Q.
(2) Audit and Tax fees for Apollo fund entities consisted of services to investment funds managed by Apollo in its capacity as the general partner and/or manager of such entities.
(3) Audit-related fees consisted of comfort letters, consents and other services related to SEC and other regulatory filings.
(4) Includes audit-related fees for Apollo fund entities of $0.3 million and $0.5 million for the year ended December 31, 2014 and 2013, respectively.
(5) Tax fees consisted of fees for services rendered for tax compliance and tax planning and advisory services.

Our audit committee charter requires the audit committee of our board of directors to approve in advance all audit and non-audit related services to be provided by our independent registered public accounting firm. All services reported in the Audit, Audit-related, Tax and Other categories above were approved by the committee.

PART IV

ITEM 15. EXHIBITS

Exhibit Number	Exhibit Description
3.1	Certificate of Formation of Apollo Global Management, LLC (incorporated by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
3.2	Amended and Restated Limited Liability Company Agreement of Apollo Global Management, LLC (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
4.1	Specimen Certificate evidencing the Registrant's Class A shares (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
4.2	Indenture dated as of May 30, 2014, among Apollo Management Holdings, L.P., the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 30, 2014 (File No. 001-35107)).
4.3	First Supplemental Indenture dated as of May 30, 2014, among Apollo Management Holdings, L.P., the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 30, 2014 (File No. 001-35107)).
4.4	Form of 4.000% Senior Note due 2024 (included in Exhibit 4.2 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 30, 2014 (File No. 001-35107), which is incorporated by reference).
*4.5	Second Supplemental Indenture dated as of January 30, 2015, among Apollo Management Holdings, L.P., the Guarantors party thereto, Apollo Principal Holdings X, L.P. and Wells Fargo Bank, National Association, as trustee.
10.1	Amended and Restated Limited Liability Company Operating Agreement of AGM Management, LLC dated as of July 10, 2007 (incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.2	Third Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings I, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.3	Third Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings II, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.4	Third Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings III, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.4 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.5	Third Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings IV, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.5 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).

+10.6	Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan, as amended and restated (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.7	Agreement Among Principals, dated as of July 13, 2007, by and among Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P., MJR Foundation LLC, AP Professional Holdings, L.P. and BRH Holdings, L.P. (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.8	Shareholders Agreement, dated as of July 13, 2007, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, Leon D. Black, Marc J. Rowan and Joshua J. Harris (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.9	Second Amended and Restated Exchange Agreement, dated as of March 5, 2014, by and among Apollo Global Management, LLC, Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P., AMH Holdings (Cayman), L.P. and the Apollo Principal Holders (as defined therein) from time to time party thereto (incorporated by reference to Exhibit 10.11 to the Registrant's Form 10-Q for the period ended March 31, 2014 (File No. 001-35107)).
10.10	Amended and Restated Tax Receivable Agreement, dated as of May 6, 2013, by and among APO Corp., Apollo Principal Holdings II, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings VI, Apollo Principal Holdings VIII, L.P., AMH Holdings (Cayman), L.P. and each Holder defined therein (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 7, 2013 (File No. 001-35107)).
+10.11	Employment Agreement with Leon D. Black (incorporated by reference to Exhibit 10.43 to the Registrant's Form 10-Q for the period ended June 30, 2012 (File No. 001-35107)).
+10.12	Employment Agreement with Marc J. Rowan (incorporated by reference to Exhibit 10.44 to the Registrant's Form 10-Q for the period ended June 30, 2012 (File No. 001-35107)).
+10.13	Employment Agreement with Joshua J. Harris (incorporated by reference to Exhibit 10.45 to the Registrant's Form 10-Q for the period ended June 30, 2012 (File No. 001-35107)).
10.14	Second Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings V, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.20 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.15	Second Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings VI, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.21 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.16	Second Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings VII, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.22 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.17	Second Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings VIII, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.23 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).

10.18	Second Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings IX, L.P. dated as of April 14, 2010 (incorporated by reference to Exhibit 10.24 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.19	Fourth Amended and Restated Limited Partnership Agreement of Apollo Management Holdings, L.P. dated as of October 30, 2012 (incorporated by reference to Exhibit 10.25 to the Registrant's Form 10-Q for the Registration Statement on Form S-1 (File No. 333-150141)).
10.20	Settlement Agreement, dated December 14, 2008, by and among Huntsman Corporation, Jon M. Huntsman, Peter R. Huntsman, Hexion Specialty Chemicals, Inc., Hexion LLC, Nimbus Merger Sub, Inc., Craig O. Morrison, Leon Black, Joshua J. Harris and Apollo Global Management, LLC and certain of its affiliates (incorporated by reference to Exhibit 10.26 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.21	First Amendment and Joinder, dated as of August 18, 2009, to the Shareholders Agreement, dated as of July 13, 2007, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, Leon D. Black, Marc J. Rowan and Joshua J. Harris (incorporated by reference to Exhibit 10.27 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.22	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.28 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
+10.23	Amended and Restated Employment Agreement with James Zelter dated as of June 20, 2014 (incorporated by reference to Exhibit 10.27 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.24	Roll-Up Agreement with James Zelter (incorporated by reference to Exhibit 10.30 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
+10.25	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Plan Grants) (incorporated by reference to Exhibit 10.31 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
+10.26	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Bonus Grants) (incorporated by reference to Exhibit 10.32 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
+10.27	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for new independent directors) (incorporated by reference to Exhibit 10.31 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.28	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for continuing independent directors) (incorporated by reference to Exhibit 10.32 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.29	Form of Restricted Share Award Grant Notice and Restricted Share Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.33 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.30	Form of Share Award Grant Notice and Share Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Retired Partners) (incorporated by reference to Exhibit 10.34 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).

+10.31	Apollo Management Companies AAA Unit Plan (incorporated by reference to Exhibit 10.34 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).
+10.32	Employment Agreement with Marc Spilker (incorporated by reference to Exhibit 10.35 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).
*+10.33	Employment Agreement with Christopher Weidler, dated June 4, 2013.
+10.34	Non-Qualified Share Option Agreement pursuant to the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan with Marc Spilker dated December 2, 2010 (incorporated by reference to Exhibit 10.40 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).
10.35	Amended Form of Independent Director Engagement Letter (incorporated by reference to Exhibit 10.38 to the Registrant’s Form 10-Q for the period ended March 31, 2014 (File No. 001-35107)).
+10.36	Employment Agreement with Martin Kelly, dated July 2, 2012 (incorporated by reference to Exhibit 10.42 to the Registrant’s Form 10-Q for the period ended June 30, 2012 (File No. 001-35107)).
10.37	Amended and Restated Exempted Limited Partnership Agreement of AMH Holdings, L.P., dated October 30, 2012 (incorporated by reference to Exhibit 10.46 to the Registrant’s Form 10-Q for the period ended September 30, 2012 (File No. 001-35107)).
+10.38	Amended and Restated Limited Partnership Agreement of Apollo Advisors VI, L.P., dated as of April 14, 2005 and amended as of August 26, 2005 (incorporated by reference to Exhibit 10.41 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.39	Third Amended and Restated Limited Partnership Agreement of Apollo Advisors VII, L.P. dated as of July 1, 2008 and effective as of August 30, 2007 (incorporated by reference to Exhibit 10.42 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.40	Third Amended and Restated Limited Partnership Agreement of Apollo Credit Opportunity Advisors I, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.43 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.41	Third Amended and Restated Limited Partnership Agreement of Apollo Credit Opportunity Advisors II, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.44 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.42	Third Amended and Restated Limited Partnership Agreement of Apollo Credit Liquidity Advisors, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.45 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.43	Second Amended and Restated Limited Partnership Agreement of Apollo Credit Liquidity CM Executive Carry, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.46 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).

+10.44	Second Amended and Restated Limited Partnership Agreement Apollo Credit Opportunity CM Executive Carry I, L.P. dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.47 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.45	Second Amended and Restated Limited Partnership Agreement of Apollo Credit Opportunity CM Executive Carry II, L.P. dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
+10.46	Second Amended and Restated Exempted Limited Partnership Agreement of AGM Incentive Pool, L.P., dated June 29, 2012 (incorporated by reference to Exhibit 10.49 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
10.47	Credit Agreement, dated as of December 18, 2013, by and among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers party thereto, the other guarantors party thereto from time to time, the lenders party thereto from time to time, the issuing banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.50 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
*10.48	Guarantor Joinder Agreement, dated as of January 30, 2015, by Apollo Principal Holdings X, L.P. to the Credit Agreement, dated as of December 18, 2013, by and among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers party thereto, the existing guarantors party thereto, the lenders party thereto from time to time, the issuing banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent.
10.49	Transition Agreement, dated as of March 19, 2014, by and among Marc A. Spilker, Apollo Management Holdings, L.P. and Apollo Global Management, LLC (incorporated by reference to Exhibit 10.51 to the Registrant's Form 10-Q for the period ended March 31, 2014 (File No. 001-35107)).
+10.50	Form of Letter Agreement under the Amended and Restated Limited Partnership Agreement of Apollo Advisors VIII, L.P. effective as of January 1, 2014 (incorporated by reference to Exhibit 10.56 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.51	Form of Award Letter under the Amended and Restated Limited Partnership Agreement of Apollo Advisors VIII, L.P. effective as of January 1, 2014 (incorporated by reference to Exhibit 10.57 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
*+10.52	Amended and Restated Limited Partnership Agreement of Apollo EPF Advisors, L.P., dated as of February 3, 2011.
*+10.53	First Amended and Restated Exempted Limited Partnership Agreement of Apollo EPF Advisors II, L.P. dated as of April 9, 2012.
*+10.54	Amended and Restated Agreement of Exempted Limited Partnership of Apollo CIP Partner Pool, L.P., dated as of December 18, 2014.
*+10.55	Form of Award Letter under the Amended and Restated Agreement of Exempted Limited Partnership Agreement of Apollo CIP Partner Pool, L.P.
*+10.56	Second Amended and Restated Agreement of Limited Partnership of Apollo Credit Opportunity Advisors III (APO FC), L.P., dated as of December 18, 2014.

*+10.57	Form of Award Letter under Second Amended and Restated Agreement of Limited Partnership of Apollo Credit Opportunity Advisors III (APO FC), L.P.
*21.1	Subsidiaries of Apollo Global Management, LLC.
*23.1	Consent of Deloitte & Touche LLP.
*31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
*31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
*32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
*32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Scheme Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

\+ Management contract or compensatory plan or arrangement.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Apollo Global Management, LLC
(Registrant)

Date: February 27, 2015

By: /s/ Martin Kelly
Name: Martin Kelly
Title: Chief Financial Officer
(principal financial officer and
authorized signatory)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

Name	Title	Date
/s/ Leon Black Leon Black	Chairman and Chief Executive Officer and Director (principal executive officer)	February 27, 2015
/s/ Martin Kelly Martin Kelly	Chief Financial Officer (principal financial officer)	February 27, 2015
/s/ Chris Weidler Chris Weidler	Chief Accounting Officer (principal accounting officer)	February 27, 2015
/s/ Joshua Harris Joshua Harris	Senior Managing Director and Director	February 27, 2015
/s/ Marc Rowan Marc Rowan	Senior Managing Director and Director	February 27, 2015
/s/ Michael Ducey Michael Ducey	Director	February 27, 2015
/s/ Paul Fribourg Paul Fribourg	Director	February 27, 2015
/s/ Robert Kraft Robert Kraft	Director	February 27, 2015
/s/ AB Krongard AB Krongard	Director	February 27, 2015
/s/ Pauline Richards Pauline Richards	Director	February 27, 2015

This Second Supplemental Indenture, dated as of January 30, 2015 (the "Second Supplemental Indenture"), among Apollo Management Holdings, L.P., a limited partnership duly organized and existing under the laws of the State of Delaware (the "Company"), the Existing Guarantors (as hereinafter defined), Apollo Principal Holdings X, L.P., a limited partnership duly formed and existing under the laws of the Cayman Islands (the "New Guarantor"), and Wells Fargo Bank, National Association, a national banking association, as Trustee under the Indenture (as hereinafter defined) and hereunder (the "Trustee"), supplements that certain Indenture, dated as of May 30, 2014, among the Company, the Guarantors named therein (the "Existing Guarantors") and the Trustee (the "Base Indenture"), as supplemented by the first supplemental indenture, dated as of May 30, 2014, among the Company the Existing Guarantors and the Trustee (together with the Base Indenture, the "Indenture"). Capitalized terms used herein without definitions shall have the meaning assigned to them in the Indenture.

RECITALS OF THE COMPANY

The Company and the Existing Guarantors have heretofore executed and delivered to the Trustee the Base Indenture providing for the issuance from time to time of one or more series of the Company's senior unsecured debt securities.

The Company and the Existing Guarantors have heretofore executed and delivered to the Trustee the First Supplemental Indenture providing for the issuance and the terms of a series of Securities designated as the Company's "4.000% Senior Notes due 2024".

Section 1402 of the Indenture provides that the Company and each Existing Guarantor shall cause each New Apollo Operating Group Entity (other than a Non-Guarantor Entity) to become a Guarantor pursuant to the Indenture and provide a Guarantee in respect of the Notes.

The New Guarantor is a New Apollo Operating Group Entity and is not a Non-Guarantor Entity under the terms and conditions set forth under the Indenture.

Pursuant to Section 901 of the Indenture, the Company, the Existing Guarantors and the Trustee may, without the consent of any Holders, enter into this Second Supplemental Indenture for the purpose of adding the New Guarantor as a Guarantor under the Indenture.

Pursuant to Sections 901 and 1413 of the Indenture, the Trustee is authorized to execute and deliver this Second Supplemental Indenture.

This Second Supplemental Indenture shall not result in a material modification of the Notes for purposes of the Foreign Account Tax Compliance Act.

Section 1.1 Agreement to be Bound. The New Guarantor hereby agrees to become a party to the Indenture as a Guarantor and as such will have all of the rights and be subject to all of the obligations and agreements of a Guarantor under the Indenture.

Section 1.2 Guarantee. The New Guarantor agrees, on a joint and several basis, with the Existing Guarantors, to fully and unconditionally Guarantee to each Holder of the Notes and the Trustee the obligations of the Company pursuant to and as set forth in Article XIV of the Base Indenture.

Section 1.3 Notices. All notices or other communications to the New Guarantor shall be given as provided in Section 105 of the Base Indenture.

Section 1.4 Execution as Supplemental Indenture. This Second Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Base Indenture and the First Supplemental Indenture, and, as provided in the Base Indenture, forms part thereof.

Section 1.5 Not Responsible for Recitals. The recitals contained herein shall be taken as the statements of the Company, the Existing Guarantors and the New Guarantor, as the case may be, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Second Supplemental Indenture or of the Guarantees.

Section 1.6 Separability Clause. In case any provision in this Second Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.7 Successors and Assigns. All covenants and agreements in this Second Supplemental Indenture by the Company and the Guarantors shall bind their respective successors and assigns, whether so expressed or not. All agreements of the Trustee in this Second Supplemental Indenture shall bind its successors and assigns, whether so expressed or not.

Section 1.8 Execution and Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument. This exchange of copies of this Second Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Second Supplemental Indenture as to the parties hereto and may be used in lieu of the original Second Supplemental Indenture and signature pages for all purposes.

Section 1.9 Governing Law. This Second Supplemental Indenture shall be governed by, and construed in accordance with, the law of the State of New York, without regard to principles of conflicts of law.

[Signature page to follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed all as of the day and year first above written.

Apollo Management Holdings, L.P., as Issuer

By: Apollo Management Holdings GP, LLC, its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm
Title: Vice President

Apollo Principal Holdings I, L.P., as Guarantor

By: Apollo Principal Holdings I GP, LLC, its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings II, L.P., as Guarantor

By: Apollo Principal Holdings II GP, LLC, its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings III, L.P., as Guarantor

By: Apollo Principal Holdings III GP, Ltd., its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings IV, L.P., as Guarantor

By: Apollo Principal Holdings IV GP, Ltd., its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings V, L.P., as Guarantor

By: Apollo Principal Holdings V GP, LLC, its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings VI, L.P., as Guarantor

By: Apollo Principal Holdings VI GP, LLC, its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings VII, L.P., as Guarantor

By: Apollo Principal Holdings VII GP, Ltd., its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings VIII, L.P., as Guarantor

By: Apollo Principal Holdings VIII GP, Ltd., its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings IX, L.P., as Guarantor

By: Apollo Principal Holdings IX GP, Ltd., its general partner

By: /s/ Jessica L. Lomm_______
Name: Jessica L. Lomm Title: Vice President

AMH Holdings (Cayman), L.P., as Guarantor

By: AMH Holdings GP, Ltd., its general partner
By: Apollo Management Holdings GP, LLC, its sole director

By: /s/ Jessica L. Lomm
Name: Jessica L. Lomm Title: Vice President

Apollo Principal Holdings X, L.P., as Guarantor

By: Apollo Principal Holdings X GP, Ltd., its general partner

By: /s/ Jessica L. Lomm
Name: Jessica L. Lomm Title: Vice President

Wells Fargo Bank, National Association, as Trustee

By: /s/ Raymond Delli Colli
Name: Raymond Delli Colli
Title: Vice President

Apollo Global Management, LLC
9 West 57th Street
New York, NY 10019

June 4, 2013

Personal and Confidential
Christopher Weidler
124 Barchester Way
Westfield, NJ 07090

Dear Chris:

We are pleased to confirm the following terms in connection with your employment at Apollo Management Holdings, L.P. (together with its affiliated investment management companies, the "**Company**"), effective upon your Start Date (detailed below). Unless otherwise defined herein, capitalized terms shall have the meaning set forth at the end of this letter.

- **Position & Reporting.** You will be employed by the Company as Controller and Chief Accounting Officer of Apollo Global Management ("**AGM**"). You will report to the Chief Financial Officer, Martin Kelly, or his successor.

- **Start Date and Assurances**. Your employment with the Company shall begin on September 3, 2013 (or such earlier date on which you commence employment with the Company) (such actual date of employment commencement, the "**Start Date**"). You represent that (i) you are not a party to any agreement that would prohibit you from entering into employment with the Company; (ii) no trade secret or proprietary information belonging to your previous employer will be disclosed by you at the Company and no such information, whether in the form of documents (electronic or otherwise), memoranda, software, etc., will be retained by you or brought with you to the Company; and (iii) you have brought to the Company's attention and provided it with a copy of any agreement that may impact your future employment with the Company or performing the services contemplated, including but not limited to any non-disclosure, non-competition, non-solicitation or invention assignment agreements containing future work restrictions. You represent that prior to the Start Date you will not take any actions on behalf of the Company or engage in any discussions or communications on behalf of the Company, including, without limitation, with any prospective Company employees or other service providers. You further represent to the Company that you possess any licenses or certifications necessary for you to perform such services.

- **Annual Base Salary.** You will be entitled to an annual base salary at the rate of $400,000 (the "**Base Salary**"), which base salary shall be paid in installments not less frequently than monthly. This is an exempt position, therefore no overtime will be granted.

- **Annual Bonus**. You may be eligible to receive an annual bonus (the "**Bonus**") in addition to your Base Salary and in an amount to be determined by the Company in its discretion. For services performed in 2013, your guaranteed Bonus will be $700,000, less applicable withholdings (the "**2013 Guaranteed Bonus**"). The 2013 Guaranteed Bonus will be paid to you in cash, and will be paid when bonuses are generally paid to other similarly situated employees, provided that you have not been terminated for Cause nor provided notice of your resignation prior to the Bonus payment date. All future Bonuses are not guaranteed and any Bonus payable to you is dependent upon your performance and the performance of the Company. All future Bonuses will be paid in accordance

  with the Company's Incentive Program (as defined below) and shall be paid when bonuses are generally paid to other similarly situated employees, provided that you are employed on the payment date and you have not provided notice of your resignation prior to the Bonus payment date.

- **Plan Grant**. Subject to approval by the Committee that administers the Plan, on the last day of the calendar quarter that includes the Start Date, you shall be granted (the "**Plan Grant**") restricted share units ("**RSUs**") under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (the "**Plan**") having an aggregate value equal to $1,000,000 based on the average closing price of an Apollo Global Management, LLC Class A share on the New York Stock Exchange for the ten trading days preceding the grant date (rounded down to the nearest whole share). Each RSU shall be granted pursuant to the Plan and subject to such other terms and conditions as generally apply to Plan participants, including your continued employment through each vesting date. The RSUs will vest over a period of six (6) years, as follows: (i) 4/24 of the grant will vest on the first anniversary of the grant date; and (ii) the remaining balance will vest in 20 substantially equal quarterly installments thereafter.

- **Incentive Program**. For any year that your actual compensation exceeds $250,000, a portion of your total compensation for services performed in that year will be deferred and payable pursuant to the Company's incentive compensation program (the "**Incentive Program**") as in effect for such year to the same extent as applicable to similarly situated employees of the Company generally, as determined by the Company prior to the start of such year (for purposes of clarity, your Base Salary shall not be subject to deferral under the Incentive Program but shall be included in the calculation of your total compensation). Presently, it is anticipated that the percentage of your cash compensation that will be deferred under the Incentive Program is as follows**:**

  10% of compensation to $500,000;
  20% of compensation from $500,001 to $1,000,000;
  25% of compensation from $1,000,001 to $2,000,000; and
  30% of compensation in excess of $2,000,001.

  The Company reserves the right to change the foregoing schedule at any time to the extent permitted under Section 409A of the U.S. Tax

Code. Currently, any amounts payable under the Incentive Program will be subject to payment in the form of equity of Apollo Global Management, LLC or an Affiliate and shall vest in 3 equal annual installments commencing on the last day of the year following the year in which the services were performed, which vesting shall be contingent on your continued service as an employee on each vesting date. All amounts that vest shall be paid within the short-term deferral period provided under U.S. Treas. Reg. §1.409A-1(b)(4).

- **AGM Incentive Pool.** You may be awarded a contingent profits interest in the Company's Affiliate, AGM Incentive Pool, L.P. (the "**Incentive Pool**"), pursuant to the AGM Incentive Participation Plan (as in effect from time to time, the "**AGM Incentive Plan**"). The Incentive Pool may make discretionary distributions to you on an annual basis subject to the terms and conditions of the AGM Incentive Plan. To the extent that the Incentive Pool makes any such distributions to you in recognition of the services you perform during the 2013 calendar year, then the amount of the 2013 Guaranteed Bonus, respectively, shall be reduced by an equivalent amount.

- **Benefit Plans**. You will be eligible to participate in the various group health, disability and life insurance plans and other employee programs, including sick and vacation time, as generally are offered by the Company to similarly situated employees from time to time. Specifically, with respect to vacation, you will be entitled to 4 weeks of vacation per year subject to applicable Company

policies. No more than five days of accrued but unused vacation shall be carried forward past the end of any calendar year.

- **Indemnification.** You shall be entitled to coverage under a director and officer liability insurance policy on terms and conditions no less favorable than those that apply to similarly situated executives.

- **Notice Entitlement**. The Company may terminate your employment with or without Cause. The period of notice that we will give you to terminate your employment without Cause is 90 days. The Company may terminate your employment for Cause without notice. You agree to give the Company 90 days notice should you decide to leave the Company for any reason. We reserve the right to require you not to be in the Company's offices and/or not to undertake all or any of your duties and/or not to contact Company clients, colleagues or advisors (unless otherwise instructed) during all or part of any period of notice of your termination of service. During any such period, you remain a service provider to the Company with all duties of fidelity and confidentiality to the Company and subject to all terms and conditions of your employment and should not be employed or engaged in any other business.

- **Payment in lieu of notice**. Subject to the "Employment in Good Standing; Compliance" section below, we reserve the right to pay you in lieu of notice on a termination without Cause.

- **Political Contributions.** Except as otherwise disclosed to the Company in writing, in the past two years neither you nor your spouse: (i) has donated to a state or local political campaign in any of the fifty states or Washington D.C.; or (ii) has donated to a candidate for any federal office if such candidate held any state or local political office at the time of the contribution.

- **Confidentiality.** You will not disclose or use at any time, either prior to your termination of employment or service with the Company and its Affiliates or thereafter, any Confidential Information of which you are or become aware, whether or not such information is authored or developed by you, except to the extent that (i) such disclosure or use is directly related to and required by your good faith performance of duties to the Company or any of its Affiliates, or (ii) such disclosure is required to be made by law or any court or legislative body with jurisdiction over you; provided, that you shall provide ten (10) days' prior written notice to the Company of such disclosure so that the Company may seek a protective order or similar remedy; and provided, further, that, in either case set forth above, you inform the recipients that such information or communication is confidential in nature. Except to the extent publicly disclosed, you acknowledge and agree that this letter agreement and its provisions constitute Confidential Information of the Company and its Affiliates and that any documents, information or reports received by you from the Company and its Affiliates shall be treated as confidential and proprietary information of the Company and its Affiliates. Nothing contained herein shall preclude you from disclosing Confidential Information to your personal legal and financial advisor(s), provided that you inform such advisor(s) that the information is confidential in nature and receive assurances that the advisor(s) shall not disclose such information except as required by law.

- **No Solicitation or Competition**. In consideration of the above**,** during your employment with or provision of services to the Company and for 6 months thereafter, you shall not directly or indirectly (including through another person) (a) induce or attempt to induce: (i) any employee of the Company or any of its Affiliates to leave the employment of the Company or such Affiliate or (ii) any person who was an employee of the Company or its Affiliates within the previous 12 months, to take up employment or engagement in a similar capacity with a Competitive Business, or in any way interfere with or modify the relationship between the Company or any such Affiliate, on the one hand, and any employee thereof, on the other hand, (b) on behalf of a Competitive Business employ or engage any

person who was an employee of the Company or any Affiliate of the Company within the preceding 12 months, or (c) solicit any customer, supplier, investor or other business relation of the Company or any Affiliate of the Company with whom you have dealt during the 12 months prior to your employment termination or in respect of whom you were, on termination of employment, in possession of, Confidential Information, to reduce or cease doing business with the Company or such Affiliate. You further agree that, during your employment with or provision of services to the Company and, for 3 months thereafter, you will not, directly or indirectly (including through another person) (a) engage in any Competitive Business for your own account, (b) enter the employ of, or render any services to, any person engaged in any Competitive Business, or (c) acquire a material financial interest in any Competitive Business. Nothing herein shall, however, prohibit you from being a passive owner of not more than 2% of the outstanding stock of any class of a company or corporation that is publicly quoted or listed, so long as you have no active participation in the business of such company or corporation. As used in this letter agreement: (i) "**person**" means an individual, a corporation, limited liability company, partnership, association, trust or any other entity; and (ii) activity undertaken "**directly or indirectly**" includes any direct or indirect ownership or profit participation interest in such enterprise, whether as an

owner or a stockholder, member, partner, joint venturer or otherwise, and includes any direct or indirect participation in such enterprise as an employee, consultant, director, officer, licensor of technology or otherwise.

- **Nondisparagement**. You agree that you will not, whether during your employment or thereafter, directly or indirectly, make or ratify any statement, public or private, oral or written, to any person that disparages, either professionally or personally, the Company or any of its Affiliates, past and present, and each of them, as well as its and their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present, and each of them.

- **Remedies; Severability**. Because your services are unique and you have had and will have access during the course of your employment to Confidential Information, money damages would be an inadequate remedy for any breach of the restrictive covenants contained in this letter agreement (including, without limitation, those regarding confidentiality, nonsolicitation, noncompetition and nondisparagement) (the "**Protective Covenants**"). Therefore, in the event of a breach or threatened breach of any provision of a Protective Covenant, the Company or its successors or assigns may, in addition to other rights and remedies existing in their favor at law or in equity, (a) apply to any court of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce, or prevent any violations of, the provisions hereof (without posting a bond or other security) and/or (b) cease any continuation of payments or benefits to you otherwise called for by this letter agreement. If any provision of this letter agreement shall be held invalid, illegal or unenforceable in any jurisdiction for any reason, including, without limitation, the duration of such provision, its geographical scope or the extent of the activities prohibited or required by it, then, to the fullest extent permitted by law, (a) all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intent of the parties hereto as nearly as may be possible, (b) such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision hereof, and (c) any court or arbitrator having jurisdiction thereover shall have the power to reform such provision to the extent necessary for such provision to be enforceable under applicable law. You hereby acknowledge and agree with the Company that (x) each of the Protective Covenants is an entirely separate, severable and independent covenant and restriction on you; (y) the duration, extent and application of each of the Protective Covenants is no greater than is necessary for the protection of the goodwill and trade connections of the business of the Company; and (z) in the event that any restriction on you contained in the Protective Covenants shall be found void but would be valid if some part thereof were deleted, such restrictions shall apply with any such deletion as may be necessary to make it valid and effective.

- **Subsequent Engagement**. Notwithstanding anything to the contrary contained herein, while you are employed by the Company, prior to accepting (or entering into a written understanding that provides for your) employment or consulting engagement with any person or entity unrelated to the Company, you will provide (i) written notice to the Company of such offer, it being understood that your acceptance of any such offer before seven (7) days have elapsed following such notice shall be treated as a termination by the Company for Cause, and (ii) a copy of the paragraph entitled "No Solicitation or Competition" herein to any such prospective employer or service recipient, with a copy provided simultaneously to the Company. You shall promptly notify the Company of your acceptance of employment with, or agreement to provide substantial services to, any entity unrelated to the Company for 6 months from and after your employment termination date.

- **Employment in Good Standing; Compliance**. As you are aware, the firm is subject to and has various compliance procedures in place. Accordingly, you understand that your continued association with the Company and corresponding payment of the foregoing amounts will be subject to your continued employment in good standing, which will include, among other things, your adherence to the Company's policies and procedures and other applicable compliance manuals (including, without limitation, obligations with regard to confidential information), copies of which will be made available to you. You agree to execute any customary forms and agreements in connection therewith.

- **Choice of Law; Arbitration; Waiver of Jury Trial.** This letter agreement shall be governed by and construed in accordance with the laws of the State of New York (without regard to any conflicts of laws principles thereof that would give effect to the laws of another jurisdiction), and any dispute or controversy arising out of or relating to this letter agreement or your employment, other than injunctive relief as provided in this letter agreement, will be settled exclusively by arbitration, conducted before a single arbitrator in New York, New York (applying New York law) in accordance with, and pursuant to, the National Rules for the Resolution of Employment Disputes of the American Arbitration Association (the "**Association**"). The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Either party may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the Federal Arbitration Act or the New York Arbitration Act. The Company and you will share the Association administrative fees, the arbitrator's fee and expenses. Each party shall be responsible for such party's attorneys' fees. **IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, YOU AND WE HEREBY WAIVE AND COVENANT THAT YOU AND WE WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY MATTERS CONTEMPLATED HEREBY, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE COMPANY OR ANY OF ITS AFFILIATES OR YOU MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE COMPANY AND ITS AFFILIATES, ON THE ONE HAND, AND YOU, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS AGREEMENT WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.**

- **Miscellaneous.** This letter agreement may not be modified or amended unless in writing signed by the undersigned parties. Any notice required hereunder shall be made in writing, as applicable, to the Company in care of the Global Head of Human Resources at her principal office location or to you at your home address most recently on file with the Company. Except for an assignment by the Company of this letter agreement to an Affiliate, this letter agreement may not be assigned by the parties other than as expressly provided herein. This letter agreement may be executed through the use of separate signature pages or in any number of counterparts, with the same effect as if the parties executing such counterparts had executed one counterpart.

[Continues on next page]

The effectiveness of these terms is subject to your execution and return of this letter agreement on or before June 11, 2013 and is subject to customary background and reference checks. This letter agreement constitutes the entire agreement between the parties in relation to its subject matter and supersedes any previous agreement or understanding between the parties relating thereto (except that any obligations contained in any such agreement in favor of the Company or any of its Affiliates requiring you to maintain confidentiality or honor other restrictive covenants shall survive in accordance with their terms), and you confirm that in signing this letter agreement you have not relied on any warranty, representation, assurance or promise of any kind whatsoever other than as are expressly set out in this letter agreement or in the plans or documents referenced herein.

Sincerely,

/s/ Lisa Barse Bernstein

Lisa Barse Bernstein
Global Head of Human Resources

Agreed and accepted:

/s/ Christopher Weidler
Christopher Weidler

6/19/2013___________

Date

"**Affiliate**" of the Company means any other person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with the Company and shall include, without limitation, Apollo-affiliated management companies, funds, and managed accounts.

"**Cause**" means a termination of your employment, based upon a finding by the Company, acting in good faith, after the occurrence of any of the following: (a) you are convicted or charged with a criminal offense; (b) your violation of law in connection with any transaction involving the purchase, sale, loan or other disposition of, or the rendering of investment advice with respect to, any security, futures or forward contract, insurance contract, debt instrument, financial instrument or currency; (c) your dishonesty, bad faith, gross negligence, willful misconduct, fraud or willful or reckless disregard of duties in connection with the performance of any services on behalf of the Company or any of its Affiliates or your engagement in conduct which is injurious to the Company, monetarily or otherwise; (d) your intentional failure to comply with any reasonable directive by a supervisor in connection with the performance of any services on behalf of the Company; (e) your intentional breach of any material provision of this document or any other agreements of the Company or any of its Affiliates; (f) your material violation of any written policies adopted by the Company or its Affiliates governing the conduct of persons performing services on behalf of the Company or such Affiliate or your non-adherence to the Company's policies and procedures or other applicable Company compliance manuals; (g) the taking of or omission to take any action that has caused or substantially contributed to a material deterioration in the business or reputation of the Company or any of its Affiliates, or that was otherwise materially disruptive of their business or affairs; *provided*, *however*, that the term Cause shall not include for this purpose any mistake of judgment made in good faith with respect to any transaction respecting a portfolio investment for an account managed by the Company; (h) the failure by you to devote a significant portion of time to performing services as an agent of the Company without the prior written consent of the Company, other than by reason of death or Disability; (i) the obtaining by you of any material improper personal benefit as a result of a breach by you of any covenant or agreement (including, without limitation, a breach by you of the Company's code of ethics or a material breach by you of other written policies furnished to you relating to personal investment transactions or of any covenant, agreement, representation or warranty contained in any limited partnership agreement); or (j) your suspension or other disciplinary action against you by an applicable regulatory authority; *provided*, *however*, that if a failure, breach, violation or action or omission described in any of clauses (d) to (g) is capable of being cured, you have failed to do so after being given notice and a reasonable opportunity to cure. As used in this definition, "material" means "more than *de minimis*."

"**Competitive Business**" means (i) any alternative asset management business (other than the business of the Company, its successors or assigns or Affiliates) in which more than 25% of the total capital committed is third party capital, that advises, manages or invests the assets of and/or makes investments in private equity funds, hedge funds, collateralized debt obligation funds, commercial mortgages, commercial real estate related investments, residential mortgages, residential real estate related investments, business development corporations, special purpose acquisition companies, life settlement investments, life insurance company asset investment vehicles, credit-based asset management vehicles, leveraged loans or other alternative asset investment vehicles, (ii) Persons who manage, advise or own such investment vehicles, (iii) any proprietary investing desk of an investment bank or commercial bank, or (iv) Persons who provide material banking, advisory or other professional services to any Person described in clauses (i),(ii) or (iii).

"**Confidential Information**" means information that is not generally known to the public and that is or was used, developed or obtained by the Company and its Affiliates, including but not limited to, (i) information, observations, procedures and data obtained by you while employed by or providing services

to the Company or any of its Affiliates, (ii) products or services, (iii) costs and pricing structures, (iv) analyses, (v) performance data, (vi) computer software, including operating systems, applications and program listings, (vii) flow charts, manuals and documentation, (viii) data bases, (ix) accounting and business methods, (x) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xi) investors, customers, vendors, suppliers and investor, customer, vendor and supplier lists, (xii) other copyrightable works, (xiii) all production methods, processes, technology and trade secrets, (xiv) this letter agreement and nonpublic agreements of the Company and its Affiliates, (xv) investment memoranda and investment documentation concerning any potential, actual or aborted investments, (xvi) compensation terms, levels, and arrangements of

employees and other service providers of the Company and its Affiliates, and (xvii) all similar and related information in whatever form. Confidential Information will not include any information that is generally available to the public prior to the date you propose to disclose or use such information.. For this purpose, Confidential Information will be deemed generally available to the public only if all material features comprising such information have been published in combination.

"Disability" means (i) you are not able to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, you are receiving income replacement benefits for a period of not less than three (3) months under an accident or health plan covering employees of the Company. The determination of whether or not a Disability exists for purposes of this letter agreement shall be made by a physician selected by the Company and reasonably acceptable to you and who is qualified to give such professional medical assessment.

This Partnership is the general partner of Apollo European Principal Finance Fund, L.P., its parallel funds and Apollo European Principal Finance Fund (Feeder), L.P. and earns the "carried interest" on EPF Fund profits.

Dated February 3, 2011

APOLLO EPF ADVISORS, L.P.

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT

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AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF APOLLO EPF ADVISORS, L.P.

This AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP (the "Agreement") of Apollo EPF Advisors, L.P., a Cayman Islands exempted limited partnership (the "Partnership"), is made February 3, 2011 by and among:

(1) **APOLLO EPF CAPITAL MANAGEMENT, LIMITED** , a Cayman Islands exempted company, as the sole general partner (the "General Partner");

(2) **APOLLO PRINCIPAL HOLDINGS IV, L.P.**, a Cayman Islands exempted limited partnership, as the initial limited partner; and

(3) the parties whose names and business addresses are listed from time to time as limited partners on the Schedule of Partners (as defined herein), as limited partners (the "Limited Partners").

WHEREAS:

(A) the Partnership was formed pursuant to an Initial Exempted Limited Partnership Agreement on 4 May 2007 (the "Original Agreement") between the General Partner and APH (as defined below);

(B) the parties desire to continue the Partnership as an Exempted Limited Partnership and to amend and restate the Original Agreement in its entirety in connection with the operation of the Fund (as defined below).

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement (except as stated otherwise):

"Act"	means the Exempted Limited Partnership Law (as amended) of the Cayman Islands, as in effect on the date hereof and as amended from time to time, or any successor law;
"Affiliate"	means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person;
"Agreement"	means this Amended and Restated Limited Partnership Agreement, as amended or supplemented from time to time;
"APH''	means Apollo Principal Holdings IV, L.P. (or its assignees or transferees);
"Capital Account"	means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3;
"Cause"	shall have the meaning set out in the EPF Co-Investors Agreement;
"Clawback Amount"	means the amount of any payments required to be made by the Partnership to the Fund General Partner to allow EPF Advisors to pay any Fund pursuant to Section 10.3 of the Fund LP Agreement of such Fund;
"Clawback Share"	means, with respect to any Partner (or former Partner) and any Clawback Amount, a portion of such Clawback Amount equal to (i) the cumulative amount distributed to such Partner (or former Partner) prior to the time of determination of Operating Profit attributable to the Fund, divided by (ii) the cumulative amount so distributed to all Partners (and former Partners) with respect to such Operating Profit attributable to the Fund;
"Code"	means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law;

"Confidential Information"	means information that has not been made publicly available by or with the permission of the General Partner and that is obtained or learned by a Limited Partner as a result of or in connection with such Partner's association with the Partnership or any of its Affiliates concerning the business, affairs or activities of the Partnership, any of its Affiliates or any of the Portfolio Investments, including, without limitation, models, codes, client information (including client identity and contacts, client lists, client financial or personal information), financial data, know-how, computer software and related documentation, trade secrets, and other forms of sensitive or valuable non-public information obtained or learned by the Limited Partner as a result of such Limited Partner's participation in the Partnership. For the avoidance of doubt, Confidential Information does not include information concerning non-proprietary business or investment practices, methods or relationships customarily employed or entered into by comparable business enterprises;
"Covered Person"	has the meaning ascribed to that term in Section 5.7;
"Disability"	means, with respect to a Limited Partner, any physical or mental illness, disability or incapacity that prevents the Limited Partner from performing substantially all of his duties as an employee, partner, member or other analogous position;
"EPF Co-Investors"	means Apollo EPF Co-Investors (A), L.P., a Cayman Islands exempted limited partnership;
"EPF Co-Investors Agreement"	means the limited partnership agreement of EPF Co-Investors, as amended from time to time;
"FC Loss"	means, with respect to any Fiscal Year, the portion of any Losses and any Portfolio Investment Loss allocable to the Partnership, but only to the extent such allocation is made by the Fund to the Partnership in proportion to the Partnership's capital contribution to the Fund, as determined pursuant to the Fund LP Agreement;
"FC Profit"	means, with respect to any Fiscal Year, the portion of any Profit and any Portfolio Investment Gain allocable to the Partnership, but only to the extent such allocation is made by the Fund to the Partnership in proportion to the Partnership's capital contribution to the Fund, as determined pursuant to the Fund LP Agreement;
"FC Share"	means a share of the FC Profit or FC Loss with respect to the Fund. The aggregate number of FC Shares shall be equal to the Euro amount of the Partnership's capital commitment to the Fund;

“Final Adjudication”	has the meaning ascribed to that term in Section 5.7;
“Fiscal Year”	means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code;
“Fund”	means each of Apollo European Principal Finance Fund, L.P., a Cayman Islands exempted limited partnership, Apollo European Principal Finance Fund (Feeder), L.P., a Cayman Islands exempted limited partnership and each other entity that is a “Parallel Fund” or “Feeder Fund” within the meaning of the Fund LP Agreement of the Funds (provided that such “Parallel Fund” or “Feeder Fund” has appointed the Partnership as its general partner). Such term also includes each alternative investment vehicle created by any such Parallel Fund, to the extent the context so requires;
“Fund General Partner”	means the Partnership in its capacity as general partner of any of the Funds pursuant to the Fund LP Agreements;
“Fund LP Agreement”	means the limited partnership agreement of any of the Funds, as amended from time to time;
“General Partner”	means Apollo EPF Capital Management, Limited, a Cayman Islands exempted company, in its capacity as general partner of the Partnership or any successor to the business of the General Partner in its capacity as general partner of the Partnership;
“Limited Partner”	means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, until such Person withdraws entirely as a limited partner of the Partnership, in its capacity as a limited partner of the Partnership;
“Losses”	has the meaning ascribed to that term m the Fund LP Agreement;
“Management Company”	has the meaning ascribed to that term in each of the Fund LP Agreements;

"Operating Loss"	means, with respect to any Fiscal Year, any net loss of the Partnership, adjusted to exclude (i) any FC Profit or FC Loss and (ii) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from the Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the Fund, and any items not derived from the Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes;
"Operating Profit"	means, with respect to any Fiscal Year, any net income of the Partnership, adjusted to exclude (i) any FC Profit or FC Loss and (ii) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from the Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the Fund, and any items not derived from the Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes;
"Partner"	means the General Partner and any of the Limited Partners and "Partners" means the General Partner and all of the Limited Partners;
"Permanent Disability"	means a Disability that continues for (a) periods aggregating at least 24 months during any period of 48 consecutive months or (b) such shorter period as the General Partner may determine;
"Partnership"	means the exempted limited partnership continued pursuant to this Agreement;
"Person"	means any individual, partnership, corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity;
"Point"	has the meaning ascribed to that term in Section 7.l(a);
"Portfolio Investment"	has the meaning ascribed to that term in each of the Fund LP Agreements;

"Portfolio Investment Gain"	has the meaning ascribed to that term in each of the Fund LP Agreements;
"Portfolio Investment Loss"	has the meaning ascribed to that term in each of the Fund LP Agreements;
"Profit"	means, with respect to any Fiscal Year, any net income of the Partnership. To the extent derived from the Fund General Partner, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the Fund General Partner, and any items not derived from the Fund General Partner shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes;
"Related Party"	means, with respect to any Limited Partner: (a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner's parent, or any natural Person who occupies the same principal residence as the Limited Partner; (b) any trust or estate in which the Limited Partner and any Related Party or Related Parties (other than such trust or estate) collectively have more than 80 percent of the beneficial interests (excluding contingent and charitable interests); (c) any entity of which the Limited Partner and any Related Party or Related Parties (other than such entity) collectively are beneficial owners of more than 80 percent of the equity interest; and (d) any Person with respect to whom such Limited Partner is a Related Party.
"Retired Partner"	means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2.
"Schedule of Partners"	means a schedule to be maintained by the General Partner showing the following information with respect to each Partner: name, address, date of admission and withdrawal, required capital contribution (if any), and FC Share (if any);
"Transfer"	means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of such Partner's interest in the Partnership (whether respecting, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary;

"Treasury Regulations" means the regulations promulgated under the Code;

"Unvested Points" means, with respect to any Limited Partner as of the commencement of any Vesting Period, any amount by which (a) the total Points assigned to such Limited Partner as of such date, excluding, unless otherwise determined by the General Partner, any Points assigned to such Limited Partner pursuant to Section 7.3(b), exceed (b) such Limited Partner's Vested Points, if any, as of such time. Any reduction of such Limited Partner's Points in connection with the admission of a new Partner or the increase of the Points of any existing Limited Partner pursuant to Section 6.1 shall first reduce such Limited Partner's Unvested Points to the extent thereof, and the balance of any such reduction shall be applied to such Limited Partner's Vested Points;

"Vested Points" means, with respect to any Limited Partner at any time, the sum of:

(a) with respect to the first Vesting Period, the product of (i) such Limited Partner's Points as of the commencement of the first Vesting Period multiplied by (ii) such Limited Partner's Vesting Percentage with respect to the first Vesting Period, plus

(b) with respect to each Vesting Period after the first Vesting Period and without duplication (i) such Limited Partner's Vested Points, if any, as of the close of the immediately preceding Vesting Period, plus (ii) the product of (A) such Limited Partner's Unvested Points as of the commencement of such Vesting Period multiplied by (B) such Limited Partner's Vesting Percentage with respect to such Vesting Period;

"Vesting Date" means, with respect to any Limited Partner, the last day of the calendar month coinciding with or immediately preceding any of the following:

(a) the date on which such Limited Partner becomes a Retired Partner; or

(b) the date of an increase in such Limited Partner's Points pursuant to Section 6.l(a), or the date of a reduction in such Limited Partner's Points in connection with the admission of an additional Limited Partner or an increase in another Limited Partner's Points pursuant to Section 6.1;

"Vesting Percentage"	means, with respect to any Vesting Period of any Limited Partner..., provided that the General Partner may in its sole and absolute discretion agree a different definition of Vesting Percentage in relation to any Limited Partner by separate agreement with such Limited Partner in which case, such amended definition shall be deemed to apply to such Limited Partner for all purposes of this Agreement or otherwise; and
"Vesting Period"	means, with respect to any Limited Partner, an initial period that commences as of the later of January 1, 2010 or the effective date of such Limited Partner's admission to the Partnership and ends on the first Vesting Date thereafter, and each subsequent period that commences on the next day following the immediately preceding Vesting Date and ends on the next succeeding Vesting Date.

2. FORMATION AND ORGANIZATION

2.1 Formation

The Partnership was formed as an exempted limited partnership under and pursuant to the Act on 4 May 2007 and is hereby continued. The General Partner shall execute, acknowledge and file any instruments, documents and certificates which, in the opinion of the Partnership's legal counsel, may from time to time be required by the laws of the Cayman Islands or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership.

2.2 Name

The name of the Partnership is "Apollo EPF Advisors, L.P." or such other name as the General Partner may hereafter adopt upon causing an appropriate amendment to be made to this Agreement. Promptly thereafter, the General Partner shall send notice thereof to each Limited Partner.

2.3 Offices

(a)The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b)The General Partner shall arrange for the Partnership to have and maintain in the Cayman Islands, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Act. The name and address of the Partnership's registered office in the Cayman Islands is c/o Walkers Corporate Services Limited, Walker House, Mary Street, Georgetown, Grand Cayman, KY1-9005, Cayman Islands. The name and address of the Partnership's registered agent for service of process in the Cayman Islands is Walkers Corporate Services Limited, Walker House, Mary Street, Georgetown, Grand Cayman, KY1-9005, Cayman Islands. The General Partner may change such registered office and/or agent and amend this Agreement without the consent of any Limited Partner to reflect such change. The General Partner shall notify the Limited Partners of any such change.

2.4 Term of the Partnership

(a)The term of the Partnership shall continue until the first to occur of any of the following:

(i) any date on which the General Partner shall elect to wind up and dissolve the Partnership; or

(ii) the entry of a decree of judicial dissolution under the Act.

(b)The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action to wind up and dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces its right to seek to obtain an order to wind up and/or dissolve the Partnership or to seek the appointment of a liquidator for the Partnership, except as provided herein.

2.5 **Purpose of the Partnership**

The principal purpose of the Partnership is to act as the general partner of the Funds pursuant to the Fund LP Agreements and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto. The purpose of the Partnership shall be limited to serving as a general partner of direct investment funds, including any of their Affiliates, and the provision of investment management and advisory services.

2.6 **Actions by the Partnership**

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval of any Limited Partner.

2.7 **Admission of Limited Partners**

On the date hereof, the Persons whose names are set forth in the Schedule of Partners under the caption "Limited Partners" shall be admitted to the Partnership or shall continue, as the case may be, as limited partners of the Partnership upon their execution of this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Partner and to become bound by the terms of this Agreement.

3. CAPITAL

3.1 **Contributions to Capital**

(a)Any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth in the Schedule of Partners. Contributions to the capital of the Partnership shall be made as of the date of admission of such Limited Partner as a limited partner of the Partnership and as of each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b)The General Partner shall make capital contributions from time to time to the extent necessary to ensure that the Partnership meets its obligations to make contributions of capital to the Fund.

(c)No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership other than as specified in this Section 3.1 or Section 4.2(a). No Limited Partner shall be obligated to restore any deficit balance in its Capital Account.

(d)To the extent, if any, that it is determined that the Partnership, as the Fund General Partner, is required to pay a Clawback Amount to the Fund, each Partner, and each former Partner, shall be required to participate in such payment and contribute to the Partnership an amount equal to such Partner's (or former Partner's) Clawback Share of any Clawback Amount, but not in any event in excess of the cumulative amount theretofore distributed to such Partner, or former Partner, with respect to the Operating Profit attributable to the Fund. To the extent, if any, that it is determined that the Partnership is required pursuant to Section 10.3 of any Fund LP Agreement, or otherwise, to pay to the Fund any amount representing distributions of the Fund each Partner having an FC Share shall be required to participate in such payment and contribute to the Partnership an amount equal to such Partner's pro rata share of any such amount, but not in any event in excess of the cumulative amount theretofore distributed to such Partner with respect to the Profit attributable to the Fund.

3.2 **Rights of Partners in Capital**

(c)No Partner shall be entitled to interest on its capital contributions to the Partnership.

(d)No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1, or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

3.3 **Capital Accounts**

(c)The Partnership shall maintain for each Partner a separate Capital Account.

(d)Each Partner's Capital Account shall have an initial balance equal to the amount of any cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(e)Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1, plus

(ii) the portion of any FC Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iv) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.6, to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

(f)Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) the portion of any FC Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(ii) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1, or Section 8.1 including any amount deducted pursuant to Section 4.2 or Section 5.4 from any such amount distributed, plus

(iv) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.6, to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

3.4 **Allocation of Profit and Loss**

(a)Allocations of Profit. FC Profit and Operating Profit for any Fiscal Year shall be allocated to the Partners:

(i) first, to Partners to which FC Loss and Operating Loss previously have been allocated pursuant to Section 3.4(b), to the extent of and in proportion to the amount of such losses;

(ii) next, to the extent that the cumulative amount of distributions pursuant to Section 4 (other than distributions representing a return of such Partners' capital contributions) exceeds the cumulative amount of FC Profit and Operating Profit previously allocated to such Partners pursuant to Section 3.4(a), in the order that such distributions occurred; and

(iii) thereafter, any remaining such FC Profit and Operating Profit shall be allocated among the Partners so as to produce Capital Accounts (computed after taking into account any other FC Profit and Operating Profit or FC Loss and Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Section 4 with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations sections 1.704 - 2(b)(2) and 1.704 - 2(d)) for the Partners such that a distribution of an amount of cash equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Section 4.

(b)Allocations of Losses. Subject to the limitation of Section 3.4(c), FC Loss for any Fiscal Year shall be allocated among the Partners in proportion to their respective FC Shares as of the close of such Fiscal Year, and Operating Loss for any Fiscal Year shall be allocated among the Partners in proportion to their respective Points as of the close of such Fiscal Year.

(c)To the extent that the allocations of FC Loss or Operating Loss contemplated by Section 3.4(b) would cause the Capital Account of any Limited Partner to be less than zero, such FC Loss or Operating Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner. Following any such adjustment pursuant to Section 3.4(c) with respect to any Limited Partner, any FC Profit or Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner until the cumulative amounts so credited to the Capital Account of the General Partner with respect to such Limited Partner pursuant to Section 3.4(c) is equal to the cumulative amount debited against the Capital Account of the General Partner with respect to such Limited Partner pursuant to Section 3.4(c).

(d)Special Allocations

(v) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations section 1.704-l(b)(2)(ii)(d)(4), (5), or (6), items of Partnership income and gain shall be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit balance in the Capital Account of such Partner as quickly as possible; provided that an allocation pursuant to this Section 3.4(d)(i) may be made only if and to the extent that such Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Section 3 have been tentatively made as if this Section 3.4(d)(i) were not in this Agreement. This Section 3.4(d)(i) is intended to constitute a “qualified income offset” within the meaning of Treasury Regulations section 1.704-1(b)(2)(ii), and shall be interpreted consistently therewith.

(vi) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (1) the amount such Partner is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations sections 1.704-2(g)(l) and 1.704-2(i)(5), each such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 3.4(d)(ii) may be made only if and to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Section 3 have been made as if Section 3.4(d)(i) and this Section 3.4(d)(ii) were not in this Agreement.

(vii) Other Special Allocations. Special allocations shall be made in accordance with the requirements set forth in the Treasury Regulations sections 1.704-2(f), (g) and (j) (minimum gain chargeback), 1.704-2(i)(4) (partner minimum gain chargeback), 1.704-2(i)(2) (nonrecourse deductions), and, to the extent that an election under section 754 of the Code is in effect, 1.704- l(b)(2)(iv)(m) (section 754 adjustments).

(e)Each Limited Partner’s rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of FC Profit and Operating Profit expressly conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 10.1(b) and the other rights expressly conferred by this Agreement and any such side letter or similar agreement or required by the Act, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of its interest, or to have or exercise any other rights, privileges or powers.

3.5 **Tax Allocations**

(a)For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of FC Profit, FC Loss, Operating Profit and Operating Loss pursuant to Section 3.4 for such Fiscal Year, taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of section 704(c) of the Code.

(b)If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving an interest in the Partnership (whether under section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

3.6 **Reserves; Adjustments for Certain Future Events**

(a)Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate, including for the avoidance of doubt, in respect of any potential Clawback Amount. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time.

(b)If any amount is required by Section 3.6(a) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash. Any amount required to be charged pursuant to Section 3.6(a) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge.

3.7 **Finality and Binding Effect of General Partner's Determinations**

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Section 3, including any accounting procedures applicable thereto, shall be determined by the General Partner, and such determinations and allocations shall be final and binding on all the Partners.

4. DISTRIBUTIONS

4.1 Distributions

(e)Any amount of cash or property received as a distribution from the Fund by the Partnership in its capacity as a partner, to the extent such amount is determined by reference to the capital commitment of the Partnership in, or the capital contributions of the Partnership to, the Fund, shall be promptly distributed by the Partnership to the Partners in proportion to their respective FC Shares determined:

(i) in the case of any distributions received from the Fund which are comprised of proceeds from the disposition of a Portfolio Investment by the Fund, as of the date of such disposition by the Fund; and

(ii) in the case of any other distribution, as of the end of the relevant Fiscal Year in respect of which such distribution is made by the Fund.

(f)The General Partner shall use reasonable efforts to cause the Partnership to distribute, as promptly as practicable after receipt by the Partnership, any available revenues attributable to items included in the determination of Operating Profit, subject to (i) the provisions of section 10.3 of the Fund LP Agreement, and (ii) the retention of such reserves as the General Partner considers appropriate or necessary for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.6 hereof and for purposes of satisfying the Partnership's anticipated obligations under section 10.3 of the Fund LP Agreement. Any such distributions shall be made to Partners in proportion to their respective Points, determined:

(A) in the case of any amount of revenue received from the Fund that is attributable to the disposition of a Portfolio Investment by the Fund, as of the date of such disposition by the Fund; and

(B) in any other case, as of the date of receipt of such revenue by the Partnership.

(g)Any other distributions or payments in respect of the interests of Partners shall be made at such time, in such manner and to such Partners as the General Partner shall determine.

(h)The General Partner may cause the Partnership to pay distributions to the Partners at any time in addition to those contemplated by Section 4.1(a), (b) or (c), in cash or in kind. Distributions of any such amounts shall be made to the Partners in proportion to their respective Points, determined immediately prior to giving effect to such distribution.

4.2 **Withholding of Certain Amounts**

(g)If the Partnership incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner, then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(h)The General Partner may withhold from any distribution or other payment to any Limited Partner pursuant to this Agreement or otherwise any other amounts due from such Limited Partner to the Partnership or the General Partner pursuant to this Agreement to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

4.3 **Limitation on Distributions**

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of such Partner's interest in the Partnership if such distribution would violate the Act or other applicable law.

5. MANAGEMENT

5.1 **Rights and Powers of the General Partner**

(i)Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership, and (ii) for the conduct of the business and affairs of the Partnership, including all such decisions and all such business and affairs to be made or conducted by the Partnership in its capacity as Fund General Partner.

(j)Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund LP Agreement and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Act shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(k)The General Partner shall be the "tax matters partner" for purposes of section 6231(a)(7) of the Code. Each Partner agrees not to treat, on such Partner's United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other revenue laws.

5.2 **Delegation of Duties**

(f)Subject to Section 5.1 and Section 5.2(d), the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(g)Without limiting the generality of Section 5.2(a), but subject to the limitations contained in Section 5.2(d), the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to and act as an employee or agent of the General Partner or an employee or officer with such titles and duties as may be specified by the General Partner, including the following:

(i) a chief financial officer, who will have authority to disburse funds for the account of the Partnership and the Fund for any proper purpose, to establish deposit accounts with banks or other financial institutions, to make permitted investments of Partnership assets, and to take any other permitted actions pertaining to the finances of the Partnership and the Fund;

(ii) a chief accounting officer, who will have authority to prepare and maintain financial and accounting books, records and statements of the Partnership and the Fund; and

(iii) one or more vice presidents, treasurers and controllers, who will have authority to execute any of its decisions and to take any other permitted actions on behalf of the Partnership (including in its capacity as Fund General Partner) subject to the supervision of the chief executive officer, the chief financial officer or the chief accounting officer.

Any Person appointed by the General Partner to serve as an officer, employee or agent of the General Partner in its capacity as general partner of the Partnership shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(h)Any Person who is a Limited Partner and who acts for and on behalf of the General Partner pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(i)The General Partner shall be permitted to designate one or more committees of the Partnership which committees may include Limited Partners as members. Any such committees shall have such powers and authority granted by the General Partner. Any Limited Partner who has agreed to serve on a committee shall not be deemed to have the power to bind or act for or on behalf of the Partnership in any manner and in no event shall a member of a committee be considered a general partner of the Partnership by agreement, estoppel or otherwise or be deemed to participate in the control of the business of the Partnership as a result of the performance of his duties hereunder or otherwise.

(j)The General Partner shall cause the Partnership to enter into an arrangement with the Management Company which arrangement shall require the Management Company to pay all costs and expenses of the Partnership.

5.3 **Transactions with Affiliates**

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Partner, the Partnership, the Fund or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Partner, the Partnership, the Fund or any Affiliate of the foregoing Persons.

5.4 **Expenses**

(c)Subject to the arrangement contemplated by Section 5.2(e), the Partnership will pay, or will reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(d)Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.2.

5.5 **Rights of Limited Partners**

(a)Limited Partners shall have no right to take part in the management or control of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(b)Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Act.

(c)Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

5.6 **Other Activities of Partners**

(a)Subject to the Fund LP Agreements (including, without limitation, Sections 5.1(d) and 6.8 thereof) and to full compliance with the code of ethics of Apollo Global Management, LLC and its Affiliates and other written policies relating to personal investment transactions, membership in the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

(b)Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

5.7 **Duty of Care; Indemnification**

(a)To the fullest extent permitted by law, the General Partner and its Affiliates and their respective partners, members, managers, shareholders, officers, directors, employees and associates and, with the approval of the General Partner, any agent of any of the foregoing (including their respective executors, heirs, assigns, successors or other legal representatives) (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage or liability occasioned by any acts or omissions in the performance of its services hereunder, except to the extent that it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such loss, claim, damage or liability is due to an act or omission of a Covered Person is due to an act or omission of such a Covered Person that constituted a bad faith violation of the implied contractual covenant of good faith and fair dealing.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any losses, claims, damages, liabilities and expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) incurred by or imposed upon it by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or its activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any judicial, administrative, regulatory or legislative body or agency to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been a Partner or by reason of serving or having served, at the request of the Partnership in its capacity as Fund General Partner, as a director, officer, consultant, advisor, manager, member or partner of any enterprise in which the Fund has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that such Covered Person's acts or its failure to act (i) constituted a bad faith violation of the implied contractual covenant of good faith and fair dealing, or (ii) were of a nature that makes indemnification by the Fund unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the final disposition of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that it is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including, without limitation, insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Section 5 and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder and may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Section 5. Each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Section 5, and shall be entitled to the benefit of the indemnity granted to the Partnership by the Fund pursuant to the terms of the Fund LP Agreement.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the parties hereto to replace such other duties and liabilities of such Covered Person. Notwithstanding anything to the contrary contained in this Agreement or otherwise applicable provision of law or equity, to the maximum extent permitted by the Act, a Covered Person shall owe no duties (including fiduciary duties) to the Partnership or the Partners other than those specifically set forth herein; provided that a Covered Person shall have the duty to act in accordance with the implied contractual covenant of good faith and fair dealing.

(d) Each of the Covered Persons may consult with legal counsel, accountants and other experts selected by it and any act or omission suffered or taken by it on behalf of the Partnership or in furtherance of the interests of the Partnership or the Fund in good faith in reliance upon and in accordance with the advice of such counsel, accountants or other experts shall create a rebuttable presumption of the good faith and due care of such Covered Person with respect to such act or omission.

6. ADMISSIONS, TRANSFERS AND WITHDRAWALS

6.1 Admission of Additional Limited Partners; Effect on Points

The General Partner may, in its absolute discretion and at any time admit as an additional Limited Partner any Person who has

agreed to be bound by this Agreement, and the Points Committee may, subject to clause 7.1(b), (i) assign Points and issue FC Shares to such Person and/or (ii) increase or decrease the Points of any existing Partner. Each additional Limited Partner shall execute either a deed of adherence to this Agreement or a separate instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and be bound by this Agreement and shall be admitted as a Limited Partner upon such execution. In connection with such admission or increase in Points of any Partner, the Points of the other Partners shall be reduced in an amount and proportion determined by the Points Committee in its sole and absolute discretion but subject always to the provisions of Section 7.3(c).

6.2 **Admission of Additional General Partner and Transfer**

(c)The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner. No reduction in the Points of any Limited Partner shall be made as a result of the admission of an additional general partner. Any additional general partner shall be admitted as a general partner upon its execution of a counterpart signature page or other document adhering to this Agreement.

(d)The General Partner may Transfer its general partner interest in the Partnership to any other Person, without the consent of any Limited Partner.

6.3 **Transfer of Interests of Limited Partners**

(e)No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner in its discretion. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(f)A Limited Partner requesting approval of a Transfer, or such Partner's legal representative, shall give the General Partner reasonable notice before the proposed effective date of any requested Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under section 708(b)(l)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, the Fund, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(g)A permitted transferee shall be entitled to the allocations and distributions attributable to the interest in the Partnership transferred to such transferee and to Transfer such interest in accordance with the terms of this Agreement; provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until it becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner in its discretion). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a counterpart of this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the General Partner and recorded on the books of the Partnership and the effective date of the Transfer has passed.

(h)Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner's interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and the Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(i) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership's assets to be adjusted as provided by section 734 or section 743 of the Code.

(j) The Partnership shall maintain books for the purpose of registering the transfer of interests in the Partnership. No transfer of an interest in the Partnership shall be effective until the transfer of such interest is registered upon books maintained for that purpose by or on behalf of the Partnership.

6.4 **Withdrawal of Partners**

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner's entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

6.5 **Pledges**

(c) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(d) Any limited partner interest in the Partnership may be confirmed by a certificate of limited partnership interest issued by the Partnership in such form as the General Partner may approve. Every certificate representing a limited partner interest in the Partnership shall bear a legend substantially in the following form:

"THE TRANSFER OR PLEDGE OF THE PARTNERSHIP INTERESTS REFERENCED IN THIS CERTIFICATE MAY ONLY OCCUR IN ACCORDANCE WITH AND GOVERNED BY THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT, DATED 2010, AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME AND AS MAY BE PRESCRIBED UNDER THE EXEMPTED LIMITED PARTNERSHIP LAW (AS AMENDED)."

(e) The Partnership shall maintain books for the purpose of registering the Transfer of limited partner interests in the Partnership. In connection with a Transfer in accordance with this Agreement of any limited partner interests in the Partnership, the endorsed certificate(s) evidencing such interest shall be delivered to the Partnership for cancellation, and the Partnership shall thereupon issue a new certificate to the transferee evidencing the interest that was transferred and, if applicable, the Partnership shall issue a new certificate to the transferor evidencing any interest registered in the name of the transferor that was not transferred.

7. POINTS

7.1 Allocation of Points

(e)A "Point" means a 1/x share of Operating Profit or Operating Loss, where x equals the aggregate number of Points assigned or available for assignment at the relevant time. The aggregate number of Points assigned or available for assignment to all Partners shall be 2,000.

(f)Except as otherwise provided herein, the Points Committee shall be responsible for the allocation of Points from time to time to the Limited Partners, provided that the Points Committee shall not, at any time, be permitted to allocate more than … Points. At each such time of allocation, all Points available for allocation shall be so allocated to the Limited Partners by the Points Committee; provided that the allocation of Points to any Limited Partner who is invited to become a limited partner of EPF Co-Investors after the date hereof shall not become effective until the effective date of the acceptance by EPF Co-Investors of a capital commitment from such Limited Partner (or his Related Party, as applicable) in a mutually agreed amount. Points allocated to Limited Partners may not be reduced except as set forth in Section 6.1 and Section 7.3. Any Points not specifically allocated to Limited Partners shall be for the benefit of APH.

(g)The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Limited Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and as soon as reasonably practicable upon any change in such Limited Partner's Points.

7.2 Retirement of Partners

(k)A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner declaring such Limited Partner to be a Retired Partner;

(ii) a date specified in a notice delivered by such Limited Partner to the General Partner stating that such Limited Partner elects to become a Retired Partner, which date shall not be less than 60 days after the General Partner's receipt of such notice; or

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Permanent Disability of the Limited Partner.

(l)The notice declaring any Limited Partner to be a Retired Partner shall specify whether such Limited Partner is being declared a Retired Partner for Cause or a Retired Partner other than for Cause. Retirement by reason of death or Permanent Disability shall constitute retirement other than for Cause. A written notice of retirement given by a Limited Partner shall be deemed to constitute a declaration that such Limited Partner is a Retired Partner for Cause.

(m)Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner, it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

7.3 **Effect of Retirement on Points**

(d)The Points of any Limited Partner who becomes a Retired Partner for Cause shall be reduced automatically to zero and the points of any Limited Partner who becomes a Retired Partner other than for Cause shall be reduced automatically to an amount equal to such Limited Partner's Vested Points as of the date such Limited Partner became a Retired Partner. Any such reduction shall be effective as of the date such Limited Partner became a Retired Partner or such subsequent date as may be determined by the Points Committee; provided that the Points Committee may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner.

(e)The Points Committee shall determine the manner of apportioning any Points that become available for reallocation pursuant to Section 7.3(a) as a result of any Partner becoming a Retired Partner.

(f)Except as set out in Section 7.3(a), the Points of any Limited Partner who becomes a Retired Partner shall not be reduced without the consent of such Limited Partner.

7.4 **Points as Profits Interests**

(f)Except to the extent not permitted by law, the Partnership and each Limited Partner agree to treat Points as "profits interests" within the meaning of U.S. Internal Revenue Service Revenue Procedure ("Rev. Proc"). 93-27, 1993-2 C.B. 343. Except to the extent not permitted by law, in accordance with Rev. Proc. 2001-43, 2001-2 C.B. 191, the Partnership shall treat each Limited Partner as the holder of Points from the issue date of such Points, and shall file its Partnership tax return, and issue appropriate Schedules K-1 to such

Limited Partner, allocating to such Limited Partner its distributive share of all items of income, gain, loss, deduction and credit associated with such Points and each such Limited Partner agrees to take into account such distributive share in computing such Limited Partner's U.S. federal income tax liability for the entire period during which such Limited Partner holds such Points. Except as required pursuant to a "Determination" as defined in section 1313(a) of the Code, the Partnership and each Limited Partner agree not to claim a deduction (as wages, compensation or otherwise) for the fair market value of any Points issued to a Limited Partner at the time of issuance of the Points. The undertakings contained in this Section 7.4(a) shall be construed in accordance with section 4 of Rev. Proc. 2001-43. Except to the extent not permitted by law, the provisions of this Section 7.4(a) shall apply regardless of whether the Limited Partner files an election pursuant to section 83(b) of the Code.

(g)Notwithstanding the provisions of this Agreement, the General Partner shall have the discretion to vary the allocations of Profit and Loss and the distributions pursuant to this Agreement to the extent necessary to ensure that the issuance of Points to a Limited Partner does not result, in the General Partner's discretion, in a taxable capital shift (unless the General Partner otherwise intends) to such Limited Partner, including by treating as additional Profit or Loss for the taxable period and by allocating such Profit and Loss to the Limited Partners other than the Limited Partner receiving the Points, any unrealized appreciation or deprecation in the Partnership's assets as of the time the Points are issued.

8. DISSOLUTION AND LIQUIDATION

8.1 Dissolution and Liquidation of Partnership

(n)Upon commencement of the winding up of the Partnership pursuant to section 2.4 of this Agreement (if applicable), the General Partner shall liquidate the business and administrative affairs of the Partnership pursuant to section 15(1) of the Act (as applicable), except that, if the General Partner is unable to perform this function, a liquidator may be elected by a majority in interest (determined by Points) of Limited Partners and upon such election such liquidator shall liquidate the Partnership pursuant to this Agreement and the Act and section 15(2) of the Act shall not apply to this Agreement. FC Profit and FC Loss, Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts pro rata in accordance with and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Section 3.

(o)Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon winding up, any assets of the Partnership in accordance with the priorities set forth in Section 8.l(a); provided that if any in kind distribution is to be made, the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.l(a).

The Partnership shall be dissolved upon the filing of a statement with the Registrar of Exempted Limited Partnerships pursuant to section 15(3) of the Act.

9. POINTS COMMITTEE

9.1 Points Committee

(g)The General Partner shall constitute a sub-committee known as the "Points Committee" for the purposes set out in this Agreement. The members of the Points Committee shall be James Zelter and…. The members of the Points Committee shall be entitled to appoint additional persons as members of the Points Committee, to remove any member of the Points Committee and to fill any vacancy in their number at any time.

(h)Any action or decision of the Points Committee shall be valid if approved either at a meeting of its members or by written consent of a majority of the members for the time being. In the event that the members of the Points Committee are unable to agree a majority decision in respect of any decision to be made by the Points Committee, then any such decision may then be taken by the General Partner in its sole and absolute discretion. All members shall be entitled to reasonable notice of any proposed action or decision and any member shall be entitled to convene a meeting by giving reasonable notice to the other members.

(i)Any two members attending in person or by telephone conference facility shall constitute a quorum of the Points Committee and, at a meeting attended by such a quorum, any action or decision shall be valid if approved by a majority of the members there present.

(j)Reference in this Agreement to the Points Committee taking an action as a result of a Limited Partner becoming a Retired Partner shall not oblige the Points Committee to take such action immediately once such person becomes a Retired Partner and, unless otherwise expressly stated herein, the Points Committee may exercise any discretion it has under this Agreement any time after such discretion becomes available to it.

10. GENERAL PROVISIONS

10.1 Amendment of this Agreement

(h)The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any other Partner; provided that any amendment which would increase the obligation of any Partner to make any contribution to the capital of the Partnership or adversely affect such Partner's right to withdraw voluntarily from the Partnership shall not be made unless such Partner has, at the General Partner's election, (i) consented thereto, or (ii) been provided with an opportunity to withdraw from the Partnership as of a date determined by the General Partner that is prior to the effective date of the amendment. Without limiting the foregoing, the General Partner may

amend this Agreement at any time, in whole or in part, without the consent of any other Partner, to enable the Partnership to comply with the requirements of the "Safe Harbor" Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation section 1.83-3(e)(l) or Proposed Treasury Regulation section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 6.1 or Section 7 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 10.1(a).

(i)Notwithstanding the provisions of this Agreement, including Section 10.1(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with one or more Partners shall govern with respect to such Partner or Partners notwithstanding the provisions of this Agreement. Any such side letters or similar agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement.

10.2 **Special Power-of-Attorney**

(e)Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 10.1);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the Cayman Islands or any other jurisdiction, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as a limited partnership;

(iii) all such instruments, certificates, agreements and other documents relating to the conduct of the investment program of the Fund which, in the opinion of such attorney-in-fact and the legal counsel to the Fund, are reasonably necessary to accomplish the legal, regulatory and fiscal objectives of the Fund in connection with its or their acquisition, ownership and disposition of investments, including, without limitation:

(A) the governing documents of any management entity formed as a part of the tax planning for the Fund and any amendments thereto; and

(B) documents relating to any restructuring transaction with respect to any of the Fund's investments;

(iv) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the Securities Exchange Act of 1934, as amended, or that is registered under the Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(v) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 10.5(c)).

(f)Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without such Partner's consent. If an amendment of this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is a special power-of-attorney and is coupled with an interest in favor of the General Partner and is intended to secure an interest in property and secures the obligations of each Limited Partner under this Agreement and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-ofattorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power of attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

10.3 **Notices**

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of John Suydam with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at such Partner's Partnership office or electronically to the primary e-mail account supplied by the Partnership for Partnership business communications, except that a notice to a former Partner shall be considered given when delivered by hand by a recognized overnight courier together with mailing by regular mail to such former Partner's Home Address.

10.4 **Agreement Binding Upon Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors by operation of law, but the rights and obligations of the Limited Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

10.5 **Merger, Consolidation, etc.**

(a)Subject to Sections 10.5(b) and 10.5(c) and to the extent permitted by law, the Partnership may merge or consolidate with or into one or more limited partnerships formed under the Act or other business entities (as defined in section 17-211 of the Act) pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 10.1(a) but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 10.5(a) may, to the extent permitted by the Act and Section 10.5(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new limited partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the limited partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the limited partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

10.6 **Governing Law**

This Agreement, and the rights of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to conflict of laws rules thereof. The parties hereby consent to the non-exclusive jurisdiction and venue for any action arising out of or relating to this Agreement in the Courts of the Cayman Islands. In addition to any other means available at law for service of process, each Limited Partner hereby agrees to the fullest extent permitted by law that service of process will be duly effectuated when delivered to a Limited Partner's Home Address by hand or by a recognized overnight carrier, together with mailing by regular mail.

10.7 **Termination of Right of Action**

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

10.8 **Confidentiality**

(a) Each Limited Partner acknowledges and agrees that the information contained in the books and records of the Partnership concerning the Points assigned with respect to any other Limited Partner is confidential, and, to the fullest extent permitted by applicable law, each Limited Partner waives, and covenants not to assert, any claim or entitlement whatsoever to gain

access to any such information. The Limited Partners agree that the restrictions set forth in this Section 10.8(a) shall constitute reasonable standards under the Act regarding access to information.

(b)Each Limited Partner acknowledges and agrees not to, at any time, either during the term of such Limited Partner's participation in the Partnership or thereafter, disclose, use, publish or in any manner reveal, directly or indirectly, to any Person (other than on a confidential basis to such Limited Partner's legal and tax advisors who have a need to know such information) the contents of this Agreement or any Confidential Information, except (i) with the prior written consent of the General Partner, (ii) to the extent that any such information is in the public domain other than as a result of the Limited Partner's breach of any of his obligations, or (iii) where required to be disclosed by court order, subpoena or other government process; provided that, to the fullest extent permitted by law, the Limited Partner shall promptly notify the General Partner upon becoming aware of any such disclosure requirement and shall cooperate with any effort by the General Partner to prevent or limit such disclosure.

(c)Notwithstanding any of the provisions of this Section 10.8, each Limited Partner may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including tax opinions or other tax analyses) that are provided to the Limited Partner relating to such tax treatment. For this purpose, "tax treatment" is the purported or claimed United States federal income tax treatment of a transaction and "tax structure" is limited to any fact that may be relevant to understanding the purported or claimed United States federal income tax treatment of a transaction. For this purpose, the names of the Partnership, the Partners, their affiliates, the names of their partners, members or equity holders and the representatives, agents and tax advisors of any of the foregoing are not items of tax structure.

10.9 **Not for Benefit of Creditors**

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Subject to the rights of Covered Persons provided by Section 5.7, this Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

10.10 **Consents**

Any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Partnership.

10.11 **Reports**

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes such Partner's distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year and a reconciliation of any difference between (i) such Operating Profit or Operating Loss and (ii) the aggregate net profits or net losses allocated by the Fund to the Partnership for such year (other than any difference attributable to the aggregate FC Profit or FC Loss allocated by the Fund to the Partnership for such year).

10.12 **Filings**

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for United States federal, state and local income tax purposes.

10.13 **Miscellaneous**

(a)The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement.

(b)As used herein, masculine pronouns shall include the feminine and neuter, and the singular shall be deemed to include the plural.

(c)This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as a Deed the day and year first above written.

General Partner:

APOLLO EPF CAPITAL MANAGEMENT, LIMITED

By: /s/ David Bree
Name: David Bree
Title: Director

/s/ Antonia Harris
Signature of Witness

Antonia Harris
(Please Type Name)

Initial Limited Partner:

APOLLO PRINCIPAL HOLDINGS IV, L.P.

By: Apollo Principal Holdings IV GP, Ltd

its General Partner

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

/s/ Kimberly Wooten
Signature of Witness

Kimberly Wooten
(Please Type Name)

CONFIDENTIAL & PROPRIETARY
EXECUTION VERSION

This exempted limited partnership is the general partner of the Fund (as defined herein) and its parallel funds and earns the "carried interest" on the Fund's profits.

APOLLO EPF ADVISORS II, L.P.

FIRST AMENDED AND RESTATED EXEMPTED LIMITED PARTNERSHIP AGREEMENT

Dated April 9, 2012
and agreed as amongst the parties hereto to be of effect from March 1, 2012

THE TRANSFER OF THE LIMITED PARTNERSHIP INTERESTS
CONSTITUTED BY THIS AGREEMENT
IS RESTRICTED AS DESCRIBED HEREIN.

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FIRST AMENDED AND RESTATED

EXEMPTED LIMITED PARTNERSHIP AGREEMENT
OF

APOLLO EPF ADVISORS II, L.P.

This First Amended and Restated Agreement of Exempted Limited Partnership (this "Agreement") of Apollo EPF Advisors II, L.P., a Cayman Islands exempted limited partnership (the "Partnership"), is dated April 9, 2012 and agreed as amongst the parties hereto to be of effect from March 1, 2012, and entered into by and among Apollo EPF Capital Management, Limited, a Cayman Islands exempted company, as the sole general partner of the Partnership (the "General Partner"), APH (as defined herein), the Carry Plan Entities (as defined herein) and those Persons (as defined herein) party hereto or who are subsequently admitted pursuant to the terms hereof and whose names and business addresses are listed from time to time as limited partners on the Register of Partnership Interests (as defined herein) as limited partners (together, the "Limited Partners").

W I T N E S S E T H :

WHEREAS, the Partnership was formed pursuant to an Initial Exempted Limited Partnership Agreement of the Partnership, dated May 10, 2011 (the "Original Agreement"), entered into between the General Partner and Apollo Principal Holdings IV, L.P. and registered as an exempted limited partnership under the Partnership Law (as defined herein) on May 11, 2011;

WHEREAS, with effect from August 2, 2011, Apollo Principal Holdings IV, L.P. transferred its entire interest as a Limited Partner to APH Holdings (DC), L.P.; and

WHEREAS, the parties wish to amend and restate the Original Agreement in its entirety in connection with the admission of the Carry Plan Entities as additional Limited Partners.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties hereto hereby agree to amend and restate the Original Agreement in its entirety to read as follows:

ARTICLE 1
DEFINITIONS

"Affiliate" means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"AGM" means, with reference to any individual Limited Partner, Apollo Global Management LLC, a Delaware limited liability company, and any Affiliate that employs such individual to perform services relating to the Fund.

"Agreement" means this First Amended and Restated Exempted Limited Partnership Agreement of the Partnership, as amended or supplemented from time to time.

"Alternative GP Vehicle" has the meaning ascribed to that term in Section 3.8.

"APH" means APH Holdings (DC), L.P., a Cayman Islands exempted limited partnership, in its capacity as a Limited Partner.

"Capital Account" means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3.

"Capital Loss" means, for each Fund with respect to any Fiscal Year, the portion of any Net Loss and any Portfolio Investment Loss allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

"Capital Profit" means, for each Fund with respect to any Fiscal Year, the portion of any Net Income and any Portfolio Investment Gain allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

"Carry Plan Entity" means each of EPF II Team Carry Plan, L.P., a Marshall Islands limited partnership, and Lapithus EPF II Team Carry Plan, L.P., a Marshall Islands limited partnership.

"Carry Plan Entity Point" means, with respect to each Carry Plan Entity, a "Point" (as defined in the Carry Plan Entity LP Agreement of each Carry Plan Entity) issued by the Carry Plan Entity to a limited partner thereof.

"Carry Plan Entity LP Agreement" of the limited partnership agreement of each Carry Plan Entity.

"Clawback Payment" means any payment required to be made by the Partnership to any Fund pursuant to Section 10.3 of the Fund LP Agreement of such Fund.

"Clawback Share" means, with respect to any Limited Partner and any Clawback Payment, a portion of such Clawback Payment equal to (a) the cumulative amount distributed to such Limited Partner prior to the time of determination of Operating Profit attributable to the Fund to which the Clawback Payment is required to be made, divided by (b) the cumulative amount so distributed to all Partners with respect to such Operating Profit attributable to such Fund.

"Co-Investors (A)" means Apollo EPF Co-Investors II (A), L.P., a Cayman Islands exempted limited partnership.

"Code" means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

"Confidential Information" means information that has not been made publicly available by or with the permission of the General Partner and that is obtained or learned by a Limited Partner as a result of or in connection with his association with the Partnership or any of its Affiliates concerning the business, affairs or activities of the Partnership, any of its Affiliates or any of the Portfolio Investments, including, without limitation, models, codes, client information (including client identity and contacts, client lists, client financial or personal information), financial data, know-how, computer software and related documentation, trade secrets, and other forms of sensitive or valuable non-public information obtained or learned by the Limited Partner as a result of such Limited Partner's participation in the Partnership. For the avoidance of doubt, Confidential Information does not include information concerning non-proprietary business or investment practices, methods or relationships customarily employed or entered into by comparable business enterprises

"Covered Person" has the meaning ascribed to that term in Section 5.7.

"Disability" has the meaning ascribed to that term in the Apollo Global Management LLC 2007 Omnibus Equity Incentive Plan.

"EPF II" means Apollo European Principal Finance Fund II (Dollar A), L.P., a Cayman Islands exempted limited partnership, and any successor thereto, to the extent the context so requires.

"Final Adjudication" has the meaning ascribed to that term in Section 5.7.

"Fiscal Year" means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

"Fund" means each of EPF II, each "Parallel Fund" within the meaning of the Fund LP Agreement of EPF II and any "master" partnership or similar vehicle in which any such entity is the sole or principal investor. Such term also includes each alternative investment vehicle created by EPF II and/or any such Parallel Fund or master , to the extent the context so requires. As of the date hereof, the Funds are EPF II, Apollo European Principal Finance Fund II (Euro A), L.P., a Cayman Islands exempted limited partnership, Apollo European Principal Finance Fund II (Dollar B), L.P., a Cayman Islands exempted limited partnership, Apollo European Principal Finance Fund II (Master Dollar B), L.P., a Cayman Islands exempted limited partnership, Apollo European Principal Finance Fund II (Euro B), L.P., a Cayman Islands exempted limited partnership, and Apollo European Principal Finance Fund II (Master Euro B), L.P., a Cayman Islands exempted limited partnership.

"Fund General Partner" means the Partnership in its capacity as a general partner of any of the Funds pursuant to the Fund LP Agreements.

"Fund LP Agreement" means the limited partnership agreement of any of the Funds, as amended from time to time, and, to the extent the context so requires, the corresponding constituent agreement, certificate or other document governing each such Fund.

"General Partner" means EPF Capital Management, Limited, a Cayman Islands exempted company, in its capacity as general partner of the Partnership or any successor to the business of the General Partner in its capacity as general partner of the Partnership.

"Investment Committee" means the committee constituted pursuant to the limited partnership agreement of the Management Company, as amended from time to time.

"Limited Partner" means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner, until such Person is withdrawn entirely as a limited partner of the Partnership in accordance with the terms hereof, in his capacity as a limited partner of the Partnership. All references herein to a Limited Partner shall be construed as

referring collectively to such Limited Partner and to each Related Party of such Limited Partner (and to each Person of which such Limited Partner is a Related Party) that also is or that previously was a Limited Partner, except to the extent that the General Partner determines that the context does not require such interpretation as between such Limited Partner and his Related Parties. For purposes of the Partnership Law, all Limited Partners shall be considered a single class or group and only those Persons who are recorded, from time to time, on the Register of Partnership Interests shall be deemed to be a limited partner of the Partnership.

"Management Company" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Income" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Loss" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Operating Loss" means, with respect to any Fiscal Year, any net loss of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

"Operating Profit" means, with respect to any Fiscal Year, any net income of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

"Partner" means the General Partner or any of the Limited Partners, and "Partners" means the General Partner and all of the Limited Partners.

"Partnership" means the exempted limited partnership continued pursuant to this Agreement.

"Partnership Law" means the Exempted Limited Partnership Law (as amended) of the Cayman Islands, as amended from time to time and any successor law thereto.

"Permanent Disability" means a Disability that continues for (a) periods aggregating at least 24 months during any period of 48 consecutive months or (b) such shorter period as the General Partner may determine.

"Person" means any individual, partnership (whether or not having separate legal personality), corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

"Point" means a share of Operating Profit or Operating Loss. The aggregate number of Points available for assignment to all Partners initially shall be 2,000 and shall be subject to adjustment from time to time as provided herein.

"Points Percentage" with respect to any Partner or group of Partners means the percentage determined by dividing the number of Points held by such Partner or group of Partners by the total number of outstanding Points.

"Portfolio Investment" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Portfolio Investment Gain" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Portfolio Investment Loss" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Reference Rate" means the interest rate described in Section 3.1(c) (or the corresponding provision) of each of the Fund LP Agreements.

"Register of Partnership Interests" means the register of partnership interests for the Partnership, recording, as the Partnership Law may require from time to time, the names of each of the Partners, their Capital Commitments, the date and amount of their Capital Contributions including the return of any amounts, and their business addresses, maintained by the General Partner (or its designee) in the books and records of the Partnership.

"Registrar" means the Cayman Islands Registrar of Exempted Limited Partnerships appointed pursuant to Section 8 of the

Partnership Law.

“Related Party” means, with respect to any Limited Partner:

(a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner’s parent, or any natural Person who occupies the same principal residence as the Limited Partner;

(b) any trust or estate in which the Limited Partner and any Related Party or Related Parties (other than such trust or estate) collectively have more than 80 percent of the beneficial interests (excluding contingent and charitable interests);

(c) any entity of which the Limited Partner and any Related Party or Related Parties (other than such entity) collectively are beneficial owners of more than 80 percent of the equity interest; and

(d) any Person with respect to whom such Limited Partner is a Related Party.

“Required Voting Partners” means, at any time, APH and EPF II Team Carry Plan, L.P. acting with the consent of its “Required Voting Partners” as defined in its Cary Plan Entity LP Agreement.

“Retired Partner” means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2.

“Retirement Date” means, with respect to any Limited Partner, the date as of which such Person becomes a Retired Partner.

“Team Member” has the meaning ascribed to that term in Section 6.1(c).

“Transfer” means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of his interest in the Partnership (whether respecting, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

“United States” or “U.S.” means the United States of America.

“Vested Points” means, with respect to any Retired Partner, the product of such Retired Partner’s Points as of such Retired Partner’s Retirement Date multiplied by such Retired Partner’s Vesting Percentage at such time.

“Vesting Percentage” means, with respect to any Retired Partner: …

(a)

“Winding-Up Event” has the meaning given to that term in Section 2.5 of this Agreement.

ARTICLE 2
FORMATION AND ORGANIZATION

Section 2.1 Continuation

The parties hereto agree to continue the Partnership as an exempted limited partnership pursuant to the Partnership Law on the terms of this Agreement.

Section 2.2 Name

The name of the Partnership continued hereby shall be “Apollo EPF Advisors II, L.P.”. The General Partner is authorized to make any variations in the Partnership’s name which the General Partner may deem necessary or advisable to comply with the laws of any jurisdiction in which the Partnership may operate (other than any variation which references the name of any Limited Partner without the prior consent of such Limited Partner); provided that such name shall contain the words “Limited Partnership”, the abbreviation “L.P.” or the designation “LP” as required by the Partnership Law. The General Partner shall file a statement in accordance with Section 10 of the Partnership Law with the Registrar and provide written notice to each Limited Partner of any change in the name of the Partnership.

Section 2.3 Organizational Certificates and Other Filings

If requested by the General Partner, the Limited Partners shall immediately execute all certificates and other documents, and any amendments or renewals of such certificates and other documents as thereafter required, consistent with the terms of this Agreement necessary for the General Partner to accomplish all filing, recording, publishing and other acts as may be appropriate to

comply with all requirements for (a) the continuation and operation of the Partnership as an exempted limited partnership under the laws of the Cayman Islands, (b) if the General Partner deems it advisable, the operation of the Partnership as a limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (c) all other filings required to be made by the Partnership.

Section 2.4 Offices

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the Cayman Islands, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Partnership Law.

Section 2.5 Term of Partnership

The term of the Partnership commenced at the time of its registration as an exempted limited partnership under the Partnership Law and shall continue until the first to occur of any of the following events (each a "Winding-Up Event"):

(i) the dissolution (without continuation) of all of the Funds; or

(ii) at any time there are no Limited Partners; or

(iii) upon any event that results in the General Partner ceasing to be a general partner of the Partnership pursuant to Section 15(5)(a), (b) or (c) of the Partnership Law, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining qualifying general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after notice of the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective from the date of such event, if required, of one or more additional general partners of the Partnership; or

(iv) an order of any court of the Cayman Islands, pursuant to the Partnership Law, for the winding up and dissolution of the Partnership.

(b) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action for the winding up of the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby undertakes and agrees and further waives and renounces its right to seek the appointment of a liquidator for the Partnership, except as expressly provided herein. Further the provisions of Section 15(2), 15(6) and 15(7) of the Partnership Law shall not apply to the Partnership.

Section 2.6 Purpose of the Partnership

The principal purpose of the Partnership is to act as the sole general partner or as the managing general partner (as the case may be) of each of the Funds pursuant to their respective Fund LP Agreements and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto. The purpose of the Partnership shall be limited to serving as a general partner of direct investment funds, including any of their Affiliates, and the provision of investment management and advisory services.

Section 2.7 Actions by Partnership

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.8 Continuation and/or Admission of Partners

On the date hereof, the Persons whose names are set forth on the Register of Partnership Interests as "Limited Partners" shall be admitted to the Partnership or shall continue, as the case may be, as limited partners of the Partnership upon their execution of this Agreement, or of a deed of adherence to this Agreement, or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement. The General Partner agrees to continue as the General Partner of the Partnership upon its execution of this

Agreement.

ARTICLE 3
CAPITAL

Section 3.1 Contributions to Capital

(a) Any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth on the Register of Partnership Interests. Contributions to the capital of the Partnership shall be made on the date of admission of such Limited Partner as a limited partner of the Partnership and on each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b) APH shall make capital contributions from time to time to the extent necessary to ensure that the Partnership meets its obligations to make contributions of capital to each of the Funds.

(c) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership other than as specified in this Section 3.1. No Limited Partner shall be obligated to restore any deficit balance in his Capital Account.

(d) To the extent, if any, that at the time of the Final Distribution (as defined in each of the Fund LP Agreements), it is determined that the Partnership, as a general partner of each of the Funds, is required to make any Clawback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership for ultimate distribution to the limited partners of the relevant Fund an amount equal to such Limited Partner's Clawback Share of any Clawback Payment, but not in any event in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund.

Section 3.2 Rights of Partners in Capital

(a) No Partner shall be entitled to interest on his capital contributions to the Partnership.

(b) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1 or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts

(c) The Partnership shall maintain for each Partner a separate Capital Account.

(d) Each Partner's Capital Account shall have an initial balance equal to the amount of cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(e) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1, plus

(ii) in the case of APH, any Capital Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iv) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.6 and any receipts determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

(f) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) in the case of APH, any Capital Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(ii) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1 or 8.1 including any amount deducted pursuant to Section 4.2 or 5.4 from any such amount distributed, plus

(iv) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.6 and any payments determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

Section 3.4 Allocation of Profit and Loss

(c) Allocations of Profit. Capital Profit and Operating Profit for any Fiscal Year shall be allocated to the Partners:

(i) first, to Partners to which Capital Loss and Operating Loss previously have been allocated pursuant to Section 3.4(b), to the extent of and in proportion to the amount of such losses;

(ii) next, to the extent that the cumulative amount of distributions pursuant to Article 4 (other than distributions representing a return of such Partners' capital contributions) exceeds the cumulative amount of Capital Profit and Operating Profit previously allocated to such Partners pursuant to Section 3.4(a), in the order that such distributions occurred; and

(iii) thereafter, any remaining such Capital Profit and Operating Profit shall be allocated among the Partners so as to produce Capital Accounts (computed after taking into account any other Capital Profit and Operating Profit or Capital Loss and Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Article 4 with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(d)) for the Partners such that a distribution of an amount of cash equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Article 4.

(d) Allocations of Losses. Subject to the limitation of Section 3.4(c), Capital Loss for any Fiscal Year shall be allocated to APH, and Operating Loss for any Fiscal Year shall be allocated among the Partners in proportion to their respective Points as of the close of such Fiscal Year.

(e) To the extent that the allocations of Capital Loss or Operating Loss contemplated by Section 3.4(b) would cause the Capital Account of any Limited Partner to be less than zero, such Capital Loss or Operating Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner (or, at the direction of the General Partner, to those Limited Partners who are members of the General Partner in proportion to their limited liability company interests in the General Partner). Following any such adjustment pursuant to Section 3.4(c) with respect to any Limited Partner, any Capital Profit or Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner (or relevant Limited Partners) until the cumulative amounts so credited to the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(c) is equal to the cumulative amount debited against the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(c).

(f) Each Limited Partner's rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Capital Profit and Operating Profit expressly conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.1(b) and the other rights expressly conferred by this Agreement and any such side letter or similar agreement to the extent permitted, and save as otherwise expressly prohibited or required, by the Partnership Law, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of his interest, or to have or exercise any other rights, privileges or powers.

Section 3.5 Tax Allocations

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Capital Profit, Capital Loss, Operating Profit and Operating Loss pursuant to the provisions of Section 3.4 for such Fiscal Year, taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of Section 704(c) of the Code.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of

receiving interests in the Partnership (whether under Section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time; provided that, if any individual reserve item, as adjusted by any increase therein, exceeds the lesser of $500,000 or one percent of the aggregate value of the Capital Accounts of all such Partners, the amount of such reserve, increase or decrease shall instead be charged or credited to those parties who were Partners at the time, as determined by the General Partner, of the act or omission giving rise to the contingent liability for which the reserve item was established in proportion to their respective Points at that time.

(b) If at any time an amount is paid or received by the Partnership and such amount was not accrued or reserved for but would nevertheless, in accordance with the Partnership's accounting practices, be treated as applicable to one or more prior periods, then such amount may be proportionately charged or credited by the General Partner, as appropriate, to those parties who were Partners during such prior period or periods.

(c) If any amount is required by Section 3.6(a) or (b) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash, with interest from the date on which the General Partner determines that such credit is required at the Reference Rate in effect on that date. Any amount required to be charged pursuant to Section 3.6(a) or (b) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency, together with a carrying charge at a rate equal to the Reference Rate, of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge. In no event shall a current or former Partner be obligated to satisfy any amount required to be charged pursuant to Section 3.6(a) or (b) other than by means of a debit against such Partner's Capital Account.

Section 3.7 Finality and Binding Effect of General Partner's Determinations

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article 3, including any accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

Section 3.8 Alternative GP Vehicles

If the General Partner determines that for legal, tax, regulatory or other reasons (a) any investment or other activities of the Fund should be conducted through one or more parallel funds or other alternative investment vehicles as contemplated by the Fund LP Agreement, (b) any of such separate entities comprising the Fund should be managed or controlled by one or more separate entities serving as a general partner or in a similar capacity (each, an "Alternative GP Vehicle"), and (c) some or all of the Partners should participate through any such Alternative GP Vehicle, the General Partner may require any or all of the Partners, as determined by the General Partner, to participate directly or indirectly through any such Alternative GP Vehicle and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto with and/or in lieu of the Partnership, and the General Partner shall have all necessary authority to implement such Alternative GP Vehicle. Each Partner shall take such actions and execute such documents as the General Partner determines are reasonably needed to accomplish the foregoing.

ARTICLE 4
DISTRIBUTIONS

Section 4.1 Distributions

(c) Any amount of cash or property received as a distribution from any of the Funds by the Partnership in its capacity as a

partner, to the extent such amount is determined by reference to the capital commitment of the Partnership in, or the capital contributions of the Partnership to, any of the Funds, shall be promptly distributed by the Partnership to APH.

(d) The General Partner shall use reasonable efforts to cause the Partnership to distribute, as promptly as practicable after receipt by the Partnership, any available cash or property attributable to items included in the determination of Operating Profit, subject to the provisions of Section 10.3 of the Fund LP Agreements and subject to the retention of such reserves as the General Partner considers appropriate for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.6 hereof. Any such distributions shall be made to Partners in proportion to their respective Points, determined:

(i) in the case of any amount of cash or property received from any of the Funds that is attributable to the disposition of a Portfolio Investment by such Fund, as of the date of such disposition by such Fund; and

(ii) in any other case, as of the date of receipt of such cash or property by the Partnership.

(e) Subject to Section 5.2(d)(ii), any other distributions or payments in respect of the interests of Limited Partners shall be made at such time, in such manner and to such Limited Partners as the General Partner shall determine.

(f) The General Partner may cause the Partnership to pay distributions to the Partners at any time in addition to those contemplated by Section 4.1(a), (b) or (c), in cash or in kind; provided that the General Partner shall only make a distribution in kind either to all Partners ratably or to those Partners who have agreed to accept such a distribution in kind. Distributions of any such amounts shall be made to the Partners in proportion to their respective Points, determined immediately prior to giving effect to such distribution.

Section 4.2 Withholding of Certain Amounts

(g) If the Partnership incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner, then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(h) The General Partner may withhold from any distribution to any Limited Partner pursuant to this Agreement any other amounts due from such Limited Partner to the Partnership or to any other Affiliate of AGM to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.3 Limitation on Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of his interest in the Partnership if such distribution would violate the Partnership Law or other applicable law.

ARTICLE 5
MANAGEMENT

Section 5.1 Rights and Powers of the General Partner

(i) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership and (ii) for the conduct of the business and affairs of the Partnership, including all such decisions and all such business and affairs to be made or conducted by the Partnership in its capacity as Fund General Partner of any of the Funds.

(j) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners; provided that the General Partner shall not have authority to cause the Partnership to borrow any funds for its own account on a secured basis without the consent of the Required Voting Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund

LP Agreements and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Partnership Law shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(k) The General Partner, or a Limited Partner designated by the General Partner, shall be the tax matters partner for purposes of Section 6231(a)(7) of the Code. Each Partner agrees not to treat, on his United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other law.

Section 5.2 Delegation of Duties

(g) Subject to Section 5.1 and Section 5.2(d), the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(h) Without limiting the generality of Section 5.2(a), but subject to the limitations contained in Section 5.2(d), the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to the Partnership and/or to act as an employee of the Partnership or agent of the General Partner, with such titles and duties as may be specified by the General Partner, including the following:

(i) a chief financial officer, to whom the General Partner may delegate its authority to disburse funds for the account of the Partnership and the Funds for any proper purpose, to establish deposit accounts with banks or other financial institutions, to make permitted investments of Partnership assets, and to take any other permitted actions pertaining to the finances of the Partnership and the Funds;

(ii) a chief accounting officer, to whom the General Partner may delegate its authority to prepare and maintain financial and accounting books, records and statements of the Partnership and the Funds; and

(iii) one or more vice presidents, treasurers and controllers, to whom the General Partner may delegate its authority to execute any of its decisions and to take any other permitted actions on behalf of the Partnership (including in its capacity as a Fund General Partner of any of the Funds) subject to the supervision of the chief executive officer, the chief financial officer or the chief accounting officer.

Any Person appointed by the General Partner to serve as an officer, employee or agent of the Partnership and/or the General Partner shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(i) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(j) Except as otherwise expressly provided herein, action by the General Partner with respect to any of the following matters shall be taken only in accordance with the directions of the Required Voting Partners:

(i) the waiver of any provision of Section 5.6 hereof concerning other activities of Limited Partners;

(ii) the amount and timing of any discretionary distribution to Partners pursuant to Section 4.1(c), and any decision to pay any distribution to Partners in kind;

(iii) the exercise of the authority of the Partnership to (A) cause any of the Funds to pay a distribution in kind and (B) elect to receive any such distribution in kind;

(iv) the exercise of the Partnership's authority to borrow any funds on a secured basis for the account of the Partnership;

(v) the determination of whether to conduct a business other than serving as a general partner of the Funds; and

(vi) to the fullest extent permitted by law, the voluntary dissolution of the Partnership, and the exercise of the authority of the Partnership to cause a voluntary dissolution of any of the Funds.

The foregoing shall not restrict the General Partner from delegating authority to execute or implement any such determinations made by the General Partner.

(k) The General Partner shall be permitted to designate one or more committees of the Partnership which committees may include Limited Partners as members. Any such committees shall have such powers and authority granted by the General Partner. Any Limited Partner who has agreed to serve on a committee shall not be deemed to have the power to bind or act for or on behalf of the Partnership in any manner and in no event shall a member of a committee be considered a general partner of the Partnership by agreement, estoppel or otherwise or be deemed to participate in the control and/or conduct of the business of the Partnership as a result of the performance of his duties hereunder or otherwise.

(l) The General Partner shall cause the Partnership to enter into an arrangement with the Management Company which arrangement shall require the Management Company to pay all costs and expenses of the Partnership.

Section 5.3 Transactions with Affiliates

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of the foregoing Persons.

Section 5.4 Expenses

(d) Subject to the arrangement contemplated by Section 5.2(f), the Partnership will pay, or will reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(e) Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.2.

Section 5.5 Rights of Limited Partners

(a) Limited Partners shall have no right to take part in the management, control or conduct of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(b) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Partnership Law.

(c) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

Section 5.6 Other Activities of Partners

(a) No Limited Partner other than a Retired Partner shall engage in any occupation, profession, employment or other business, as an officer, director, partner, manager, member, employee, agent, consultant or otherwise, without the prior written consent of the General Partner, unless such activity is carried out on behalf of the Partnership or an Affiliate.

(b) Subject to the Fund LP Agreements (including, without limitation, Section 6.7 thereof) and to full compliance with the Partnership's code of ethics and other written policies relating to personal investment transactions, membership in the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

(c) Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

Section 5.7 Duty of Care; Indemnification

(a) The General Partner (including, without limitation, for this purpose each former and present director, officer, manager, member, employee and stockholder of the General Partner) and each Limited Partner (including any former Limited Partner) in his capacity as such, and to the extent such Limited Partner participates, directly or indirectly, in the Partnership's activities, whether or not a Retired Partner (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage or liability occasioned by any acts or omissions in the performance of his services hereunder, unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such loss, claim, damage or liability is due to an act or omission of a Covered Person (i) made in bad faith or with criminal intent or (ii) that adversely affected any Fund and that failed to satisfy the duty of care owed pursuant to the applicable Fund LP Agreement or as otherwise required by law.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any losses, claims, damages, liabilities and expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) incurred by or imposed upon him by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or his activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any judicial, administrative, regulatory or legislative body or agency to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been the General Partner or a Limited Partner or by reason of serving or having served, at the request of the Partnership in its capacity as Fund General Partner of the Funds, as a director, officer, consultant, advisor, manager, member or partner of any enterprise in which any of the Funds has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that his acts or his failure to act (i) were in bad faith or with criminal intent or (ii) were of a nature that makes indemnification by the Funds unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the final disposition of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that he is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including, without limitation, insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5 with any Covered Person, whether or not such Covered Person is themselves a party to this Agreement, and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder without the further consent of any Limited Partner. Subject to applicable law, each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article 5, and shall be entitled to the benefit of the indemnity granted to the Partnership by each of the Funds pursuant to the terms of the Fund LP Agreements.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for his good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the Partners to replace such other duties and liabilities of each such Covered Person, save that the General Partner shall act at all times in good faith in accordance with the requirements of the Partnership Law.

(d) Notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may but shall not be required to indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of the issuer of any Portfolio Investment to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Portfolio Investment by the Fund.

ARTICLE 6

ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points

(m) The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be become a limited partner of the Partnership and to adhere to and be bound by the provisions of this Agreement and assign Points to such Person and/or increase the Points of any existing Limited Partner. Once assigned, such Points shall not be subject to forfeiture except as contemplated pursuant to Section 7.3 in connection with a Partner's retirement.

(n) Each additional Limited Partner shall execute a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such Limited Partner undertakes and agrees to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner.

(o) No Team Member shall experience a Points Percentage reduction as a consequence of an award of Points to any other new or existing Partner unless, after giving effect to all Points adjustments in connection with any such award:

(i) Team Members (together with all of the partners of the Carry Plan Entities who would be considered Team Members if such persons were Partners) will hold at least … Points;

(ii) such Team Member's Points Percentage will not be less than … percent; and

(iii) x/y will not be less than a/b, where:

x = such Team Member's new Points Percentage

y = such Team Member's previous Points Percentage

a = APH's new Points Percentage

b = APH's previous Points Percentage

For purposes of the foregoing, the term "Team Member" means (x) a natural person who is actively involved, directly or indirectly, in the Fund's investment program, (y) a Retired Partner who was so involved prior to his Retirement Date, or (z) a Related Party of the foregoing.

Section 6.2 Admission of Additional General Partner

The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner other than the Required Voting Partners. No reduction in the Points Percentage of any Limited Partner shall be made as a result of the admission of an additional general partner or the increase in the Points of any general partner without the consent of such Limited Partner. Any additional general partner shall, for the purposes of this Agreement, be deemed admitted as a general partner of the Partnership upon its execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such person undertakes and agrees to become a General Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a General Partner. The incumbent General Partner shall make such filings with the Registrar as are necessary pursuant to the Partnership Law to effect the legal admission of any additional general partner of the Partnership.

Section 6.3 Transfer of Interests of Limited Partners

(f) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(g) A Limited Partner or his legal representative shall give the General Partner notice before the proposed effective date of any voluntary Transfer and within 30 days after any involuntary Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not result in any of the following consequences:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under Section 708(b)(1)(B) of the Code or jeopardize the status of the

Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(h) In the event any Transfer permitted by this Section 6.3 shall result in the multiple beneficial ownership of any Limited Partner’s interest in the Partnership, the General Partner may require one or more trustees or nominees, whose names will be entered on the Register of Partnership Interests, to be designated to hold the legal title to the interest and to represent the entire interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferees have pursuant to the provisions of this Agreement. The Partnership shall not otherwise be required to recognize any trust or other beneficial ownership of any interest.

(i) A permitted transferee shall be entitled to the allocations and distributions attributable to the interest in the Partnership transferred to such transferee and to Transfer such interest in accordance with the terms of this Agreement; provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until he becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such transferee undertakes and agrees to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(j) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner’s interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(k) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership’s assets to be adjusted as provided by Section 734 or 743 of the Code.

(l) No transfer of a partnership interest shall be effective until the transfer of the partnership interest is registered by the General Partner on the Register of Partnership Interests.

Section 6.4 Withdrawal of Partners

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner’s entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

Section 6.5 Pledges

(d) A Limited Partner shall not pledge or grant a security interest in such Limited Partner’s interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(e) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve.

(f) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

ARTICLE 7

ALLOCATION OF POINTS; ADJUSTMENTS OF POINTS

AND RETIREMENT OF PARTNERS

Section 7.1 Allocation of Points

(c) Except as otherwise provided herein, the General Partner shall be responsible for the allocation of Points from time to time to the Limited Partners. The allocation of Points to any Limited Partner who is invited to become a member of Co-Investors (A) shall not become effective until the effective date of the acceptance by Co-Investors (A) of a capital commitment from such Limited Partner (or his Related Party, as applicable) in a mutually agreed amount. Points allocated to a Limited Partner, and the Points Percentage represented by such Points, may not be reduced except as set forth in Section 6.1 and Section 7.3.

(d) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and promptly upon any change in such Limited Partner's Points pursuant to this Article 7 or otherwise.

(e) The General Partner shall ensure that at all times: (i) the total number of Points held by each Carry Plan Entity is equal to the total number of outstanding Carry Plan Entity Points held by the limited partners of such Carry Plan Entity and (ii) the proportionate entitlement of each outstanding Point to share in amounts attributable to "carried interest" distributions derived by the Partnership from the Funds corresponds with the proportionate entitlement of each outstanding Carry Plan Entity Point to share in distributions by such Carry Plan Entity attributable to such amounts that have been distributed by the Partnership to such Carry Plan Entity. Without limiting the generality of the foregoing, if the total number of outstanding Carry Plan Entity Points held by the limited partners of a Carry Plan Entity changes for any reason (including the admission of any new partner to, or the retirement of any partner from, such Carry Plan Entity), a corresponding adjustment shall be made in the number of Points held by such Carry Plan Entity.

Section 7.2 Retirement of Partner

(m) A Limited Partner shall become a Retired Partner upon:

(iv) delivery to such Limited Partner of a notice by the General Partner declaring such Limited Partner to be a Retired Partner (which shall be deemed to have been given upon delivery of a notice terminating such Limited Partner's employment by AGM, unless otherwise determined by the General Partner);

(v) a date specified in a notice delivered by such Limited Partner to the General Partner stating that such Limited Partner elects to resign from or otherwise terminate his or her employment by AGM; or

(vi) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Permanent Disability of the Limited Partner.

(n) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner, it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points

(d) The Points of any Limited Partner who becomes a Retired Partner shall be reduced automatically to an amount equal to such Limited Partner's Vested Points calculated as of the Retirement Date. Any such reduction shall be effective on the Retirement Date or such subsequent date as may be determined by the General Partner; provided that the General Partner may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner.

(e) The General Partner shall determine the manner of apportioning and/or cancelling any Points that become available for reallocation or cancellation pursuant to Section 7.3(a) as a result of any Partner becoming a Retired Partner; provided, however, that if the Points Percentage of APH is proposed to be increased as a result of any such reallocation or cancellation, then x/y shall not be less than a/b after giving effect to the reallocation or cancellation of all such Points, where:

x = the new Points Percentage of each Team Member other than a Retired Partner

y = such Team Member's Points Percentage before giving effect to all previous Points Percentage reductions pursuant to Section 6.1(c)

$a =$ APH's new Points Percentage

$b =$ APH's Points Percentage before giving effect to all previous Points Percentage reductions pursuant to Section 6.1(c)

(f) Except as contemplated by Section 6.1(c) and Section 7.3(a), the General Partner shall have no authority under the provisions of this Agreement to reduce the Points of any Limited Partner.

ARTICLE 8
DISSOLUTION AND LIQUIDATION

Section 8.1 Liquidation and Dissolution of Partnership

(o) The General Partner, except where, the General Partner is unable to perform this function, a liquidator elected by a majority in interest (determined by Points) of Limited Partners, shall commence the winding-up of the Partnership pursuant to Section 15(1) of the Partnership Law upon occurrence of any Winding-Up Event. The General Partner or appointed liquidator shall terminate the business and administrative affairs of the Partnership and commence the liquidation of the Partnership's assets.

(p) Capital Profit and Capital Loss, Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts pro rata in accordance with and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article 3.

(q) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon the winding-up of the Partnership, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(a), provided that if any in kind distribution is to be made the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(a).

(r) Upon completion of the winding-up of the Partnership in accordance with the terms hereof the Partnership shall be dissolved by the filing of a notice of dissolution in accordance with the provisions of the Partnership law.

ARTICLE 9
GENERAL PROVISIONS

Section 9.1 Amendment of Partnership Agreement

(g) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner by giving notice of such amendment to any Limited Partner whose rights or obligations as a Limited Partner pursuant to this Agreement are changed thereby; provided that any amendment that would effect a material adverse change in the contractual rights of a Partner may only be made if the written consent of such Partner is obtained prior to the effectiveness thereof. Notwithstanding the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner (other than a Limited Partner whose rights to allocations and distributions would suffer a material adverse change as a result of such amendment), to enable the Partnership to comply with the requirements of the "Safe Harbor" Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation Section 1.83-3(e)(1) or Proposed Treasury Regulation Section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 6.1 or 7.3 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.1(a). The General Partner's approval of or consent to any transaction resulting in the substitution of another Person in place of the Partnership as the managing or general partner of any of the Funds or any change to the scheme of distribution under any of the Fund LP Agreements that would have the effect of reducing the Partnership's allocable share of the Net Income of any Fund shall require the consent of any Limited Partner adversely affected thereby.

(h) Notwithstanding the provisions of this Agreement, including Section 9.1(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements with one or more Limited Partners which have the effect of establishing rights

under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with one or more Limited Partners shall govern with respect to such Limited Partner or Limited Partners notwithstanding the provisions of this Agreement. Any such side letters or similar agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement, but no such side letter or similar agreement between the General Partner and any Limited Partner or Limited Partners and the Partnership shall adversely amend the contractual rights of any other Limited Partner without such other Limited Partner's prior consent.

Section 9.2 Special Power-of-Attorney

(g) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 9.1);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the Cayman Islands or any other jurisdiction, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as an exempted limited partnership or partnership in which the limited partners thereof enjoy limited liability;

(iii) all such instruments, certificates, agreements and other documents relating to the conduct of the investment program of any of the Funds which, in the opinion of such attorney-in-fact and the legal counsel to the Funds, are reasonably necessary to accomplish the legal, regulatory and fiscal objectives of the Funds in connection with its or their acquisition, ownership and disposition of investments, including, without limitation:

(A) the governing documents of any management entity formed as a part of the tax planning for any of the Funds and any amendments thereto; and

(B) documents relating to any restructuring transaction with respect to any of the Funds' investments,

provided that such documents referred to in clauses (A) and (B) above, viewed individually or in the aggregate, provide substantially equivalent financial and economic rights with respect to such Limited Partner and otherwise do not:

(1) increase the Limited Partner's overall financial obligation to make capital contributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(2) diminish the Limited Partner's overall entitlement to share in profits and distributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(3) cause the Limited Partner to become subject to increased personal liability for any debts or obligations of the Partnership; or

(4) otherwise result in an adverse change in the overall rights or obligations of the Limited Partner in relation to the conduct of the investment program of any of the Funds;

(iv) any instrument or document necessary or advisable to implement the provisions of Section 3.8 of this Agreement;

(v) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the United States Securities Exchange Act of 1934, as amended, or that is registered under the United States Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(vi) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 9.5(c)).

(h) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without his consent. If an amendment to

this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this power-of-attorney with a view to the orderly administration of the affairs of the Partnership. Each Limited Partner agrees that the power-of-attorney granted hereby is intended to secure an interest in property and, in addition, the obligations of each such Limited Partner under this Agreement and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power of attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 9.3Notices

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of Leon D. Black with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at his Partnership office or electronically to the primary e-mail account supplied by the Partnership for Partnership business communications, except that a notice to a Retired Partner shall be considered given when delivered by hand by a recognized overnight courier together with mailing through the United States Postal System by regular mail to such Retired Partner's Home Address.

Section 9.4 Agreement Binding Upon Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors by operation of law, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.5 Merger, Consolidation, etc.

(a) Subject to Sections 9.5(b) and 9.5(c), the Partnership may merge or consolidate with or into one or more limited partnerships formed under any applicable law or other business entities under applicable law pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 9.1(a) but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 9.5(a) may, to the extent permitted by Section 9.5(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the power and authority to approve and implement any merger, consolidation or other reorganization, restructuring or similar transaction without the consent of any Limited Partner, other than any Limited Partner with respect to which the General Partner has determined that such transaction will, or is more likely than not to, result in any material adverse change in the financial and other material rights of such Limited Partner conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.1(b) or the imposition of any material new financial obligation on such Limited Partner. Subject to the foregoing, the General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

Section 9.6 Governing Law

This Agreement, and the rights of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to conflict of laws rules thereof. The parties hereby consent to the exclusive jurisdiction and venue for any action arising out of this Agreement (to the extent not subject to arbitration pursuant to this Section 9.6) in any appropriate court in any of the Cayman Islands, or Delaware or New York. In addition to any other means available at law for

service of process, each Limited Partner hereby agrees, to the fullest extent permitted by law, that service of process will be duly effectuated when delivered to a Limited Partner's Home Address by hand or by a recognized overnight carrier together with mailing through the United States Postal System by regular mail.

Section 9.7 Termination of Right of Action

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.8 Confidentiality

(a) Each Limited Partner acknowledges and agrees that the information contained in the books and records of the Partnership concerning the Points assigned with respect to any other Limited Partner (including any Retired Partner) is confidential, and, to the fullest extent permitted by applicable law, each Limited Partner waives, and covenants not to assert, any claim or entitlement whatsoever to gain access to any such information. The Limited Partners agree that the restrictions set forth in this Section 9.8(a) shall constitute reasonable standards under the Partnership Law regarding access to information.

(b) Each Limited Partner acknowledges and agrees not to, at any time, either during the term of such Limited Partner's participation in the Partnership or thereafter, disclose, use, publish or in any manner reveal, directly or indirectly, to any Person (other than on a confidential basis to such Limited Partner's legal and tax advisors who have a need to know such information) the contents of this Agreement or any Confidential Information, except (i) as may be necessary to the performance of the Limited Partner's duties hereunder, (ii) with the prior written consent of the General Partner, (iii) to the extent that any such information is in the public domain other than as a result of the Limited Partner's breach of any of his obligations, or (iv) where required to be disclosed by court order, subpoena or other government process; provided that, to the fullest extent permitted by law, the Limited Partner shall promptly notify the General Partner upon becoming aware of any such disclosure requirement and shall cooperate with any effort by the General Partner to prevent or limit such disclosure.

(c) Notwithstanding any of the provisions of this Section 9.8, each Limited Partner may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including tax opinions or other tax analyses) that are provided to the Limited Partner relating to such tax treatment. For this purpose, "tax treatment" is the purported or claimed United States federal income tax treatment of a transaction and "tax structure" is limited to any fact that may be relevant to understanding the purported or claimed United States federal income tax treatment of a transaction. For this purpose, the names of the Partnership, the Partners, their affiliates, the names of their partners, members or equity holders and the representatives, agents and tax advisors of any of the foregoing are not items of tax structure.

Section 9.9 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. This Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.10 Reports

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes his distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year and a reconciliation of any difference between (i) such Operating Profit or Operating Loss and (ii) the aggregate net profits or net losses allocated by the Funds to the Partnership for such year (other than any difference attributable to the aggregate Capital Profit or Capital Loss allocated by the Funds to the Partnership for such year).

Section 9.11 Filings

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for United States federal, state and local income tax purposes.

Section 9.12Headings, Gender, Etc.

The section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof. As used herein, masculine pronouns shall include the feminine and neuter, and the

singular shall be deemed to include the plural.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as a deed on the day and year first above written.

General Partner:

APOLLO EPF CAPITAL MANAGEMENT, LIMITED

By: /s/ Wendy F. Dulman
Name: Wendy F. Dulman
Title: Vice President

in the presence of: /s/ Patricia A. McCabe
Name: Patricia A. McCabe

Limited Partners:

APH HOLDINGS (DC), L.P.

By: Apollo Principal Holdings IV GP, Ltd.,
its general partner

By: /s/ Wendy F. Dulman
Name: Wendy F. Dulman
Title: Vice President

in the presence of: /s/ Patricia A. McCabe
Name: Patricia A. McCabe

EPF II TEAM CARRY PLAN, L.P.

By: Apollo EPF II Capital Management, LLC,
its general partner

By: Apollo Principal Holdings IV, L.P.,
its sole member

By: Apollo Principal Holdings IV GP, Ltd.,
its general partner

By: /s/ Wendy F. Dulman
Name: Wendy F. Dulman
Title: Vice President

in the presence of: /s/ Patricia A. McCabe
Name: Patricia A. McCabe

LAPITHUS EPF II TEAM CARRY PLAN, L.P.

By: Apollo EPF II Capital Management, LLC,
its general partner

By: Apollo Principal Holdings IV, L.P.,
its sole member

By: Apollo Principal Holdings IV GP, Ltd.,
its general partner

By: /s/ Wendy F. Dulman
Name: Wendy F. Dulman
Title: Vice President

in the presence of: /s/ Patricia A. McCabe
Name: Patricia A. McCabe

CONFIDENTIAL & PROPRIETARY

This limited partnership is a limited partner of certain entities that earn "carried interest" on profits from various Credit funds.

APOLLO CIP PARTNER POOL, L.P.

Amended and Restated

Agreement of Exempted Limited Partnership

Dated as of December 18, 2014

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Schedule I Initial List of Fund General Partners

APOLLO CIP PARTNER POOL, L.P.

AMENDED AND RESTATED
AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP

AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP of APOLLO CIP PARTNER POOL, L.P., a Cayman Islands exempted limited partnership (the "Partnership"), dated as of December __, 2014, by and among Apollo CIP GenPar, Ltd., a Cayman Islands exempted company, as the sole general partner (in such capacity, the " General Partner"), the Initial Limited Partner (as defined below), and the other Persons (as defined below) whose names are recorded from time to time as limited partners of the Partnership in the Register of Partners (as defined below).

R E C I T A L S :

A. The Partnership was registered by the General Partner as an exempted limited partnership in the Cayman Islands pursuant to the Partnership Law on October 30, 2014, by the filing of a Section 9 Statement (as defined below) with the Registrar (as defined below) pursuant to the Partnership Law (as defined below), and since its formation has been governed by the Original Agreement (as defined below).

B. The General Partner and the Initial Limited Partner entered into an Initial Exempted Limited Partnership Agreement of the Partnership, dated October 29, 2014 (the "Original Agreement").

C. The parties hereto desire to amend and restate the Original Agreement in its entirety to: (i) reflect the admission to the Partnership of those Persons (as defined below) who are listed on the Register of Partners as limited partners of the Partnership; (ii) effect the withdrawal of the Initial Limited Partner; and (iii) reflect the modifications set forth herein.

NOW, THEREFORE, the parties hereby agree to amend and restate the Original Agreement in its entirety to read as follows:

Article 1
DEFINITIONS

Section 1.1 Definitions; Interpretation

(a) Capitalized terms used but not otherwise defined herein have the following meanings:

"Affiliate" means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person. Except as the context otherwise requires, the term "Affiliate" in relation to AGM includes each collective investment fund and other client account sponsored or managed by AGM or its affiliated asset management entities, but, in each case, does not include Portfolio Companies (except with respect to Bad Acts).

"AGM" means Apollo Global Management, LLC, a Delaware limited liability company.

"Agreement" means this Amended and Restated Agreement of Exempted Limited Partnership, as amended or supplemented from time to time.

"APH" means, as the context requires, any or all of (i) APH Holdings (DC), L.P., (ii) APH Holdings (FC), L.P., and/or (iii) APH Holdings, L.P., each a Cayman Islands exempted limited partnership.

"Award Letter" means, with respect to any Limited Partner, the letter agreement between the Partnership and such Limited Partner setting forth (i) such Limited Partner's Points, (ii) the formula applied to calculate the Holdback Amount with respect to such Limited Partner, (iii) any restrictive covenants with respect to such Limited Partner, (iv) the definition of "Bad Act," (v) the definition of "Designated Act," and (vi) any other terms applicable to such Limited Partner.

"Bad Act" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Book-Tax Difference" means the difference between the Carrying Value of a Partnership asset and its adjusted tax basis for United States federal income tax purposes, as determined at the time of any of the events described in the definition of Carrying Value, which for purposes of this Agreement shall include any accrued income in respect of securities contributed to or held (directly or indirectly) by the Partnership as of the date of any such event. The General Partner shall maintain an account in the name of each Limited Partner that reflects such Limited Partner's share of any Book-Tax Difference.

"Capital Account" means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3.

"Carried Interest Revenues" means any carried interest, incentive allocations, performance allocations or similar performance-based compensation earned by the Fund General Partners from the applicable Funds.

"Carrying Value" means, with respect to any Partnership asset, the asset's adjusted basis for United States federal income tax purposes, except that the Carrying Values of all Partnership

assets shall be adjusted to equal their respective fair market values (as determined by the General Partner), in accordance with the rules set forth in Treasury Regulations section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, immediately prior to: (i) the date of the acquisition of any interests in the Partnership by any new Partner or of any additional interests by any existing Partner in exchange for more than a *de minimis* capital contribution; (ii) the date of the distribution of more than a *de minimis* amount of any Partnership asset to a Partner, including cash as consideration for an interest in the Partnership; (iii) the date of the grant of more than a *de minimis* profits interest in the Partnership as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner, or by a new Partner acting in his capacity as a Partner or in anticipation of becoming a Partner; or (iv) the liquidation of the Partnership within the meaning of Treasury Regulations section 1.704-l(b)(2)(ii)(g); provided, that any adjustment pursuant to clauses (i), (ii) and (iii) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners. The Carrying Value of any Partnership asset distributed to any Partner shall be adjusted immediately prior to such distribution to equal its fair market value (as determined by the General Partner). The Carrying Value of any asset contributed by a Partner to the Partnership shall be the fair market value (as determined by the General Partner) of the asset at the date of its contribution.

"*Catch Up Amount*" means the product derived by multiplying (i) the amount of any Book-Tax Difference arising on the admission to the Partnership of a Newly-Admitted Limited Partner or a reallocation of Points described in Section 4.1(f)(ii) by (ii) the percentage derived by dividing the number of Points issued to the Newly-Admitted Limited Partner or reallocated to the applicable Limited Partner as described in Section 4.1(f)(ii), by the aggregate number of Points on the date the Newly-Admitted Limited Partner is admitted to the Partnership or the date of the applicable reallocation of Points pursuant to this Agreement. The General Partner shall maintain an account in the name of each Newly-Admitted Limited Partner (and any Limited Partner receiving a reallocation of Points in respect of which Section 4.1(f)(ii) applies) that reflects such Limited Partner's Catch Up Amount, which shall be adjusted as necessary to reflect any subsequent reduction in such Book-Tax Difference corresponding to any subsequent negative adjustments to the Carrying Value of the Partnership's assets that relate to such Book-Tax Difference, and which may be further adjusted to the extent the General Partner determines in its sole discretion is necessary to cause the Catch Up Amount to be equal to the amount necessary to provide such Limited Partner with a requisite share of Partnership capital based on such Limited Partner's Points in accordance with the terms of this Agreement and such Limited Partner's Award Letter.

"Clawback Payment" means any payment required to be made by the Partnership to any Fund General Partner in respect of any "general partner giveback" or similar obligation of such Fund General Partner pursuant to the Fund LP Agreement of the applicable Fund, but shall not include any Partner Giveback Payment.

"Code" means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

"Co-Investors (A) Entity" means an investment vehicle formed by AGM or any of its Affiliates to facilitate the investment in any Fund by employees of AGM or its Affiliates and their Related Parties.

"Co-Investors (A) Partnership Agreement" means the limited partnership agreement of any of Co-Investors (A) Entity, as in effect from time to time.

"Covered Person" has the meaning set forth in Section 5.7(a).

"Credit Business" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Designated Act" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Disability" has the meaning ascribed to that term in the Apollo Global Management LLC 2007 Omnibus Equity Incentive Plan.

"FATCA" means: (i) Sections 1471 to 1474 of the Code, and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and/or withholding tax regimes; (ii) any intergovernmental agreement, treaty, regulation, guidance or any other agreement between the Cayman Islands (or any Cayman Islands Governmental Authority) and the U.S., the U.K. or any other jurisdiction (including any Government Authorities in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in clause (i); and (iii) any legislation, regulations or guidance in the Cayman Islands that give effect to the matters outlined in the preceding clauses.

"Final Adjudication" has the meaning set forth in Section 5.7(a).

"Fiscal Year" means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

"Founding Partners" means Leon Black, Joshua Harris and Marc Rowan.

"Fund" means any pooled investment vehicle or managed account advised or managed by Affiliates of the General Partner in the AGM credit business and each *"Parallel Fund"* of such Fund within the meaning of the Fund LP Agreement of such Fund. Such term also includes each alternative investment vehicle created by a Fund and/or any such Parallel Fund, to the extent the context so requires.

"Fund General Partner" means the Affiliate of AGM that acts in the capacity of the general partner, managing member, manager or similar Person of any Fund pursuant to the Fund LP Agreement of such Fund.

"Fund GP Agreement" means the constituent agreement, certificate or other document governing a Fund General Partner, as in effect from time to time.

"Fund LP Agreement" means the limited partnership agreement of any Fund, as in effect from time to time, and, to the extent the context so requires, the corresponding constituent agreement, certificate or other document governing each such Fund.

"General Partner" has the meaning set forth in the preamble and includes any successor to the business of the General Partner in its capacity as general partner of the Partnership.

"Giveback/Clawback Share" means, as of the time of determination, with respect to any Limited Partner and any Partner Giveback Payment or Clawback Payment, as the case may be, a percentage of such Partner Giveback Payment or Clawback Payment, as the case may be, equal to the quotient (expressed as a percentage) of (a) the cumulative amount of Operating Profit attributable to the Fund in respect of which the Partner Giveback Payment or Clawback Payment is required to be made that has been distributed to such Limited Partner, divided by (b) the cumulative amount so distributed to all Limited Partners with respect to such Operating Profit attributable to such Fund.

"Governmental Authority" means: (i) any government or political subdivision thereof, whether non-U.S. or U.S., national, state, county, municipal or regional; (ii) any agency or instrumentality of any such government, political subdivision or other government entity (including any central bank or comparable agency); and (iii) any court.

"Holdback Amount" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Home Address" has the meaning set forth in Section 9.4.

"Initial Limited Partner" means Joseph D. Glatt, solely in his capacity as the Initial Limited Partner.

"Intermediate Pooling Vehicles" means Apollo CIP Hedge Funds, L.P., Apollo CIP Structured Credit, L.P., Apollo CIP European SMAs & CLOs, L.P., Apollo CIP Global SMAs, L.P. and Apollo CIP US SMAs, L.P., each a Cayman Islands exempted limited partnership.

"JAMS" has the meaning set forth in Section 9.7(b).

"Limited Partner" means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner, until such Person withdraws entirely as a limited partner of the Partnership, in his or her capacity as a limited partner of the Partnership. All references herein to a Limited Partner shall be construed as referring collectively to such Limited Partner and to each Related Party of such Limited Partner (and to each Person of which such Limited Partner is a Related Party) that also is or that previously was a Limited Partner, except to the extent that the General Partner determines that the context does not require such interpretation as between such Limited Partner and his Related Parties. For purposes of the

Partnership Law, all Limited Partners shall be considered a single class or group and only those Partners who are recorded from time to time on the Register of Partners shall be deemed to be a Limited Partner of the Partnership.

"Losses" has the meaning set forth in Section 5.7(a).

"*Newly-Admitted Limited Partner*" has the meaning set forth in Section 4.1(f)(i).

"Operating Loss" means, with respect to any Fiscal Year, any net loss of the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for U.S. federal income tax purposes. Operating Loss shall not include any loss attributable to a Book-Tax Difference.

"Operating Profit" means, with respect to any Fiscal Year, any net income of the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for U.S. federal income tax purposes. Operating Profit shall not include any income or gain attributable to a Book-Tax Difference.

"Original Agreement" has the meaning set forth in Recital B.

"Other Agreements" has the meaning set forth in Section 9.2(b).

"Partner" means the General Partner or any of the Limited Partners, and "*Partners*" means the General Partner and all of the Limited Partners.

"Partner Giveback Payment" means any payment required to be made by the Partnership to any Fund General Partner in respect of any "partner giveback" or similar obligation of such Fund General Partner pursuant to the Fund LP Agreement of the applicable Fund, but shall not include any Clawback Payment.

"Partnership" has the meaning set forth in the preamble.

"Partnership Law" means the Cayman Islands Exempted Limited Partnership Law (as amended), as amended from time to time and any successor law thereto or re-enactment thereof.

"Person" means any individual, partnership (whether or not having separate legal personality), corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

"Point" means a share of Operating Profit or Operating Loss. The aggregate number of Points available for assignment to all Partners shall be set forth in the books and records of the Partnership.

"Portfolio Investment" or *"Investment"* or any similar term has the meaning ascribed to that term in each of the Fund LP Agreements.

"Public Vehicles" means (i) Apollo Investment Corporation (NASDAQ: AINV); (ii) Apollo Commercial Real Estate Finance, Inc. (NYSE: ARI); (iii) Apollo Residential Mortgage, Inc. (NYSE: AMTG); and (iv) Apollo Tactical Income Fund Inc. (NYSE: AIF).

"Reference Rate" means the interest rate announced publicly from time to time by JPMorgan Chase Bank in New York, New York as such bank's prime rate.

"Register of Partners" means a register of partners to be maintained by the General Partner showing the following information with respect to each Partner: name, address, date of admission and retirement and required capital contribution (if any).

"Registrar" means the Cayman Islands Registrar of Exempted Limited Partnerships appointed pursuant to Section 8 of the Partnership Law.

"Related Party" means, with respect to any Limited Partner:

(a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner's parent, or any natural Person who occupies the same principal residence as such Limited Partner;

(b) any trust or estate in which such Limited Partner and any Related Party or Related Parties (other than such trust or estate) collectively have more than 80% of the beneficial interests (excluding contingent and charitable interests);

(c) any entity of which such Limited Partner and any Related Party or Related Parties (other than such entity) collectively are beneficial owners of more than 80% of the equity interest; and

(d) any Person with respect to whom such Limited Partner is a Related Party.

"Required Commitment" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Retired Partner" means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2.

"Retirement Date" means, with respect to any Limited Partner, the date as of which such Person becomes a Retired Partner.

"Retirement Withdrawal Proceeds" has the meaning set forth in Section 7.3(b).

"Safe Harbor" means the election described in the Safe Harbor Regulation, pursuant to which a partnership and all of its partners may elect to treat the fair market value of a partnership interest that is transferred in connection with the performance of services as being equal to the liquidation value of that interest.

"Safe Harbor Election" means the election by a partnership and its partners to apply the Safe Harbor, as described in the Safe Harbor Regulation and IRS Notice 2005-43, issued on May 20, 2005.

"Safe Harbor Regulation" means Proposed Regulations Section 1.83-3(l) issued on May 24, 2005.

"Section 9 Statement" means the statement prepared under Section 9 of the Partnership Law filed with the Registrar in accordance with the Partnership Law.

"Section 10 Statement" means the statement prepared under Section 10 of the Partnership Law filed with the Registrar in accordance with the Partnership Law.

"Team Member" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Transfer" means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of his or her interest in the Partnership or an economic benefit thereof (whether with respect to, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

"Winding-Up Event" has the meaning set forth in Section 2.5(a).

(b) The headings in this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement. As used herein, masculine pronouns shall include the feminine and neuter, neuter pronouns shall include the masculine and the feminine, and the singular shall be deemed to include the plural. The use of the word "including" herein shall not be considered to limit the provision which it modifies but instead shall mean "including, without limitation."

(a) As used in this Agreement, the phrases "any provision of this Agreement," "the provisions of this Agreement" and derivative or similar phrases, and the terms "hereof," "herein," "hereby" and derivative or similar words, shall mean or refer only to any express provision actually written in this Agreement and not to any provision of the Partnership Law that may have application to the Partnership.

ARTICLE 2
FORMATION AND ORGANIZATION

Section 2.1 Continuation

The parties hereto agree to continue the Partnership as an exempted limited partnership pursuant to the Partnership Law on the terms of this Agreement.

Section 2.2 Name

The name of the Partnership continued hereby shall be "Apollo CIP Partner Pool, L.P." The General Partner is authorized to make any variations in the Partnership's name which the General Partner may deem necessary or advisable to comply with the laws of any jurisdiction in which the Partnership may operate (other than any variation which references the name of any Limited Partner without the prior consent of such Limited Partner); provided that such name shall contain the words "Limited Partnership", the abbreviation "L.P." or the designation "LP" as required by the Partnership Law. The General Partner shall file a Section 10 Statement in accordance with the Partnership Law with the Registrar and provide written notice to each Limited Partner of any change in the name of the Partnership.

Section 2.3 Organizational Certificates and Other Filings

If requested by the General Partner, the Limited Partners shall immediately execute all certificates and other documents, and any amendments or renewals of such certificates and other documents as thereafter required, consistent with the terms of this Agreement necessary for the General Partner to accomplish all filing, recording, publishing and other acts as may be appropriate to comply with all requirements for (a) the continuation and operation of the Partnership as an exempted limited partnership under the laws of the Cayman Islands, (b) if the General Partner deems it advisable, the operation of the Partnership as a limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (c) all other filings required to be made by the Partnership.

Section 2.4 Offices

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the Cayman Islands, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Partnership Law.

Section 2.5 Term of Partnership

(a) The term of the Partnership commenced at the time of its registration as an exempted limited partnership under the Partnership Law and shall continue until the first to occur of any of the following events (each a "Winding-Up Event"):

(i) the dissolution (without continuation) of all of the Funds; or

(ii) at any time there are no Limited Partners; or

(iii) upon any event that results in the General Partner ceasing to be a general partner of the Partnership pursuant to the Partnership Law, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining qualifying general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after notice of the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective from the date of such event, if required, of one or more additional general partners of the Partnership; or

(iv) an order of any court of the Cayman Islands, pursuant to the Partnership Law, for the winding up and dissolution of the Partnership.

(b) The parties agree that irreparable damage would be done to the Partnership and reputation of the Partners if any Limited Partner should bring an action for the winding up of the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces his right to seek a decree of dissolution or to seek the appointment of a liquidator for the Partnership, except as expressly provided herein.

Section 2.6 Purpose of the Partnership

The principal purpose of the Partnership is to hold a direct or indirect interest in certain Fund General Partners in order to derive cash or other revenues therefrom that are attributable to Carried Interest Revenues received by such Fund General Partners from Funds and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto. As of the date hereof, the Partnership holds interests, directly or indirectly, in the Fund General Partners set forth on Schedule I attached hereto.

Section 2.7 Actions by Partnership

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.8 Admission of Limited Partners

On the date hereof, the Persons whose names are set forth in the Register of Partners under the caption "Limited Partners" shall be admitted to the Partnership or shall continue, as the case may be, as Limited Partners of the Partnership upon their execution of this Agreement or a deed of adherence to this Agreement, or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner of the Partnership and adhere to and be bound by the provisions of this Agreement. The General Partner agrees to continue as the General Partner of the Partnership upon its execution of this Agreement. Additional Limited Partners may be admitted to the Partnership in accordance with Section 6.1.

Section 2.9 Withdrawal of Initial Limited Partner

Immediately following the admission of the Limited Partners to the Partnership pursuant to Section 2.8, the Initial Limited Partner shall (i) receive a return of its original capital contribution, if any, (ii) withdraw as a partner of the Partnership, and (iii) have no further right, interest or obligation of any kind whatsoever as a partner in the Partnership.

ARTICLE 3
CAPITAL

Section 3.1 Contributions to Capital

(a) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership, except as may be agreed from time to time between such Partner and the General Partner (including in an Award Letter) and other than as specified in this Section 3.1. No Limited Partner shall be obligated to restore any deficit balance in his Capital Account.

(b) To the extent, if any, that at the time of the Final Distribution (as defined in each of the Fund LP Agreements) or at any time prior thereto (whether pursuant to the provisions of the applicable Fund LP Agreement, upon the determination of the applicable Fund General Partner or otherwise), it is determined that the Partnership, as a holder, directly or indirectly, of equity interests in a Fund General Partner, is required to make any Clawback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership, for ultimate distribution to the limited partners of the relevant Fund, an amount equal to such Limited Partner's Giveback/Clawback Share of any Clawback Payment, but not in any event, together with any Partner Giveback Payments made by such Limited Partner with respect to such Fund, in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund. For purposes of determining each Limited Partner's required contribution, each Limited Partner's allocable share of any Escrow Account (as defined in the Fund LP Agreements), to the extent applied to satisfy any portion of a Clawback Payment, shall be treated as if it had been distributed to such Limited Partner and re-contributed by such Limited Partner pursuant to this Section 3.1(b) at the time of such application.

(c) To the extent, if any, that it is determined that the Partnership, as a holder, directly or indirectly, of equity interests in a Fund General Partner, is required to make any Partner Giveback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership, for ultimate contribution to the relevant Fund, an amount equal to such Limited Partner's Giveback/Clawback Share of any Partner Giveback Payment, but not in any event, together with any Clawback Payments made by such Limited Partner with respect to such Fund, in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund.

(d) For the avoidance of doubt, the aggregate Clawback Payments and Partner Giveback Payments required to be made by the Limited Partners hereunder with respect to

any Fund shall not exceed the aggregate amount of distributions actually received by the Partnership from the applicable Fund General Partner that: (i) in the case of Clawback Payments, are attributable to Carried Interest Revenues; and (ii) in the case of Partner Giveback Payments, are attributable to Carried Interest Revenues and any other distributions that the Partnership receives from such Fund General Partner.

Section 3.2 Rights of Partners in Capital

(a) No Partner shall be entitled to interest on his capital contributions to the Partnership.

(b) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1 or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts

(c) The Partnership shall maintain for each Partner a separate Capital Account in accordance with the provisions of Treas. Reg. Section 1.704-1(b)(2)(iv) and, to the extent consistent with such provisions, the terms of this Agreement.

(d) Each Partner's Capital Account shall have an initial balance of zero.

(e) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1; plus

(ii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4; plus

(iii) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.8 and any receipts determined to be applicable to a prior period pursuant to Section 3.8(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners; plus

(iv) such Partner's allocable share of any increase in Book-Tax Difference.

(f) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4; plus

(ii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1 or Section 8.1, including any amount deducted pursuant to Section 4.2 or Section 5.4 from any such amount distributed; plus

(iii) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.8 and any payments determined to be applicable to a prior period pursuant to Section 3.8(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners; plus

(iv) such Partner's allocable share of any decrease in Book-Tax Difference.

(g) If securities and/or other property are to be distributed in kind to the Partners or Retired Partners, including in connection with a liquidation pursuant to Section 8.1, they shall first be written up or down to their fair market value as of the date of such distribution, thus creating gain or loss for the Partnership, and the value of the securities and/or other property received by each Partner and each Retired Partner as so determined shall be debited against such Person's Capital Account at the time of distribution.

Section 3.4 Allocation of Profit and Loss

(c) Operating Profit or Operating Loss for any Fiscal Year shall be allocated to the Partners so as to produce Capital Accounts for the Partners (such Capital Accounts computed after taking into account any other Operating Profit or Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Article 4 with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(d)) such that a distribution of an amount of cash equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Article 4; provided, however, that the General Partner may allocate Operating Profit and Operating Loss and items thereof in such other manner as it determines in its sole discretion to be appropriate to reflect the Partners' interests in the Partnership. Income, gains and loss associated with a Book-Tax Difference shall be allocated to the Limited Partners that are entitled to a share of such Book-Tax Difference consistent with the account maintained by the General Partner pursuant to the definition of "Book-Tax Difference" and in the manner in which cash or property associated with such Book-Tax Difference is required to be distributed pursuant to the proviso of Section 4.1(a).

(d) To the extent that the allocations of Operating Loss contemplated by Section 3.4(a) would cause the Capital Account of any Limited Partner to be less than zero, such Operating Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner (or, at the direction of the General Partner, to those Limited Partners who are limited partners of the General Partner in proportion to their limited partnership interests in the General Partner). Following any such adjustment pursuant to this Section 3.4(b) with respect to any Limited Partner, any Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner (or relevant Limited Partners) until the cumulative amounts so credited to the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(b) is equal to the cumulative amount debited against the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(b).

(e) Each Limited Partner's rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Operating Profit expressly conferred by this Agreement and any Other Agreement entered into pursuant to Section 9.2(b) and the other rights expressly conferred by this Agreement and any such Other Agreement or required by the Partnership Law, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of his interest, or to have or exercise any other rights, privileges or powers.

(f) For purposes of Section 3.4(a), the General Partner may determine, in its sole discretion, to allocate any increase in value of the Partnership's assets pursuant to the definition of "Carrying Value" solely to the Limited Partners that are entitled to a Catch Up Amount (*pro rata* based on any method the General Partner determines is reasonable), or to specially allocate Operating Profit to such Limited Partners, or a combination thereof, until such Limited Partners have received an allocation equal to the Catch Up Amount.

(g) Operating Profit and Operating Loss shall be determined on a daily, monthly or other basis, as reasonably approved by the General Partner using any permissible method under Section 706 and the Treasury Regulations thereunder. If any Limited Partner shall be admitted to the Partnership, retire from the Partnership or assigned additional Points at different times during the Partnership's Fiscal Year, Operating Profit or Operating Loss shall be allocated among the Limited Partners on such proper basis as the General Partner shall determine consistent with the applicable requirements under Section 706 of the Code.

(h) In the event that forfeited Points held by Mr. Zelter pursuant to Section 7.1(e) have not been reallocated prior to the end of the Fiscal Year in which the forfeiture of such Points occurs, and such Points are reallocated in a subsequent Fiscal Year to a Limited Partner other than Mr. Zelter, the General Partner in its sole discretion may determine (i) to specially allocate Operating Profit for such subsequent Fiscal Year (or Years) to such transferee Limited Partner (in lieu of a Catch Up Amount) in such amount as the General Partner reasonably determines would have been allocable on such forfeited Points if such Points had been held by such transferee Limited Partner in the Fiscal Year in which the forfeiture occurred (from the date of such forfeiture), and (ii) correspondingly to reduce by a similar amount the Operating Profit (or increase the Operating Loss) otherwise allocable to Mr. Zelter, or otherwise allocable to Mr. Zelter and any of the other Limited Partners as the General Partner may determine in its sole discretion, pursuant to this Section 3.4 for any such subsequent Fiscal Years.

(i) If points have been forfeited to the Partnership by an Intermediate Pooling Vehicle pursuant to the terms of the agreement of limited partnership of such Intermediate Pooling Vehicle (for example, pursuant to Section 7.1(e) of the Limited Partnership Agreement of Apollo CIP Hedge Funds, L.P.), and such points have not been reallocated to a limited partner in such Intermediate Pooling Vehicle prior to the end of the Fiscal Year in which such forfeiture occurs, the General Partner in its sole discretion may determine to specially allocate to Mr. Zelter (or his successor as head of the Credit Business) any Operating Profit or Operating Loss that the General Partner determines is associated with such forfeited points held by the Partnership. Following any such special allocation to Mr. Zelter pursuant to this Section 3.4(g), any reduction in the allocation of Operating Profit (or increase in Operating Loss) to the Partnership from the Intermediate Pooling Vehicle in one or more subsequent Fiscal Years that the General Partner determines is attributable to the reallocation of the forfeited points in such subsequent Fiscal Year(s) may correspondingly reduce the allocation of Operating Profit (or increase the allocation of Operating Loss) to Mr. Zelter until the General Partner determines that the effects of any special allocation to Mr. Zelter pursuant to this Section 3.4(g) have been eliminated.

Section 3.5 Tax Allocations

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Operating Profit and Operating Loss pursuant to the provisions of Section 3.4 for such Fiscal Year; provided that any taxable income or loss associated with any Book-Tax Difference shall be allocated for tax purposes in accordance with the principles of Section 704(c) of the Code in any such manner (as is permitted under that Code Section and the Treasury Regulations promulgated thereunder) as determined by the General Partner in its sole discretion.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving interests in the Partnership (whether under Section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Tax Treatment of Points

(a) The Partnership and each Partner agree to treat the Points as a "*Profits Interest*" with respect to the Partnership within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343. In accordance with Rev. Proc. 2001-43, 2001-2 C.B. 191, the Partnership shall treat a Partner holding Points as the owner of such Points from the date such Points are issued, and shall file its IRS form 1065, and issue appropriate Schedule K-1s to such Partner, allocating to such Partner its distributive share of all items of income, gain, loss, deduction and credit associated with such Points as if they were fully vested. Each such Partner agrees to take into account such distributive share in computing its United States federal income tax liability for the entire period during which it holds the Points. Except as required pursuant to a "*Determination*" as defined in Section 1313(a) of the Code, none of the Partnership or any Partner shall claim a deduction (as wages, compensation or otherwise) for the fair market value of such Points issued to a Partner in respect of the Partnership, either at the time of grant of the Points, or at the time the Points become substantially vested. The undertakings contained in this Section 3.6 shall be construed in accordance with Section 4 of Rev. Proc. 2001-43. The provisions of this Section 3.6 shall apply regardless of whether or not the holder of Points files an election pursuant to Section 83(b) of the Code. This Section 3.6 shall only apply to Points granted while Rev. Proc. 93-27, 1993-2 C.B. 343 and Rev. Proc. 2001-43, 2001-2 C.B. 191, remain in effect.

(b) The Partners agree that, in the event the Safe Harbor Regulation is finalized, the Partnership shall be

authorized and directed to make the Safe Harbor Election, and the Partnership and each Partner (including any Person to whom an interest in the Partnership is transferred in connection with the performance of services) agrees to comply with all requirements of the Safe Harbor with respect to all interests in the Partnership transferred in connection with the performance of services while the Safe Harbor Election remains effective. The General Partner shall be authorized to (and shall) prepare, execute, and file the Safe Harbor Election. The General Partner shall cause the Partnership to make any allocations of items of income, gain, loss, deduction or expense (including forfeiture allocations) necessary or appropriate to effectuate and maintain the Safe Harbor Election.

Section 3.7 FATCA

(a) Each Limited Partner:

(v) shall provide, in a timely manner, such information regarding the Limited Partner and its beneficial owners and such forms or documentation as may be requested from time to time by the General Partner or the Partnership to enable the Partnership to comply with the requirements and obligations imposed on it pursuant to FATCA;

(vi) acknowledges that any such forms or documentation requested by the Partnership or its agents pursuant to clause (i), or any financial or account information with respect to the Limited Partner's investment in the Partnership, may be disclosed to the Cayman Islands Tax Information Authority (or any other Cayman Islands Governmental Authority which collects information in accordance with FATCA) and to any withholding agent where the provision of that information is required by such agent to avoid the application of any withholding tax on any payments to the Partnership;

(vii) shall waive, and/or shall cooperate with the Partnership to obtain a waiver of, the provisions of any law which prohibits the disclosure by the Partnership, or by any of its agents, of the information or documentation requested from the Limited Partner pursuant to clause (i), prohibits the reporting of financial or account information by the Partnership or its agents required pursuant to FATCA or otherwise prevents compliance by the Partnership with its obligations under FATCA;

(viii) acknowledges that, if it provides information and documentation that is in anyway misleading, or it fails to provide the Partnership or its agents with the requested information and documentation necessary, in either case, to satisfy the Partnership's obligations under FATCA, the Partnership may (whether or not such action or inaction leads to compliance failures by the Partnership, or a risk of the Partnership or its investors being subject to withholding tax or other penalties under FATCA) take any action and/or pursue all remedies at its disposal, including compulsory withdrawal of the Limited Partner, and may hold back from any withdrawal proceeds, or deduct from the Limited Partner's Capital Account, any liabilities, costs, expenses or taxes caused (directly or indirectly) by the Limited Partner's action or inaction; and

(ix) shall have no claim against the Partnership, or its agents, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with FATCA.

(b) The Limited Partner hereby indemnifies the General Partner and the Partnership and each of their respective partners, members, managers, officers, directors, employees and agents and holds them harmless from and against any FATCA-related liability, action, proceeding, claim, demand, costs, damages, expenses (including legal expenses), penalties or taxes whatsoever which such Person may incur as a result of any action or inaction (directly or indirectly) of such Limited Partner (or any Related Party) described in Section 3.7(a)(i) through (iv). This indemnification shall survive the Limited Partner's death or disposition of its interests in the Partnership.

Section 3.8 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those Persons who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time; <u>provided</u> that, if any individual reserve item, as adjusted by any increase therein, exceeds the lesser of $500,000 or 1% of the aggregate Capital Account balances of all such Partners, the amount of such reserve, increase or decrease shall instead be charged or credited to those Persons who were Partners at the time, as determined by the General Partner, of the act or omission giving rise to the contingent liability for which the reserve item was established in proportion to their respective Points at that time. The amount of any such reserve charged against the Capital Account of a Partner shall reduce the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1 hereof; and the amount of any such reserve credited to the Capital Account of a Partner shall increase the distributions such Partner would

otherwise be entitled to under Section 4.1 or Section 8.1 hereof

(b) If at any time an amount is paid or received by the Partnership and such amount exceeds the lesser of $500,000 or 1% of the aggregate Capital Account balances of all Partners at the time of payment or receipt, and such amount was not accrued or reserved for but would nevertheless, in accordance with the Partnership's accounting practices, be treated as applicable to one or more prior periods, then such amount may be proportionately charged or credited by the General Partner, as appropriate, to those Persons who were Partners during such prior period or periods, based on each such Partner's Points for such applicable period.

(c) If any amount is required by Section 3.8(a) or (b) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash, with interest from the date on which the General Partner determines that such credit is required at the Reference Rate in effect on that date. Any amount required to be charged pursuant to Section 3.8(a) or (b) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency, together with a carrying charge at a rate equal to the Reference Rate, of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge. In no event shall a current or former Partner be obligated to satisfy any amount required to be charged pursuant to Section 3.8(a) or (b) other than by means of a debit against such Partner's Capital Account.

Section 3.9 Finality and Binding Effect of General Partner's Determinations

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article 3, including any accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

ARTICLE 4
DISTRIBUTIONS

Section 4.1 Distributions

(c) The General Partner shall use reasonable efforts to cause the Partnership to distribute, on a quarterly basis, any available cash or property attributable to items included in the determination of Operating Profit and Book-Tax Difference, subject to the provisions of the Fund LP Agreements relating to Final Distributions on the dissolution or termination of a Fund and subject to the retention of such reserves as the General Partner considers appropriate for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.8. Any such distributions (before adjustment for Holdback Amounts) shall be made to the Limited Partners: (i) in the case of closed-end Funds, in proportion to the respective Points of the Limited Partners, determined (1) in the case of any amount of cash or property received from any of the applicable Fund General Partners that is attributable to the disposition of a Portfolio Investment by the applicable Fund, as the date of such disposition by such Fund, and (2) in any other case, as of the date of receipt of such cash or property by the Partnership, and (ii) in the case of open-end Funds, in proportion to the respective Points of the Limited Partners, determined as of the date the applicable open-end Fund has allocated net income to the Partnership in respect of Carried Interest Revenues; provided, however, that any cash or other property that the General Partner determines is attributable to a Book-Tax Difference shall be distributed to the Limited Partners that are entitled to a share of such Book-Tax Difference pursuant to the definition of "Book-Tax Difference," with any such distribution to be in the proportion that each such Limited Partner's allocated share of the applicable Book-Tax Difference bears to the total Book-Tax Difference of the asset giving rise to the cash or property.

(d) Notwithstanding the foregoing, the General Partner shall retain from the distribution amount apportioned to each Limited Partner any Holdback Amount with respect to such Limited Partner, determined in accordance with such Limited Partner's Award Letter. Any Holdback Amount retained by the General Partner pursuant to this Section 4.1(b) shall be considered to have been distributed to the Limited Partners for all purposes of this Agreement.

(e) Distributions of amounts attributable to Operating Profit and Book-Tax Difference shall be made in cash; provided, however, that if the Partnership receives a distribution from a Fund General Partner in the form of property other than cash, the General Partner may distribute such property in kind to Partners in proportion to their respective Points.

(f) Any distributions or payments in respect of the interests of Limited Partners unrelated to Operating Profit or

Book-Tax Difference shall be made at such time, in such manner and to such Limited Partners as the General Partner shall determine.

(g) Except as otherwise set forth in a Limited Partner's Award Letter, a Retired Partner shall receive his share of any distribution made pursuant to Section 4.1(a) with respect to which such Retired Partner received an allocation prior to his becoming a Retired Partner in accordance with Section 3.4, which distribution shall be made as if such Retired Partner had remained a Limited Partner, at the same time and in the same form as such distribution is made to the Limited Partners; provided that in no event shall such Retired Partner be entitled to receive an amount in excess of his Retirement Withdrawal Proceeds as determined under Section 7.3(b).

(h) (i) Except as the General Partner otherwise may determine pursuant to the terms of an Award Letter, any Limited Partner whose admission to the Partnership causes an adjustment to Carrying Values pursuant to the definition of "Carrying Value" (a "Newly-Admitted Limited Partner") shall have the right to receive a special distribution of the Catch Up Amount (before adjustment for Holdback Amounts). Any such special distribution of the Catch Up Amount shall be in addition to the distributions to which the Newly-Admitted Limited Partner is entitled pursuant to Section 4.1(a) and shall be made to the Newly-Admitted Limited Partner (or, if there is more than one such Newly-Admitted Limited Partner, *pro rata* to all such Newly-Admitted Limited Partners based on the aggregate amount of such distributions each such Newly-Admitted Limited Partner has not yet received), after the distribution of any amounts attributable to Book-Tax Differences pursuant to the proviso of Section 4.1(a), from amounts otherwise distributable to the other Limited Partners pursuant to Section 4.1(a), and shall reduce the amounts distributable to such other Limited Partners pursuant to Section 4.1(a), until each applicable Newly-Admitted Limited Partner has received an amount equal to the applicable Catch Up Amount (before adjustment for Holdback Amounts).

(ii) The General Partner may determine to provide for a special distribution of a Catch Up Amount in connection with a reallocation of Points pursuant to Article 7 other than in connection with the admission to the Partnership of a Newly-Admitted Limited Partner if the General Partner reasonably believes such an adjustment to Carrying Values is required in order for the reallocated Points to be treated as profits interests for U.S. federal income tax purposes.

(iii) Any reallocation of Points pursuant to Article 7 shall include the right to receive any Catch Up Amount associated with such Points.

(i) Cash or property that the General Partner determines is associated with Operating Profit that has been specially allocated to a Limited Partner pursuant to Section 3.4(f)(i) or Section 3.4(g) shall be distributed to such Limited Partner. The General Partner shall make such determinations regarding distributions of cash and property that it determines are associated with such special allocations as are necessary to ensure that the manner in which distributions are made is consistent with the purpose, and benefits and burdens, of such special allocations.

Section 4.2 Withholding of Certain Amounts

(h) If the Partnership incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner, then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(i) The General Partner may (i) withhold from any distribution to any Limited Partner pursuant to this Agreement and (ii) arrange the withholding from any distribution from any Co-Investors (A) Entity to such Limited Partner any other amounts due from such Limited Partner or a Related Party (without duplication) to the Partnership, any Co-Investors (A) Entity or to any other Affiliate of AGM pursuant to any binding agreement or published policy to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.3 Limitation on Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of his interest in the Partnership if such distribution would violate the Partnership Law or other applicable law.

Section 4.4 Distributions in Excess of Basis

Notwithstanding anything in this Agreement to the contrary, the General Partner may refrain from making, at any time

prior to the dissolution of the Partnership, all or any portion of any cash distribution that otherwise would be made to a Partner or Retired Partner, if such distribution would exceed such Person's U.S. federal income tax basis in the Partnership. Any amount that is not distributed to a Partner or Retired Partner due to the preceding sentence, as determined by the General Partner, either shall be retained by the Partnership on such Person's behalf or loaned to such Person. Subject to the first sentence of this Section 4.4, 100% of any or all subsequent cash distributions shall be distributed to such Person (or, if there is more than one such Person, *pro rata* to all such Persons based on the aggregate amount of distributions each such Person has not yet received) until each such Person has received the same aggregate amount of distributions such Person would have received had distributions to such Person not been deferred pursuant to this Section 4.4. If any amount is loaned to a Partner or Retired Partner pursuant to this Section 4.4, any such loan shall be on arm's length terms as determined by the General Partner and shall be fully recourse to the Partner or Retired Partner and (i) any amount thereafter distributed to such Person shall be applied to repay the principal amount of such loan and (ii) interest, if any, accrued or received by the Partnership on such loan shall be allocated and distributed to such Person. Any such loan shall be repaid no later than immediately prior to the liquidation of the Partnership. Until such repayment, for purposes of any determination hereunder based on amounts distributed to a Person, the principal amount of such loan shall be treated as having been distributed to such Person.

ARTICLE 5
MANAGEMENT

Section 5.1 Rights and Powers of the General Partner

(j) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership and (ii) for the conduct of the business and affairs of the Partnership.

(k) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners; provided that the General Partner shall not have authority to cause the Partnership to borrow any funds for its own account on a secured basis. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund GP Agreements and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement; provided that, absent the consent of James Zelter (or his successor as head of the Credit Business), any such agreements, documents or amendments do not have a material adverse effect on the Partnership relative to Apollo CIP Professionals, L.P. or AGM. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Act shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(l) The General Partner shall be the tax matters partner for purposes of Section 6231(a)(7) of the Code. Each Partner agrees not to treat, on his United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other laws.

Section 5.2 Delegation of Duties

(j) Subject to Section 5.1, the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(k) Without limiting the generality of Section 5.2(a), the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to and act as an employee or agent of the Partnership and/or General Partner, with such titles and duties as may be specified by the General Partner. Any Person appointed by the General Partner to serve as an employee or agent of the Partnership shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(l) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such

Person shall be subject.

Section 5.3 Transactions with Affiliates

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Limited Partner, the Partnership, any of the Fund General Partners or Funds or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Limited Partner, the Partnership, any of the Fund General Partners or Funds or any Affiliate of the foregoing Persons.

Section 5.4 Expenses

(c) The General Partner shall bear all ordinary course costs and expenses arising in connection with the organization and operations of the Partnership. All such costs and expenses shall be treated by AGM as costs and expenses of the Credit Business.

(d) Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.2.

Section 5.5 Rights of Limited Partners

(c) Limited Partners shall have no right to take part in the management, control or conduct of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(d) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Partnership Law.

(e) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

(f) Subject to the Fund LP Agreements and to full compliance with AGM's code of ethics and other written policies relating to personal investment transactions, admission into the Partnership as a Limited Partner of the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

Section 5.6 Other Activities of General Partner

Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

Section 5.7 Duty of Care; Indemnification

(a) The General Partner (including for this purpose each former and present director, officer, stockholder, partner, member, manager or employee of the General Partner) and each Limited Partner (including any former Limited Partner) in his capacity as such, and to the extent such Limited Partner participates, directly or indirectly, in the Partnership's activities, whether or not a Retired Partner (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage, liability or expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement (collectively, "Losses") occasioned by any acts or omissions in the performance of his services hereunder, unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such Losses are due to an act or omission of a Covered Person (i) made in bad faith or with criminal intent or (ii) that adversely affected any Fund and that failed to satisfy the duty of care owed pursuant to the applicable Fund LP Agreement or as otherwise required by law.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any Losses incurred by or imposed upon him by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or his activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any Governmental Authority to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been the General Partner or a Limited Partner or by reason of serving or having served, at the request of any Fund General Partner, as a director, officer, consultant, advisor, manager, stockholder, member or

partner of any enterprise in which any of the Funds has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that his acts or his failure to act (i) were in bad faith or with criminal intent or (ii) were of a nature that makes indemnification by the Funds unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the Final Adjudication of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that he is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5 and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder. Each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article 5, may enforce any rights granted to it pursuant to this Agreement in its own right as if it were a party to this Agreement, and shall be entitled to the benefit of the indemnity granted to the Partnership by each of the Funds pursuant to the terms of the Fund LP Agreements.

(c) To the maximum extent permitted by law, as among any portfolio company of a Fund, a Fund, the Fund General Partner of such Fund and the Partnership, this Section 5.7(c) shall be interpreted to reflect an ordering of liability for potentially overlapping or duplicative indemnification payments, in the following order: first, such portfolio company; second, such Fund; third, such Fund General Partner; and fourth, the Partnership (in each case, including any applicable insurance coverage that any such indemnitor maintains with respect to any such liability).

(d) To the fullest extent permitted by law, to the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for his good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the Partners to replace such other duties and liabilities of each such Covered Person, save that the General Partner shall act at all times in good faith in accordance with the requirements of the Partnership Law.

(e) To the fullest extent permitted by law, notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may but shall not be required to indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of the issuer of any Portfolio Investment to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Portfolio Investment by the applicable Fund.

ARTICLE 6
ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points

(m) The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be bound by this Agreement and may assign Points to such Person and/or increase the Points of any existing Limited Partner, in each case, subject to and in accordance with Section 7.1.

(n) Each additional Limited Partner shall execute (i) either a counterpart to this Agreement or a separate instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and (ii) the documents contemplated by Section 7.1(b), and shall be admitted as a Limited Partner upon such execution.

Section 6.2 Admission of Additional General Partner

The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner. No reduction in the Points of any Limited Partner shall be made as a result of the admission of an additional general partner or the increase in the Points of any general partner without the consent of such Limited Partner. Any additional general partner shall be admitted as a general partner upon its execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such Person undertakes and agrees to become a General Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a General Partner. The incumbent General Partner shall make such filings with the Registrar as are necessary pursuant to the Partnership Law to effect the legal admission of any additional general partner of the Partnership.

Section 6.3 Transfer of Interests of Limited Partners

(e) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. Notwithstanding the foregoing, any Limited Partner may Transfer to any Related Party of such Limited Partner all or part of such Limited Partner's interest in the Partnership (including his or its right to receive distributions of Operating Profit); provided that the Transfer has been previously approved in writing by the General Partner, such approval not to be unreasonably withheld. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(f) A Limited Partner or his legal representative shall give the General Partner notice before the proposed effective date of any voluntary Transfer and within 30 days after any involuntary Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not result in any of the following consequences:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under Section 708(b)(1)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(g) If any Transfer permitted by this Section 6.3 shall result in multiple ownership of any Limited Partner's interest in the Partnership, the General Partner may require one or more trustees or nominees whose names will be entered in the Register of Partners, to be designated to hold the legal title to the interest and to represent the entire interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferees have pursuant to the provisions of this Agreement. The Partnership shall not otherwise be required to recognize any trust or other beneficial ownership of any interest.

(h) A permitted transferee shall be entitled to the allocations and distributions attributable to the economic interest in the Partnership transferred to such transferee (and any such payment shall constitute a good and valid discharge of such obligation on the part of the General Partner); provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until he becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such transferee undertakes and agrees to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(i) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner's interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(j) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership's assets to be adjusted as provided by Section 734 or 743 of the Code.

(k) The Partnership shall maintain books for the purpose of registering the Transfer of partnership interests in the Partnership. No Transfer of a partnership interest shall be effective until the Transfer of the partnership interest is registered by the General Partner on the Register of Partners.

Section 6.4 Withdrawal of Partners

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner's entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

Section 6.5 Pledges

(d) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(e) Notwithstanding Section 6.5(a), any Limited Partner may grant to a bank or other financial institution a security interest in such part of such Limited Partner's interest in the Partnership as relates solely to the right to receive distributions of Operating Profit in the ordinary course of obtaining *bona fide* loan financing to fund his contributions to the capital of any Fund, any applicable Co-Investors (A) Entity, any of the Public Vehicles and/or any other investment fund or vehicle that forms part of the Credit Business. If the interest of the Limited Partner in an open-ended Fund or Co-Investors (A) Entity or any portion thereof in respect of which a Limited Partner has granted a security interest ceases to be owned by such Limited Partner in connection with the exercise by the secured party of remedies resulting from a default by such Limited Partner with respect to such Limited Partner's interest in such Fund or Co-Investors (A) Entity, such interest of the Limited Partner in the Partnership or portion thereof shall thereupon become a non-voting interest and the holder thereof shall not be entitled to vote on any matter pursuant to this Agreement.

(f) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve.

(g) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

ARTICLE 7
ALLOCATION OF POINTS; ADJUSTMENTS OF POINTS AND RETIREMENT OF PARTNERS

Section 7.1 Allocation of Points

(c) Except as otherwise provided herein, the General Partner shall be responsible for the allocation of Points from time to time to the Limited Partners. The General Partner may allocate Points to a new Limited Partner and/or increase or reduce the Points of any existing Limited Partner at any time; provided that (i) except as expressly set forth in a Limited Partner's Award Letter, the General Partner may reduce such Limited Partner's Points only in December 2016 and thereafter in December of each subsequent even-numbered year, (ii) except as expressly set forth in this Agreement, in no event will any Points be allocated to AGM or any of the Founding Partners or their respective Affiliates, and (iii) the allocation or reallocation of Points will be on such terms as are consistent with the treatment of the Points as profits interests for U.S. federal income tax purposes. For the avoidance of doubt, notwithstanding anything to the contrary contained herein, the Points constitute a "single" pool and entitle the holders hereof to share in all of the Operating Profit and Operating Loss of the Partnership, howsoever derived, on the terms and conditions set forth herein. Notwithstanding anything to the contrary herein, there shall be a maximum of 1,000 Points available for issuance.

(d) Unless otherwise agreed by the General Partner, as a condition to the continued holding by a Limited Partner of any Points, concurrently with the Partnership's becoming a partner or member of any Fund General Partner after the date hereof:

(v) with respect to any closed-end Fund, each such Limited Partner shall execute and deliver to the General Partner the following documents, in form and substance reasonably satisfactory to the General Partner: (A) a

customary and standard guarantee or guarantees, for the benefit of such Fund's investors, of such Limited Partner's Giveback/Clawback Share of the Partnership's obligation to make Clawback Payments, and/or (B) a customary and standard undertaking to reimburse any Affiliate of AGM for any payment made by it that is attributable to such Limited Partner's Giveback/Clawback Share of any Clawback Payment;

(vi) with respect to any Fund, each such Limited Partner shall execute and deliver the Co-Investors (A) Partnership Agreement of the applicable Co-Investors (A) Entity and each Co-Investors (A) Entity shall have accepted the capital commitment or investments, as the case may be, from such Limited Partner (or his Related Party, as applicable) in an amount equal to such Limited Partner's Required Commitment for such Fund (or, in the case of an open-end Fund, in an amount at least equal to the installment of such Limited Partner's then Required Commitment for such Fund that is due and payable); and

(vii) with respect to any open-end or publicly traded Fund that does not have a corresponding Co-Investors (A) Entity, such Limited Partner shall complete, execute and deliver the applicable subscription agreement for such Fund and tender an amount at least equal to the installment of such Limited Partner's then Required Commitment for such Fund that is due and payable), and such Fund's Fund General Partner shall have accepted such subscription from such Limited Partner (or his Related Party, as applicable).

(e) Any change to a Limited Partner's Points pursuant to this Agreement or such Limited Partner's Award Letter shall apply on a prospective basis only, from and after the effective date of such change; it being understood that such Limited Partner shall not be required to refund to the Partnership any distributions received by such Limited Partner in respect of his Points prior to such change, solely as a result of any such change.

(f) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and promptly upon any change in such Limited Partner's Points pursuant to this Article 7 and such notice shall include the calculations used by the General Partner to determine the amount of any such reduction.

(g) Subject to the limitations imposed under Section 7.1(a)(ii) and (iii) regarding the allocation of Points, any Points that are forfeited under this Agreement or a Limited Partner's Award Letter may be reallocated by the General Partner, in its sole discretion, following consultation with AGM Credit Senior Management, to any Person or Persons. Until any such reallocation by the General Partner, forfeited Points shall be deemed reallocated to James Zelter (or his successor as head of the Credit Business), except that, unless otherwise determined by the General Partner (including as regards any distribution to pay taxes incurred by Mr. Zelter, net of any tax benefit conferred upon him, in respect of the reallocation of such forfeited Points to Mr. Zelter), Mr. Zelter shall not be entitled to any allocations or distributions on such forfeited Points and shall instead hold them for the benefit and on behalf of the Person or Persons to whom they are reallocated, which reallocation(s), unless otherwise determined by the General Partner, shall occur not later than the fourth quarter of the Fiscal Year in which the Points were forfeited.

(h) If the Partnership is granted additional points at the Fund General Partner-level in connection with causing dilution in the sharing of Carried Interest Revenues to be borne by APH and by the then existing Limited Partners of the Partnership, then the economic benefit attaching to such additional points shall inure to the benefit of the Limited Partners. If thereafter any Points are forfeited, then the points at the Fund General Partner-level that are held by the Partnership and APH will be adjusted so as to restore them to the number thereof prior to the adjustment described in the preceding sentence, and only after such restoration is complete, shall the Partnership have the right to reallocate such remaining forfeited Points. The determinations of the General Partner to implement the foregoing shall be final and binding on the Partnership and the Limited Partners.

Section 7.2 Retirement of Partner

(l) A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner terminating such Limited Partner's employment by AGM or an Affiliate thereof, unless otherwise determined by the General Partner;

(ii) delivery by such Limited Partner of at least 90 days' prior written notice to the General Partner, AGM or an Affiliate thereof stating that such Limited Partner elects to resign from or otherwise terminate his or her employment by or service to AGM or an Affiliate thereof; or

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Disability of the Limited Partner.

(m) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the

exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner; it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points

(g) The consequences of a Limited Partner's retirement on his Points shall be set forth in such Limited Partner's Award Letter.

(h) Except as otherwise set forth in a Limited Partner's Award Letter, upon a Limited Partner's becoming a Retired Partner, as of his Retirement Date, he shall automatically cease to be a Limited Partner and shall be entitled to a payment in an amount equal to the balance of his Capital Account as of his Retirement Date (other than the portion of such Capital Account as is attributable to a Book-Tax Difference as of such date), as adjusted for any Operating Loss allocable to such Retired Partner pursuant to Section 3.4 (his "Retirement Withdrawal Proceeds"); provided that any such Book-Tax Difference that was recognized by such Retired Partner as taxable income or gain prior to his Retirement Date shall be included in his Retirement Withdrawal Proceeds. Such Retirement Withdrawal Proceeds will generally be paid at the same time as such amounts would otherwise have been distributed to such Retired Partner under Section 4.1 had such Retired Partner remained a Limited Partner; provided that the General Partner may (i) delay such payment if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Partnership, any Fund or the remaining Partners, and (ii) hold back from any payments such reserves as the General Partner determines to be necessary or appropriate, including as provided in Section 3.8 and Section 7.3(c). Amounts paid to a Retired Partner will not be adjusted as a result of audit adjustments made after the final payment date relating to the Retirement Withdrawal Proceeds and will not earn interest for the period from such Retired Partner's Retirement Date through the settlement date. The General Partner may deduct from any Retirement Withdrawal Proceeds due to any Retired Partner an amount representing the actual or estimated expenses of the Partnership associated with processing such withdrawal and any other amounts owed by the Retired Partner to the General Partner or its Affiliates whether under this Agreement or otherwise.

(i) The right of any Retired Partner to receive distributions pursuant to Section 7.3(b) shall be subject to the provision by the General Partner for all liabilities of the Partnership and for reserves for contingencies as provided in Section 3.8.

ARTICLE 8
DISSOLUTION AND LIQUIDATION

Section 8.1 Dissolution and Liquidation of Partnership

(n) The General Partner, except where, the General Partner is unable to perform this function, a liquidator elected by a majority in interest (determined by Points) of Limited Partners, shall commence the winding-up of the Partnership pursuant to the Partnership Law upon the occurrence of any Winding-Up Event. The General Partner or appointed liquidator shall terminate the business and administrative affairs of the Partnership and commence the liquidation of the Partnership's assets.

(o) Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership, including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts in accordance with Article 4.

(p) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon the winding-up of the Partnership, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(b); provided that if any in kind distribution is to be made, the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(b).

(q) Upon completion of the winding-up of the Partnership in accordance with the terms hereof, the Partnership shall be dissolved by the filing of a notice of dissolution in accordance with the provisions of the Partnership Law.

ARTICLE 9
GENERAL PROVISIONS

Section 9.1 Consistent Economic Treatment

Except as otherwise specifically provided herein or in any Limited Partner's Award Letter, the General Partner shall not treat any Limited Partner in a manner that is adverse in comparison with the treatment of APH or its Affiliates in respect of their direct interests in the applicable Fund General Partners with respect to allocations of Operating Profit, distributions (including liquidating distributions) of Operating Profit (including form, timing and amount of such distributions), Point dilution and funding of Giveback/Clawback Shares (and the corresponding concepts in the applicable Fund GP Agreements). For the avoidance of doubt, the foregoing is not intended to limit the General Partner's authority (i) relating to forfeiture of Points due to retirement or Bad Acts in accordance with the terms and conditions set forth herein, (ii) to enter into any Award Letter or Other Agreement with a Team Member in connection with an award of Points to such Team Member providing for special allocations of income or a reapportionment of distributions attributable to such Points for the purpose of eliminating or reducing a current recognition of taxable income by such Team Member as a result of such Point award, or (iii) to implement any of the special allocation or special distribution provisions of this Agreement.

Section 9.2 Amendment of Partnership Agreement and Co-Investors (A) Partnership Agreements

(h) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner by giving notice of such amendment to any Limited Partner whose rights or obligations as a Limited Partner pursuant to this Agreement are changed thereby; provided that: (i) any amendment that would disproportionately effect a material adverse change in the contractual rights or obligations of a Limited Partner vis-à-vis all other Limited Partners (such rights or obligations determined without regard to the amendment power reserved herein) may only be made if the written consent of such Limited Partner is obtained prior to the effectiveness thereof; and (ii) any amendment that (x) increases a Limited Partner's obligation to contribute to the capital of the Partnership, or (y) increases such Limited Partner's Giveback/Clawback Share shall not be effective with respect to such Limited Partner, unless such Limited Partner consents thereto in advance in writing. Notwithstanding the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner to enable the Partnership to (i) comply with the requirements of the "Safe Harbor" Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation Section 1.83-3(e)(1) or Proposed Treasury Regulation Section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement and (ii) comply with applicable law; provided that any amendment pursuant to clause (i) that would cause a Limited Partner's rights to allocations and distributions to suffer a material adverse change only may be made if the written consent of such Limited Partner is obtained prior to the effectiveness thereof. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 7.1 or Section 7.3 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.2(a).

(i) Notwithstanding the provisions of this Agreement, including Section 9.2(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements ("Other Agreements") with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in an Other Agreement with one or more Limited Partners shall govern with respect to such Limited Partner or Limited Partners notwithstanding the provisions of this Agreement. Any Other Agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement, but no such Other Agreement between the General Partner and any Limited Partner or Limited Partners and the Partnership shall adversely amend the contractual rights or obligations of any other Limited Partner without such other Limited Partner's prior consent.

(j) The provisions of this Agreement that affect the terms of any Co-Investors (A) Partnership Agreement applicable to Limited Partners constitute a "side letter or similar agreement" between each Limited Partner and the general partner of the applicable Co-Investors (A) Entity, which has executed this Agreement exclusively for purposes of confirming the foregoing.

(k) Notwithstanding any term of this Agreement, the consent of or notice to any Person who is not a party to this Agreement shall not be required for any termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under this Agreement at any time.

Section 9.3 Special Power-of-Attorney

(f) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 9.2);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the Cayman Islands, the United States of America, or any other jurisdiction, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as an exempted limited partnership or partnership in which the limited partners thereof enjoy limited liability;

(iii) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the United States Securities Exchange Act of 1934, as amended, or that is registered under the United States Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(iv) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 9.6(c)).

(g) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without his consent. If an amendment to this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is intended to secure an interest in property and, in addition, the obligations of each Limited Partner under this Agreement, and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power- of-attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 9.4 Notices

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of Leon D. Black with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at his Partnership office or electronically to the primary e-mail account supplied by the Partnership for Partnership business communications, except that a notice to a Retired Partner or a notice demanding cure of a Bad Act shall be considered given only when delivered by hand or by a recognized overnight courier or delivered by mailing through the United States Postal System by regular mail to such Retired Partner's Home Address.

Section 9.5 Agreement Binding Upon Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors by operation of law, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.6 Merger, Consolidation, etc.

(a) Subject to Section 9.6(b) and Section 9.6(c), the Partnership may merge or consolidate with or into one or more limited partnerships formed under any applicable law or other business entities under any applicable law pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 9.6(c), but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 9.6(a) may, to the extent permitted by Section 9.6(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the power and authority to approve and implement any merger, consolidation or other reorganization, restructuring or similar transaction without the consent of any Limited Partner, other than any Limited Partner with respect to which the General Partner has determined that such transaction will, or will reasonably be likely to, result in any material adverse change in the financial and other material rights of such Limited Partner conferred by this Agreement and any Other Agreement entered into pursuant to Section 9.2(b) or the imposition of any material new financial or other obligation on such Limited Partner. Subject to the foregoing, the General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

Section 9.7 Governing Law; Dispute Resolution

(a) This Agreement, and the rights and obligations of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the Cayman Islands.

(b) Subject to Section 9.7(c), any dispute, controversy, suit, action or proceeding arising out of or relating to this Agreement, other than injunctive relief, will be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York (applying Cayman Islands law) in accordance with, and pursuant to, the applicable rules of JAMS (" JAMS"). The arbitration shall be conducted on a strictly confidential basis, and none of the parties shall disclose the existence of a claim, the nature of a claim, any documents, exhibits, or information exchanged or presented in connection with such a claim, or the result of any action, to any third party, except as required by law, with the sole exception of their legal counsel and parties engaged by that counsel to assist in the arbitration process, who also shall be bound by these confidentiality terms. The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Any party hereto may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The party that is determined by the arbitrator not to be the prevailing party will pay all of the JAMS's administrative fees and the arbitrator's fee and expenses. If neither party is so determined, such fees shall be shared. Each party shall be responsible for such party's own attorneys' fees. IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTNER AND THE PARTNERSHIP WAIVE AND COVENANT THAT THE PARTNER AND THE PARTNERSHIP WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT THE PARTNERSHIP OR ANY OF ITS AFFILIATES OR ANY PARTNER MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTNERSHIP AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTNER, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS AGREEMENT WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(c) Nothing in this Section 9.7 will prevent the General Partner or a Limited Partner from applying to a court for preliminary or interim relief or permanent injunction in a judicial proceeding (*e.g.*, injunction or restraining order), in addition to and not in lieu of any other remedy to which it may be entitled at law or in equity, if such relief from a court is necessary to preserve the status quo pending resolution or to prevent serious and irreparable injury in connection with any breach or anticipated breach of covenants applicable pursuant to a Limited Partner's Award Letter; provided, however, that all parties explicitly waive all rights to seek preliminary, interim, injunctive or other relief in a judicial proceeding and all parties submit to the exclusive jurisdiction of the forum described in Section 9.7(b) hereto for any dispute or claim concerning continuing entitlement to distributions or other payments, even if such dispute or claim involves or relates to any restrictive covenants set forth in a Limited Partner's Award Letter. For the purposes of this Section 9.7(c), each party hereto consents to the exclusive jurisdiction and venue of the courts of the state and federal courts within the County of New York in the State of New York.

Section 9.8 Termination of Right of Action

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.9 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Except with respect to the rights of Covered Persons hereunder, each of whom shall be an intended beneficiary and shall be entitled to enforce the provisions of Section 5.7, this Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.10 Reports

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes his distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year, including a copy of the United States Internal Revenue Service Schedule "K-1" issued by the Partnership to such Limited Partner, and a reconciliation of any difference between (i) such Operating Profit or Operating Loss and (ii) the aggregate net profits or net losses allocated by the Fund General Partners to the Partnership for such year.

Section 9.11 Filings

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for U.S. federal, state and local income tax purposes.

Section 9.12 Counterparts

This Agreement may be executed in one or more counterparts, including by facsimile or other electronic signature. All such counterparts so executed shall constitute an original agreement binding on all the parties, but together shall constitute but one instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, as a deed, on the date first set forth above.

GENERAL PARTNER:

APOLLO CIP GENPAR, LTD.

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt

Title: Vice President

In the presence of:

/s/ Adam Augusiak-Boro
Name of Witness: Adam Augusiak-Boro

INITIAL LIMITED PARTNER:

(solely for the purpose of Section 2.9)

__/s/ Joseph D. Glatt___________
Joseph D. Glatt

In the presence of:

/s/ Adam Augusiak-Boro
Name of Witness: Adam Augusiak-Boro

For the purposes of Section 9.2(c) only:

APOLLO CO-INVESTORS MANAGER, LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt

Title: Vice President

In the presence of:

/s/ Adam Augusiak-Boro
Name of Witness: Adam Augusiak-Boro

[FORM OF AWARD LETTER]

APOLLO CIP PARTNER POOL, L.P.

[Name]

[Address]

Dear [Name]:

Reference is made to the Amended and Restated Agreement of Exempted Limited Partnership of Apollo CIP Partner Pool, L.P. (the "Partnership"), as in effect from time to time (the "Partnership Agreement"). This Award Letter confirms the number of Points you are being awarded in the Partnership and certain terms in relation to the Partnership Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Partnership Agreement.

I. Your Initial Point Award

You are being granted [˜] Points on the terms set forth in this Award Letter and the Partnership Agreement.

II. No Vesting

Your Points are not subject to vesting.

III. Dilution

1. Your Points may be subject to *pro rata* dilution if the General Partner subsequently allocates Points to existing or new Limited Partners of the Partnership who are senior business leaders from AGM's Credit Business. The first [˜]% of dilution in respect of all Points in the Partnership that would otherwise be borne by all then existing Limited Partners of the Partnership shall instead dilute only the Points in the Partnership initially allocated to [˜]. Thereafter, for new issuances of Points agreed to between AGM Credit Senior Management and the Executive Committee of AGM, it is intended that the dilution in the sharing of the Carried Interest Revenue will be borne by all then existing Limited Partners and APH on a *pro rata* basis (determined as of the effective date of the dilution). Accordingly, in order to implement this dilution: (i) if the Partnership is a direct limited partner of the applicable Fund General Partners, then the underlying points of the Partnership and APH, in each case, in respect of their interests in each of the applicable Fund General Partners will be adjusted so that the Partnership's points attributable to each such Fund General Partner will be appropriately increased and APH's points attributable to each such Fund General Partner will be appropriately decreased; (ii) if the Partnership is an indirect limited partner of the applicable Fund General Partners, holding its interests in such Fund General Partners through an intermediate pooling vehicle that has been formed to facilitate the sharing of Carried Interest Revenues by the Partnership and others (each, an "Intermediate Pooling Vehicle"), then the underlying points of each such Intermediate Pooling Vehicle and APH, in each case, in respect of their interests in each of the applicable Fund General Partners will be adjusted so that the points held by the Intermediate Pooling Vehicle attributable to each such Fund General Partner will be appropriately increased and APH's points attributable to each such Fund General Partner will be appropriately decreased, with the economic benefit attaching to the additional points granted to the Intermediate Pooling Vehicle inuring solely to the benefit of the Partnership, in its capacity as a limited partner, member or other equityholder of such Intermediate Pooling Vehicle, and not to any other limited partner, member or other equityholder of such Intermediate Pooling Vehicle; and (iii) the Points in the Partnership of the then existing Limited Partners will be appropriately reduced. If thereafter any Points are forfeited, (A) (i) the points attributable to each Fund General Partner held by the Partnership and APH or (ii) if the Partnership is an indirect limited partner of the applicable Fund General Partner, holding its interests through an Intermediate Pooling Vehicle, then the points attributable to each such Intermediate Pooling Vehicle and APH, in each case, will be adjusted so as to restore them to the number thereof prior to the adjustment described in the preceding sentence, and (B) only after such restoration is complete, shall the Partnership have the right to reallocate such remaining forfeited Points. In each case, the determinations of the General Partner to implement the foregoing shall be final and binding on the Partnership and the Limited Partners (and the applicable Fund General Partners and Intermediate Pooling Vehicles).

2. For purposes of this Award Letter, " Credit Business" means all segments of the credit business of AGM, which, for the avoidance of doubt, includes, without limitation, Opportunistic Credit, European Credit, U.S. Performing Credit, Structured Credit, Non-Performing Loans, Strategic Accounts, CMBS/CRE, CPI Europe, Principal Structured Finance and RMBS, as well as credit

businesses under development, including, but not limited to, Energy Credit and Finco, but excluding assets of Athene Holding Ltd. (and related revenues) that the credit business of AGM does not manage; it being understood that the General Partner, in consultation with AGM Credit Senior Management, shall determine whether business segments acquired or created after the date of this Agreement shall be included in the Credit Business.

IV. Mandatory Purchases and Repurchases of AGM Shares

1. A portion of all distributions to be made to you (whether directly from the Partnership or any Fund General Partner), including in connection with Sections 4.1(e) and 7.3(b) of the Partnership Agreement and the Tail Rate (as defined below), together with any Fee Payments (as defined below) paid to you (the "Holdback Amount"), in each case, in a given fiscal quarter will be required to be used by you to purchase Class A shares of AGM (" AGM Shares") in accordance with the terms and conditions set forth in the Restricted Share Award Agreement under the AGM 2007 Equity Incentive Plan (as defined below) and related grant notice attached hereto as Annex A-1 (the "Restricted Share Award Agreement ") or, to the extent you become a Retired Partner, in accordance with the terms and conditions set forth in the Share Award Agreement under the AGM 2007 Equity Incentive Plan and related grant notice attached hereto as Annex A-2 (the "Retired Partner Share Award Agreement "). You will be required to make an election under Section 83(b) of the Code with respect to each such purchase of AGM Shares with the Holdback Amount. The Holdback Amount will be in an amount not exceeding the applicable amounts determined under the following formula, except to the extent reduced by the Executive Committee of AGM: [˜]

2. The Holdback Amount for a particular quarter, if any, will be distributed to you on the first business day on which a "trading window" for AGM Shares occurs during the calendar quarter following the quarter end to which the distribution relates, or, if earlier, 10 days before the end of such succeeding quarter or, if such date falls on a weekend or holiday, the next preceding business day (the "Grant Date").

3. An Affiliate of AGM shall serve as agent in effecting the acquisition by you of the AGM Shares on the date such amounts are distributed, and no cash distribution will actually be made to you, but rather, the Holdback Amount will be paid directly to AGM on your behalf to acquire AGM Shares. In the case of AGM Shares that are subject to vesting pursuant to the terms of the Restricted Share Award Agreement, the vesting commencement date shall be the midpoint of the calendar quarter in which the Holdback Amount was reserved, without regard to the actual date in a subsequent calendar quarter on which such AGM Shares are purchased with such Holdback Amount; except that the vesting commencement date for the initial AGM Shares to be acquired by you with a Holdback Amount shall be [˜] (the "Applicable Date").

4. The amount of AGM Shares to be acquired on any such distribution date shall be equal to the fair market value of the AGM Shares (calculated based on the volume weighted average price of the AGM Shares on the date such AGM Shares are scheduled to be purchased), rounded down to the nearest whole AGM Share and reduced to reflect any sales commissions or associated costs. Only whole AGM Shares will be acquired, and cash shall be distributed to you in lieu of fractional AGM Shares.

5. Delivery of AGM Shares to you shall be subject to your execution of the applicable grant notice (substantially in the form attached as Annex A-1 or Annex A-2, as applicable).

6. If you are entitled to a Tail Rate (as described below) after you become a Retired Partner, a Holdback Amount shall still apply, but any AGM Shares acquired will not be subject to vesting and may be granted outside of the Apollo Global Management LLC 2007 Equity Incentive Plan (as the same may be amended, supplemented, modified or replaced from time to time, the "AGM 2007 Equity Incentive Plan"). However, such AGM Shares shall be subject solely to the transfer restrictions and other terms set forth in the Retired Partner Share Award Agreement. Notwithstanding anything to the contrary herein, if (i) following the distribution of a Holdback Amount to you and (ii) prior to the time of the acquisition of the applicable AGM Shares with respect to such Holdback Amount for you, you become a Retired Partner, then the AGM Shares (that would have otherwise been acquired with the Holdback Amount), or a portion thereof, as applicable, shall be forfeited to the same extent as AGM Shares would have been forfeited if purchased on the distribution date.

7. In the case of any AGM Shares that are subject to mandatory repurchase by AGM from you pursuant to the provisions of the Restricted Share Award Agreement or the Retired Partner Share Award Agreement, as the case may be, the cash proceeds of such mandatory repurchase shall be contributed by AGM, as agent for you, to the Partnership for distribution to APH and, for all purposes of this Award Letter, such cash contribution shall be treated as contributed by you to the Partnership and will increase your Capital Account, but you shall not have any right to receive any distributions with respect to any such increase in your Capital Account.

8. For purposes of calculating your Giveback/Clawback Share, AGM Shares (including, for the avoidance of doubt, any AGM Shares that have previously vested, but excluding any such AGM Shares that have previously been mandatorily repurchased by AGM) shall be valued, without regard to any restrictions thereon and/or whether or not you still retain such AGM Shares, based on the purchase price of such AGM Shares as of the Grant Date.

9. You will be required to open and maintain a transfer agent account with American Stock Transfer and a brokerage account with Morgan Stanley Smith Barney and/or any replacement transfer agent or brokerage firm selected by AGM (such brokerage firm, the "Designated Broker") for the purpose of purchasing, holding and disposing of AGM Shares as described hereunder. For the purposes of purchasing any AGM Shares as required hereunder, you hereby designate AGM as your authorized agent to instruct the Designated Broker to purchase AGM Shares on your behalf (it being understood that AGM will have the right, but not the obligation, to do so). You hereby (i) agree to execute and deliver such additional documents, certificates and instruments, and perform such additional acts, as may be reasonably requested by AGM as may, in AGM's determination, be necessary or advisable to carry out the provisions of this paragraph 9, and (ii) authorize AGM or its designee to open any of the foregoing accounts on your behalf.

V. Required Commitment

1. In consideration for the grant of Points to you pursuant to this Award Letter, you will be required to make capital commitments or investments (the "Required Commitments") to certain funds managed by AGM's Credit Group (the "Credit Funds") as determined by AGM's Credit Senior Management. To the extent consistent with applicable law, upon your request, the Partnership, the General Partner and AGM shall use their reasonable efforts to assist you in obtaining a credit facility to fund all or a portion of your Required Commitments.

2. In advance of a fiscal year, AGM's Credit Senior Management will propose the allocation of your Required Commitments to be funded in the upcoming year among the applicable Credit Funds (the "Required Commitment Allocation"). Your Required Commitments (including the Scheduled Installments (as defined below) of previously designated Required Commitments) that, in each case, have not been made may be subject to reallocation annually. Your Required Commitments and Required Commitment Allocation for the 2014 fiscal year, and the funding schedule with respect thereto, is set forth on Annex D hereto (it being understood that the Partnership has no obligation to update Annex D after the date hereof, but that all current information with respect to the matters set forth on Annex D shall be recorded in the books and records of the Partnership and shall be available to you following your written request therefor).

3. Your Required Commitment levels will be reviewed for upward revision every two years as agreed by the AGM Executive Committee and AGM Credit Senior Management. Your Required Commitments may be increased only in connection with an increase in your Points, which increase shall be proportionate thereto relative to what your Points had been prior to the adjustment in your Required Commitment.

4. Your Required Commitments will be reduced by any capital commitments made by you since January 1, 2012 to Credit Funds.

5. In the case of closed-end Credit Funds, your Required Commitments will be funded in accordance with capital calls made by such Credit Funds (or the applicable Co-Investors (A) Entity through which you will make your Required Commitment to any such Credit Fund).

6. In the case of open-end and publicly traded Credit Funds, your Required Commitments for such Credit Funds will be funded over four years, beginning on the first day of the first full calendar quarter following the Applicable Date, as follows: [˜] (each such installment, a "Scheduled Installment"); provided that you may, in your sole discretion, satisfy your Required Commitment to any Credit Fund, in whole or in part, prior to any Scheduled Installment.

7. Notwithstanding the redemption or withdrawal provisions of any Credit Fund, you must maintain your investments: (i) in closed-end Credit Funds until your Termination Date (or, if different, according to the term of such Credit Funds); or (ii) in open-end or publicly traded Credit Funds, for five years after the date of any such investment (or until your Termination Date, if earlier).

8. So long as you are not a Retired Partner, you will not be charged any fees or any incentive allocations or carry on your Required Commitments, except where AGM does not have any discretion, such as in the case of the Public Vehicles. Upon your becoming a Retired Partner, AGM reserves the right to charge fees and/or incentive allocations or carry on your interests in any Credit Funds acquired through your capital contributions in respect of your Required Commitments, effective at any time from and after the date you become a Retired Partner and so long as the level of fees and/or incentive allocation or carry charged on such interests in any Credit Funds shall be no greater than the fees and/or incentive allocation or carry charged generally to investors in such Credit Fund.

9. Except as set forth in paragraph 10 below, any interests in any Credit Funds acquired through your capital contributions in respect of your Required Commitments with respect thereto will be owned by you, and shall not be subject to forfeiture (but only to performance risk).

10. If (a) you fail to fund your Required Commitment to a Credit Fund pursuant to the terms of the applicable Co-Investors (A) Partnership Agreement or the applicable Fund LP Agreement, after the cure periods (if any) set forth therein, or (b) in the case of an open-end or publicly traded Credit Fund, you fail to make a Scheduled Installment within 30 days after notice of failure to fund by the quarterly due date for payment by AGM or the applicable Fund General Partner, or (c) you breach any of your obligations under the

Partnership Agreement, and fail to cure such breach within 30 days after notice of breach from the General Partner, the General Partner may elect to forfeit all or a portion of any of the following: (i) your Required Commitments to the applicable Credit Fund(s); (ii) any of your Points; (iii) any points that you have been awarded directly in the applicable Fund General Partner of such Credit Fund(s) (whether vested or unvested); and/or (iv) any of your unvested AGM Shares.

VI. Recoupment Policy

To the extent mandated by applicable law, stock exchange or accounting rule and as set forth in a written recoupment policy (*e.g.,* with respect to compensation paid based on financial statements that are later found to have been materially misstated) adopted by AGM, AGM Shares awarded hereunder and amounts distributed in respect of Points shall be subject to such law or policy.

VII. Fee Payments

So long as you remain a Limited Partner of the Partnership, you will be entitled to receive payments of compensation ("Fee Payments") from Apollo Management Holdings, L.P. or its subsidiaries or successors (the "Management Company Entities") in respect of all pooled investments vehicles managed by the Credit Business that pay incentive fees to the Management Company Entities (the "Incentive Fee Vehicles"). An aggregate percentage of the incentive fees paid by the Incentive Fee Vehicles to the Management Company Entities in respect of a Fiscal Year (the amount determined by applying such aggregate percentage, the "CIP Incentive Fees") will be paid to CIP Participants (as defined below), which percentage, except as otherwise agreed by the General Partner and AGM Credit Senior Management, shall correspond to the aggregate percentage of the Carried Interest Revenues allocated by CIP Vehicles (as defined below) for the benefit of CIP Participants in respect of such Fiscal Year. Unless otherwise determined by the General Partner in consultation with AGM Credit Senior Management, for each Fiscal Year you will receive as a Fee Payment that portion of the CIP Incentive Fees allocable to Limited Partners of the Partnership represented by your Points in the Partnership. Such Fee Payment shall be made in (or by March 15th of the Fiscal Year that follows) the Fiscal Year in respect of which the CIP Incentive Fees were earned. All Fee Payments shall be treated as compensation for all U.S. federal income tax purposes and shall be subject to applicable withholding in accordance with the usual payroll practices of the Management Company Entities. Your rights to Fee Payments pursuant to this Section VII shall not constitute a profits interest, or any other equity interest, in the Management Company Entities. "CIP Participants" means Limited Partners in the Partnership, limited partners in Professionals LP and Team Members who hold points in CIP Vehicles. "CIP Vehicles" means Fund General Partners that, directly or indirectly, make allocations of Carried Interest Revenues to the Partnership. "Team Member" means (i) a natural person whose services to AGM or its Affiliates are substantially dedicated to AGM's or its Affiliates' Credit Business, (ii) a natural person who, following the date hereof, becomes a Retired Partner and who, on or following the date hereof, held Points in his capacity as a Team Member, or (iii) a Related Party of any of the foregoing.

VIII. Bad Act and Designated Act

Each of the terms "Bad Act" and "Designated Act" shall have the meanings set forth in Annex B hereto.

IX. Restrictive Covenants

1. You acknowledge and agree that your willingness to be bound by, and to abide by, the restrictions in favor of AGM regarding confidentiality, non-solicitation, non-interference, non-disparagement and non-competition set forth in Annex C hereto (collectively, the "Restrictive Covenants"), was a material factor in the decision to grant Points to you, and that such grant, any bonus you may receive in respect of Credit Business management company income (a "Management Bonus"), and any Fee Payments would not have occurred in the absence of such binding Restrictive Covenants. You hereby agree to the acknowledgements and covenants set forth on Annex C.

2. If you materially breach any of your Restrictive Covenants in a jurisdiction where such Restrictive Covenant is invalid or unenforceable, the General Partner may elect to forfeit all or a portion of (i) your Points, (ii) any points that you have been awarded directly in any Fund General Partner of any Credit Fund (whether vested or unvested), and/or (iii) any of your unvested AGM Shares.

3. AGM will be subject to restrictions in favor of you regarding non-disparagement set forth in paragraph (f) of Annex C.

4. The confidentiality and non-disparagement restrictions set forth in Annex C hereto shall survive indefinitely following your Termination.

X. Effect of Retirement

Retirements Generally:

Upon becoming a Retired Partner for any reason, all of your Points and your unvested AGM Shares shall automatically be forfeited,

except as provided in the next paragraph, and Sections 4.1(e), 7.3(b) and 7.3(c) of the Partnership Agreement shall apply, unless you become a Retired Partner by reason of a Bad Act.

Retirement Without Cause or Bad Act that gives rise to a Tail Period:

Upon your becoming a Retired Partner without Cause (as defined in the AGM 2007 Equity Incentive Plan) and other than by reason of a Bad Act, and subject to your not having breached any of the Restrictive Covenants and executed (not later than 60 days after your separation from service), and not revoked, a customary general release of claims in favor of AGM (which shall include customary carveouts for indemnity and vested compensatory payments), you will retain the Points you held as of your Retirement Date (it being understood that if the Points have been reduced in accordance with the terms and conditions set forth herein during the 365 days preceding your Retirement Date, then you will retain for such purposes that number of Points equal to the weighted average number of Points awarded to you during such period) (the "Tail Rate") for the duration of the period following your Retirement Date that corresponds to your post-Termination non-compete period (it being understood, for the avoidance of doubt, that such duration shall not be longer than the period during which such post-Termination non-competition covenant applies after your Termination Date (after giving effect to any applicable notice period) and that, provided you have not breached any of the Restrictive Covenants, any waiver by AGM of any portion of the post-Termination non-compete period shall be ignored in determining the duration of your Tail Rate) (any such period during which you have not breached any of your Restrictive Covenants is referred to herein as the "Tail Period"). All of your Points will be automatically forfeited upon the expiration of the Tail Period, and Sections 4.1(e), 7.3(b) and 7.3(c) of the Partnership Agreement shall apply *mutatis mutandis* to you.

The Tail Rate will be applicable only if you become a Retired Partner after a varying period of time following the Applicable Date, depending on your initial employment date with AGM: [˜]

Any payments made to you with respect to the Tail Period shall be made in accordance with the regular payment schedule in effect for Limited Partners who are not Retired Partners from time to time, subject to the foregoing and the requirements of Section 409A of the Code, and shall only be made to the extent of any income previously allocated to you.

XI. Forfeited Points

Subject to Section III, any forfeited Points shall be available to be reallocated; it being understood that the Points of a Partner entitled to a Tail Rate shall not be forfeited until the expiration of such Partner's Tail Period and any distributions arising therefrom shall be made to such Partner to the extent of any income previously allocated to such Partner (notwithstanding that such distribution may occur after the expiration of such Partner's Tail Rate).

XII. [Reserved]

XIII. Miscellaneous

1. The Partnership Agreement, this Award Letter, any Management Bonus or Fee Payment and related documentation and rights are intended to be exempt from Code Section 409A or, if and to the extent subject to Code Section 409A, to comply therewith. Accordingly, to the maximum extent permitted, such documents shall be interpreted and be administered to be in compliance with Code Section 409A. Notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Code Section 409A, no distributions owing by reason of termination of employment or service hereunder shall be due until you would be considered to have incurred a "separation from service" from AGM and/or its Affiliates within the meaning of Code Section 409A. Any distributions that are due within the "short-term deferral period" or fall within the "separation pay exemption" within the meaning of Code Section 409A shall not be treated as deferred compensation unless applicable law requires otherwise. Each amount to be paid or benefit to be provided to a you from AGM and its Affiliates, whether pursuant to the Partnership Agreement or otherwise that constitutes deferred compensation subject to Code Section 409A shall be construed as a separate payment for purposes of Code Section 409A. Notwithstanding anything to the contrary in the Partnership Agreement or related documentation, to the extent that any distributions to be made upon your separation from service would result in the imposition of any individual penalty tax imposed under Code Section 409A on account of your being a "specified employee" within the meaning of Code Section 409A, the distributions shall instead be made on the first business day after the earlier of (i) the date that is six months following such separation from service and (ii) your death. In no event shall AGM or any of its Affiliates (or any agent thereof) have any liability to you or any other Person due to any failure of the Partnership, any Management Bonus, any Fee Payment or any associated documentation to satisfy the requirements of Code Section 409A.

2. No officer, director, employee or agent of AGM or any of its Affiliates shall be personally liable for any action, omission, determination, or interpretation taken or made with respect to the Partnership, any Fee Payment, Management Bonus or any associated documentation.

3. AGM may, in its sole discretion, decide to deliver any documents related to the Partnership Agreement, Fee Payments, any

Management Bonus and any associated documentation by electronic means or to request your consent to participate in any of the foregoing by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate therein through an online or electronic system established and maintained by AGM, an Affiliate or a third party designated thereby.

4. Any Management Bonus or Fee Payment shall be subject to applicable withholding.

5. By your acceptance of, and as a condition of the payment to you of, the initial distributions or other payments on or after the date hereof of any amounts hereunder and under the Partnership Agreement, and in accordance with the Credit Incentive Plan Commitment Letter previously executed by you, you acknowledge and agree that you are subject to this Award Letter, the Partnership Agreement and any other agreements referred to herein or therein and are bound by, and shall be treated as a party to, all of the foregoing agreements (including as the same may be amended or modified from time to time in accordance with their terms).

6. This Award Letter shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the principles of conflicts of laws that would cause the laws of another jurisdiction to apply. Any dispute or controversy involving the Partnership Agreement and this Award Letter and/or any other documents to which you are a party relating to the Credit Business incentive plan of which this Award Letter and the Partnership Agreement form a part shall be governed by and construed in accordance with the laws of the State of Delaware. Any dispute or controversy arising out of or relating to the Partnership, other than injunctive relief in the event of a breach or threatened breach of the Restrictive Covenants, will be settled exclusively by arbitration as provided in the Partnership Agreement, such that the provisions of Section 9.7(b) and 9.7(c) of the Partnership Agreement shall apply *mutatis mutandis* to this Award Letter. This Award Letter is binding on and enforceable against the General Partner, the Partnership and you. This Award Letter may be amended only with the consent of each party hereto. The Partnership or the General Partner may provide copies of this Award Letter to other Persons. This Award Letter may be executed by facsimile and in one or more counterparts, all of which shall constitute one and the same instrument.

[*remainder of page intentionally left blank*]

You have confirmed that the above correctly reflects our understanding and agreement with respect to the foregoing matters.

Very truly yours,

APOLLO CIP PARTNER POOL, L.P.
By: Apollo CIP GenPar, Ltd.,
its General Partner

By:__________
Name:
Title:

APOLLO CIP GENPAR, LTD.
in its capacity as the General Partner of
Apollo CIP Partner Pool, L.P.

By:__________
Name:
Title:

Restricted AGM Share Award Grant Notice
and Restricted AGM Share Award Agreement

Share Award Grant Notice
Share Award Agreement
(for Retired Partners)

Definitions

"Bad Act" means your:

(i) commission of an intentional violation of a material law or regulation in connection with any transaction involving the purchase, sale, loan, pledge or other disposition of, or the rendering of investment advice with respect to, any security, asset, futures or forward contract, insurance contract, debt instrument or currency, in each case, that has a significant adverse effect on your ability to perform your services to AGM or any of its Affiliates;

(ii) commission of an intentional and material breach of a material provision of a written Apollo Code of Conduct (other than any Apollo Code of Conduct adopted after the date of your admission to Apollo CIP Partner Pool, L.P. with the primary purpose of creating or finding "Bad Acts");

(iii) commission of intentional misconduct in connection with your performance of services for AGM or any of its Affiliates;

(iv) commission of any misconduct that, individually or in the aggregate, has caused or substantially contributed to, or is reasonably likely to cause or substantially contribute to, material economic or reputational harm to AGM or any of its Affiliates (excluding any mistake of judgment made in good faith with respect to a portfolio investment or account managed by AGM or its Affiliates, or a communication made to the principals or other partners, in a professional manner, of a good faith disagreement with a proposed action by AGM or any of its Affiliates);

(v) conviction of a felony or plea of no contest to a felony charge, in each case, if such felony relates to AGM or any of its Affiliates;

(vi) fraud in connection with your performance of services for AGM or any of its Affiliates; or

(vii) embezzlement from AGM or any of its Affiliates or interest holders;

provided, however, that:

(a) you have failed to cure within 15 days after notice thereof, to the extent such occurrence is susceptible to cure, the items set forth in clauses (ii) and (iv); and

(b) during the pendency of any felony charge under clause (v), AGM and its Affiliates may suspend payment of any distributions in respect of your Points, and if (I) you are later acquitted or otherwise exonerated from such charge, or (II) your employment or service with AGM or its applicable Affiliate does not terminate, then (A) AGM or its applicable affiliate shall pay to you all such accrued but unpaid distributions with respect to vested Points, with interest calculated from the date such distributions were suspended at the prime lending rate in effect on the date of such suspension, and (B) throughout the period of suspension (or until the date of termination of your employment or service, if earlier), distributions with respect to unvested Points shall continue to accrue, and Points shall continue to vest, in accordance with the terms and conditions set forth herein.

"*Designated Act*" means your:

(i) intentional breach of any material provision of an award agreement or any other agreements of AGM or any of its Affiliates;

(ii) failure to devote a significant portion of your time to performing services as an agent of AGM without the prior written consent of AGM, other than by reason of death or Disability; or

(iii) suspension or other disciplinary action against you by an applicable regulatory authority;

provided, however, that you have failed to cure within 15 days after notice thereof, to the extent such occurrence is susceptible to cure, the item set forth in clause (i).

For purposes of this Annex B, the term "*Affiliate*" includes Portfolio Companies.

Restrictive Covenants

[˜]

2014 Fiscal Year
Required Commitments

and

Required Commitment Allocation

1. Required Commitment: $______________.

2. Required Commitment Allocation: [˜]

3. Funding Schedule: [˜].

CONFIDENTIAL & PROPRIETARY

This limited partnership is the general partner of Apollo Credit Opportunity Fund III LP and Apollo Credit Opportunity Fund III (Offshore) LP and earns "carried interest" on COF III profits.

APOLLO CREDIT OPPORTUNITY ADVISORS III (APO FC) LP

Second Amended and Restated

Agreement of Limited Partnership

Dated as of December 18, 2014

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APOLLO CREDIT OPPORTUNITY ADVISORS III (APO FC) LP

SECOND AMENDED AND RESTATED
AGREEMENT OF LIMITED PARTNERSHIP

SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP of APOLLO CREDIT OPPORTUNITY ADVISORS III (APO FC) LP, a Delaware limited partnership (the "Partnership"), dated as of December __, 2014, by and among Apollo Credit Opportunity Advisors III (APO FC) GP LLC, a Delaware limited liability company, as the sole general partner (the "General Partner"), APH Holdings (FC), L.P., a Cayman Islands exempted limited partnership ("APH"), Apollo CIP Partner Pool, L.P., a Cayman Islands exempted limited partnership ("Partner Pool LP"), Apollo CIP Professionals, L.P., a Delaware limited partnership ("Professionals LP") (with effect from and after January 1, 2015), and the other Persons (as defined below) who shall execute this Agreement, whether in counterpart, by separate instrument, or otherwise, and hereafter shall be admitted to the Partnership as limited partners in accordance with the provisions hereof and whose names and addresses shall, upon such admission, be reflected in the Register of Partners (as defined below) as limited partners of the Partnership (together with APH, Partner Pool LP and Professionals LP, the "Limited Partners," and each, a "Limited Partner").

R E C I T A L S :

A. The Partnership was formed as a limited partnership under the Delaware Act (as defined below) upon the filing of a Certificate of Limited Partnership of the Partnership (the "Certificate") with the Office of the Secretary of State of the State of Delaware on October 22, 2014.

B. The General Partner and APH have entered into an Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of October 24, 2014 (the "Amended Agreement").

C. On October 27, 2014, Apollo Credit Opportunity Advisors III LP transferred, conveyed, assigned and delivered to the Partnership all of its right, title and interest in and to all of the general partner interests in COF III (as defined below).

D. On October 27, 2014, APH Holdings (DC), L.P. transferred, conveyed, assigned and delivered to APH all of its right, title and interest into all of the limited partnership interests in the Partnership.

E. The parties hereto acknowledge and agree that Professionals LP will be admitted to the Partnership effective January 1, 2015, and that the provisions hereof (including rights to allocations and distributions) with respect to Professionals LP will not take effect until such date.

F. The parties hereto desire to amend and restate the Amended Agreement to reflect: (i) the admission of those Persons party hereto who are listed on the Register of Partners as Limited Partners of the Partnership on the date hereof (but subject to Recital E with respect to Professionals LP); and (ii) the modifications set forth herein.

NOW, THEREFORE, the parties hereby agree to amend and restate the Amended Agreement in its entirety to read as follows:

Article 1
DEFINITIONS

Section 1.1 Definitions; Interpretation.

(a) Capitalized terms used but not otherwise defined herein have the following meanings:

"Affiliate" means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person. Except as the context otherwise requires, the term "Affiliate" in relation to AGM includes each collective investment fund and other client account sponsored or managed by AGM or its affiliated asset management entities, but, in each case, does not include Portfolio Companies (except with respect to Bad Acts), Partner Pool LP or Professionals LP or any of the limited partners of Partner Pool LP or Professionals LP.

"AGM" means Apollo Global Management, LLC, a Delaware limited liability company.

"Agreement" means this Second Amended and Restated Agreement of Limited Partnership, as amended or supplemented from time to time.

"Alternative GP Vehicle" has the meaning set forth in Section 3.10.

"Amended Agreement" has the meaning set forth in Recital B.

"APH" has the meaning set forth in the preamble.

"APH Percentage" has the meaning agreed by the General Partner and AGM Credit Senior Management prior to the date hereof.

"Award Letter" means, with respect to any Limited Partner, the letter agreement between the Partnership and such Limited Partner setting forth (i) such Limited Partner's Points, (ii) such Limited Partner's vesting schedule, (iii) the formula applied to calculate the Holdback Amount with respect to such Limited Partner, (iv) any restrictive covenants with respect to such Limited Partner, (v) the definition of "Bad Act," (vi) the definition of "Designated Act," and (vii) any other terms applicable to such Limited Partner.

"Bad Act" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Book-Tax Difference" means the difference between the Carrying Value of a Partnership asset and its adjusted tax basis for United States federal income tax purposes, as determined at the time of any of the events described in the definition of Carrying Value, which for purposes of this Agreement shall include any accrued income in respect of securities contributed to or held (directly or indirectly) by the Partnership as of the date of any such event. The General Partner shall maintain an account in the name of each Limited Partner that reflects such Limited Partner's share of any Book-Tax Difference.

"Capital Account" means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3.

"Capital Loss" means, for each Fund with respect to any Fiscal Year, the portion of any Net Loss allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the applicable Fund LP Agreement.

"Capital Profit" means, for each Fund with respect to any Fiscal Year, the portion of any Net Income allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the applicable Fund LP Agreement.

"Carried Interest Revenues" means distributions received by the Partnership pursuant to Sections 4.2(a)(iv)(A) and 4.2(a)(v)(A) (or the corresponding provisions) of the applicable Fund LP Agreement.

"Carrying Value" means, with respect to any Partnership asset, the asset's adjusted basis for United States federal income tax purposes, except that the Carrying Values of all Partnership assets shall be adjusted to equal their respective fair market values (as determined by the General Partner), in accordance with the rules set forth in Treasury Regulations section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, immediately prior to: (i) the date of the acquisition of any interests in the Partnership by any new Partner or any additional interests by an existing Partner in exchange for more than a *de minimis* capital contribution; (ii) the date of the distribution of more than a *de minimis* amount of any Partnership asset to a Partner, including cash as consideration for an interest in the Partnership; (iii) the date of the grant of more than a *de minimis* profits interest in the Partnership as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner, or by a new Partner acting in his capacity as a Partner or in anticipation of becoming a Partner, including the issuance of Points to Partner Pool LP pursuant to the terms hereof; or (iv) the liquidation of the Partnership within the meaning of Treasury Regulations section 1.704-l(b)(2)(ii)(g); provided, that any adjustment pursuant to clauses (i), (ii) and (iii) above shall be made only if the General Partner reasonably determines that such

adjustments are necessary or appropriate to reflect the relative economic interests of the Partners. The Carrying Value of any Partnership asset distributed to any Partner shall be adjusted immediately prior to such distribution to equal its fair market value (as determined by the General Partner). The Carrying Value of any asset contributed by a Partner to the Partnership shall be the fair market value (as determined by the General Partner) of the asset at the date of its contribution. The General Partner may treat any of the enumerated events in clauses (i) through (iv) hereof that actually occur at Partner Pool LP (or that may be deemed to occur at Partner Pool LP under the terms of the limited partnership agreement of Partner Pool LP, as in effect from time to time) as occurring at the Partnership for purposes of determining the Carrying Value of the Partnership's assets.

"*Catch Up Amount*" means the product derived by multiplying (i) the amount of any Book-Tax Difference arising on the admission to the Partnership of a Newly-Admitted Limited Partner or a reallocation of Points described in Section 4.1(f)(ii) by (ii) the percentage derived by dividing the number of Points issued to the Newly-Admitted Limited Partner or reallocated to the applicable Limited Partner as described in Section 4.1(f)(ii), by the aggregate number of Points on the date the Newly-Admitted Limited Partner is admitted to the Partnership or the date of the applicable reallocation of Points pursuant to this Agreement. The General Partner shall maintain an account in the name of each Newly-Admitted Limited Partner (and any Limited Partner receiving a reallocation of Points in respect of which Section 4.1(f)(ii) applies) that reflects such Limited Partner's Catch Up Amount, which shall be adjusted as necessary to reflect any subsequent reduction in such Book-Tax Difference corresponding to any subsequent negative adjustments to Carrying Value of the Partnership's assets that relate to such Book-Tax Difference, and which may be further adjusted to the extent the General Partner determines in its sole discretion is necessary to cause the Catch Up Amount to be equal to the amount necessary to provide the applicable Limited Partner with a requisite share of Partnership capital based on such Limited Partner's Points in accordance with the terms of this Agreement and such Limited Partner's Award Letter.

"Certificate" has the meaning set forth in Recital A.

"Clawback Payment" means any payment required to be made by the Partnership to any Fund pursuant to Section 10.3(c) (or the corresponding provision) of the Fund LP Agreement of such Fund.

"Clawback Share" means, as of the time of determination, with respect to any Limited Partner and any Clawback Payment a percentage of such Clawback Payment equal to the quotient (expressed as a percentage) of (a) the cumulative amount of Operating Profit attributable to the Fund in respect of which the Clawback Payment is required to be made that has been distributed to such Limited Partner, divided by (b) the cumulative amount so distributed to all Limited Partners with respect to such Operating Profit attributable to such Fund.

"Code" means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

"COF III" means (i) Apollo Credit Opportunity Fund III LP, a Delaware limited partnership, and/or (ii) Apollo Credit Opportunity Fund III (Offshore) LP, a Delaware limited partnership, as the context requires.

"Co-Investors (A)" means Apollo Credit Opportunity Co-Investors III (A), L.P., a Delaware limited partnership.

"Co-Investors (A) Partnership Agreement" means the Amended and Restated Agreement of Limited Partnership of Co-Investors (A), as in effect from time to time.

"Covered Person" has the meaning set forth in Section 5.7(a).

"Credit Business" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"DEUCC" has the meaning set forth in Section 6.5(c).

"Delaware Act" means the Delaware Revised Uniform Limited Partnership Act (6 Del. C. §§ 17-101 *et seq*.), as amended and in effect from time to time, or any successor law.

"Designated Act" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Discretionary Share" has the meaning set forth in Section 4.1(b).

"Disability" has the meaning ascribed to that term in the Apollo Global Management LLC 2007 Omnibus Equity Incentive Plan.

"FATCA" means: (i) Sections 1471 to 1474 of the Code, and any associated legislation, regulations or guidance, or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and/or withholding tax regimes; (ii) any intergovernmental agreement, treaty, regulation, guidance or any other agreement entered into in

order to comply with, facilitate, supplement or implement the legislation, regulations or guidance described in clause (i); and (iii) any legislation, regulations or guidance in an applicable non-U.S. jurisdiction that give effect to the matters outlined in the preceding clauses.

"Final Adjudication" has the meaning set forth in Section 5.7(a).

"Fiscal Year" means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

"Fund" means COF III. Such term also includes each alternative investment vehicle created by COF III, to the extent the context so requires.

"Fund LP Agreement" means the limited partnership agreement of any Fund, as amended from time to time, and, to the extent the context so requires, the corresponding constituent agreement, certificate or other document governing each such Fund.

"General Partner" has the meaning set forth in the preamble, and includes any successor to the business of the General Partner in its capacity as general partner of the Partnership.

"Giveback Share" means, as of the time of determination, with respect to any Limited Partner and any Partner Giveback Payment, a percentage of such Partner Giveback Payment equal to the quotient (expressed as a percentage) of (a) the cumulative amount of Capital Profit and Operating Profit attributable to the Fund in respect of which the Partner Giveback Payment is required to be made that has been distributed to such Limited Partner, divided by (b) the cumulative amount so distributed to all Limited Partners with respect to such Capital Profit and Operating Profit attributable to such Fund.

"Governmental Authority" means: (i) any government or political subdivision thereof, whether non-U.S. or U.S., national, state, county, municipal or regional; (ii) any agency or instrumentality of any such government, political subdivision or other government entity (including any central bank or comparable agency); and (iii) any court.

"Holdback Amount" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Home Address" has the meaning set forth in Section 9.5.

"JAMS" has the meaning set forth in Section 9.8(b).

"Intermediate Pooling Vehicles" means Apollo CIP Hedge Funds, L.P., Apollo CIP Structured Credit, L.P., Apollo CIP European SMAs & CLOs, L.P., Apollo CIP Global SMAs, L.P. and Apollo CIP US SMAs, L.P., each a Cayman Islands exempted limited partnership.

"Limited Partner" means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner, until such Person withdraws entirely as a limited partner of the Partnership, in his or her capacity as a limited partner of the Partnership. All references herein to a Limited Partner shall be construed as referring collectively to such Limited Partner and to each Related Party of such Limited Partner (and to each Person of which such Limited Partner is a Related Party) that also is or that previously was a Limited Partner, except to the extent that the General Partner determines that the context does not require such interpretation as between such Limited Partner and his Related Parties.

"Losses" has the meaning set forth in Section 5.7(a).

"Manager" or "*Investment Manager*" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Income" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Loss" has the meaning ascribed to that term in each of the Fund LP Agreements.

"*Newly-Admitted Limited Partner*" has the meaning set forth in Section 4.1(f)(i).

"Operating Loss" means, with respect to any Fiscal Year, any Net Loss, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for U.S. federal income tax purposes. Operating Loss shall not include any loss attributable to a Book-Tax Difference.

"Operating Profit" means, with respect to any Fiscal Year, any Net Income, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for U.S. federal income tax purposes. Operating Profit shall not include any income or gain attributable to a Book-Tax Difference.

"Other Agreements" has the meaning set forth in Section 9.3(b).

"*Other Phantom Operating Profit*" has the meaning set forth in Section 3.4(a).

"Partner" means the General Partner or any of the Limited Partners, and "*Partners*" means the General Partner and all of the Limited Partners.

"Partner Giveback Payment" means any payment required to be made by the Partnership to any Fund pursuant to Section 6.5(c) (or the corresponding provision) of the Fund LP Agreement of such Fund.

"Partner Pool LP" has the meaning set forth in the preamble.

"Partnership" has the meaning set forth in the preamble.

"Person" means any individual, partnership (whether or not having separate legal personality), corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

"*Phantom Operating Profit Limitation*" has the meaning set forth in Section 3.4(a).

"Point" means a share of Operating Profit or Operating Loss. The aggregate number of Points available for assignment to all Partners shall be 2,000.

"Portfolio Company" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Portfolio Investment" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Professionals LP" has the meaning set forth in the preamble.

"Public Vehicles" means (i) Apollo Investment Corporation (NASDAQ: AINV); (ii) Apollo Commercial Real Estate Finance, Inc. (NYSE: ARI); (iii) Apollo Residential Mortgage, Inc. (NYSE: AMTG); and (iv) Apollo Tactical Income Fund Inc. (NYSE: AIF).

"Reference Rate" means the interest rate announced publicly from time to time by JPMorgan Chase Bank in New York, New York as such bank's prime rate.

"Register of Partners" means a register of partners to be maintained by the General Partner showing the following information with respect to each Partner: name, address, date of admission and retirement and required capital contribution (if any).

"Related Party" means, with respect to any Limited Partner:

(a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner's parent, or any natural Person who occupies the same principal residence as such Limited Partner;

(b) any trust or estate in which such Limited Partner and any Related Party or Related Parties (other than such trust or estate) collectively have more than 80% of the beneficial interests (excluding contingent and charitable interests);

(c) any entity of which such Limited Partner and any Related Party or Related Parties (other than such entity) collectively are beneficial owners of more than 80% of the equity interest; and

(d) any Person with respect to whom such Limited Partner is a Related Party.

"Required Commitment" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Retired Partner" means any Limited Partner who has become a retired partner in accordance with or pursuant to

Section 7.2.

"Retirement Date" means, with respect to any Limited Partner, the date as of which such Person becomes a Retired Partner.

"Safe Harbor" means the election described in the Safe Harbor Regulation, pursuant to which a partnership and all of its partners may elect to treat the fair market value of a partnership interest that is transferred in connection with the performance of services as being equal to the liquidation value of that interest.

"Safe Harbor Election" means the election by a partnership and its partners to apply the Safe Harbor, as described in the Safe Harbor Regulation and IRS Notice 2005-43, issued on May 20, 2005.

"Safe Harbor Regulation" means Proposed Regulations Section 1.83-3(l) issued on May 24, 2005.

"Team Member" has the meaning ascribed to that term in a Limited Partner's Award Letter.

"Transfer" means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of his or her interest in the Partnership or an economic benefit thereof (whether with respect to, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

"Vested Points" means, with respect to any Limited Partner (other than Partner Pool LP and Professionals LP), as of the date of determination, such Limited Partner's Points that have vested, as calculated in accordance with the provisions set forth in such Limited Partner's Award Letter.

(b) The headings in this Agreement are inserted for convenience of reference only and shall not affect the interpretation of this Agreement. As used herein, masculine pronouns shall include the feminine and neuter, neuter pronouns shall include the masculine and the feminine, and the singular shall be deemed to include the plural. The use of the word "including" herein shall not be considered to limit the provision which it modifies but instead shall mean "including, without limitation."

(c) As used in this Agreement, the phrases "any provision of this Agreement," "the provisions of this Agreement" and derivative or similar phrases, and the terms "hereof," "herein," "hereby" and derivative or similar words, shall mean or refer only to any express provision actually written in this Agreement and not to any provision of the Delaware Act that may have application to the Partnership.

ARTICLE 2
FORMATION AND ORGANIZATION

Section 2.1 Formation

The Partnership was formed and is hereby continued as a limited partnership under and pursuant to the Delaware Act. The General Partner shall execute, acknowledge and file any amendments to the Certificate as may be required by the Delaware Act, and any other instruments, documents and certificates which, in the opinion of the Partnership's legal counsel, may from time to time be required by the laws of the State of Delaware, the United States of America or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership.

Section 2.2 Name

The name of the Partnership shall be "Apollo Credit Opportunity Advisors III (APO FC) LP" or such other name as the General Partner hereafter may adopt upon causing an appropriate amendment to be made to this Agreement and to the Certificate to be filed in accordance with the Delaware Act. The General Partner shall give notice of any name change to each Limited Partner.

Section 2.3 Principal Offices; Registered Office and Agent

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the State of Delaware, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Delaware Act.

Section 2.4 Term of Partnership

(a) The term of the Partnership shall continue until the dissolution (without continuation) of all of the Funds or the earliest of:

(i) at any time there are no Limited Partners, unless the business of the Partnership is continued in accordance with the Delaware Act;

(ii) the occurrence of any event that results in the General Partner's ceasing to be a general partner of the Partnership under the Delaware Act; provided that the Partnership shall not be dissolved or required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after notice of the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective from the date of such event, if required, of one or more additional general partners of the Partnership; or

(iii) the entry of a decree of judicial dissolution under Section 17-802 of the Delaware Act.

(b) The parties agree that irreparable damage would be done to the Partnership and reputation of the Partners if any Limited Partner should bring an action to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces his right to seek a decree of dissolution or to seek the appointment of a liquidator for the Partnership, except as expressly provided herein.

Section 2.5 Purpose of the Partnership

The principal purpose of the Partnership is to act as the sole general partner of each of the Funds pursuant to their respective Fund LP Agreements and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto.

Section 2.6 Actions by Partnership

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.7 Admission of Limited Partners

On the date hereof, the Persons whose names are set forth in the Register of Partners under the caption "Limited Partners" shall be admitted to the Partnership or shall continue, as the case may be, as Limited Partners of the Partnership upon their execution of a counterpart of this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner. Additional Limited Partners may be admitted to the Partnership in accordance with Section 6.1.

ARTICLE 3
CAPITAL

Section 3.1 Contributions to Capital

(a) Subject to the remaining provisions of this Section 3.1, (i) any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth in the Register of Partners, and (ii) any such contributions to the capital of the Partnership shall be made as of the date of admission of such Limited Partner as a limited partner of the Partnership and as of each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b) APH shall make capital contributions from time to time to the extent necessary to ensure that the Partnership meets its obligations to make contributions of capital to each of the Funds.

(c) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership, except as may be agreed from time to time between such Partner and the General Partner (including in an Award Letter) and other than as specified in this Section 3.1. No Limited Partner shall be obligated to restore any deficit balance in his Capital Account.

(d) To the extent, if any, that at the time of the Final Distribution (as defined in each of the Fund LP Agreements) or at any time prior thereto (whether pursuant to the provisions of the applicable Fund LP Agreement, upon the determination of the Partnership or otherwise), it is determined that the Partnership, as a general partner of each of the Funds, is required to make any Clawback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership, for ultimate distribution to the limited partners of the relevant Fund, an amount equal to such Limited Partner's Clawback Share of any Clawback Payment, but not in any event, together with any Partner Giveback Payments made by such Limited Partner from the return of distributions of Operating Profit attributable to such Fund, in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund. For purposes of determining each Limited Partner's required contribution, each Limited Partner's allocable share of any Escrow Account (as defined in the Fund LP Agreements), to the extent applied to satisfy any portion of a Clawback Payment, shall be treated as if it had been distributed to such Limited Partner and re-contributed by such Limited Partner pursuant to this Section 3.1(d) at the time of such application. The Partners acknowledge that the Clawback Payment is calculated under the applicable Fund LP Agreement on an after-tax basis, and that accordingly each Limited Partner's Clawback Share will be of an amount that has already taken into account hypothetical taxes that an individual residing in New York City would have owed in respect of the excess carry received by the Partnership under the applicable Fund LP Agreement that gives rise to the Clawback Payment.

(e) To the extent, if any, that it is determined that the Partnership is required to make any Partner Giveback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership, for ultimate contribution to the relevant Fund, an amount equal to such Limited Partner's Giveback Share of any Partner Giveback Payment, but not in any event, together with any Clawback Payments made by such Limited Partner with respect to such Fund, in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Capital Profit and Operating Profit attributable to such Fund.

(f) For the avoidance of doubt, the aggregate Clawback Payments and Partner Giveback Payments required to be made by the Limited Partners hereunder with respect to any Fund shall not exceed the aggregate amount of distributions actually received by the Partnership that: (i) in the case of Clawback Payments, are attributable to Carried Interest Revenues; and (ii) in the case of Partner Giveback Payments, are attributable to Carried Interest Revenues and any other distributions that the Partnership receives from such Fund.

Section 3.2 Rights of Partners in Capital

(c) No Partner shall be entitled to interest on his capital contributions to the Partnership.

(d) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1, or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts

(c) The Partnership shall maintain for each Partner a separate Capital Account in accordance with the provisions of Treas. Reg. Section 1.704-1(b)(2)(iv) and, to the extent consistent with such provisions, the terms of this Agreement.

(d) Each Partner's Capital Account shall have an initial balance equal to the amount of cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(e) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1; plus

(ii) in the case of APH, any Capital Profit allocated to such Partner's Capital Account pursuant to Section 3.4; plus

(iii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4; plus

(iv) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.8 and any receipts determined to be applicable to a prior period pursuant to Section 3.8(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's

Capital Account on a basis which is not in accordance with the current respective Points of all Partners; plus

(v) such Partner's allocable share of any increase in Book-Tax Difference.

(f) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) in the case of APH, any Capital Loss allocated to such Partner's Capital Account pursuant to Section 3.4; plus

(ii) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4; plus

(iii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1 or Section 8.1, including any amount deducted pursuant to Section 4.2 or Section 5.4 from any such amount distributed; plus

(iv) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.8 and any payments determined to be applicable to a prior period pursuant to Section 3.8(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners; plus

(v) such Partner's allocable share of any decrease in Book-Tax Difference.

(g) If securities and/or other property are to be distributed in kind to the Partners or Retired Partners, including in connection with a liquidation pursuant to Section 8.1, they shall first be written up or down to their fair market value as of the date of such distribution, thus creating gain or loss for the Partnership, and the value of the securities and/or other property received by each Partner and each Retired Partner as so determined shall be debited against such Person's Capital Account at the time of distribution.

Section 3.4 Allocation of Profit and Loss

(a) Capital Profit and Operating Profit or Capital Loss and Operating Loss for any Fiscal Year shall be allocated to the Partners so as to produce Capital Accounts for the Partners (such Capital Accounts computed after taking into account any other Capital Profit and Operating Profit or Capital Loss and Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Article 4 with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(d)) such that a distribution of an amount of cash and value of property equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Article 4; provided, however, that, (i) except as the General Partner in its sole discretion may otherwise determine, allocations of Operating Profit to Professionals LP shall not exceed the amount of cash (or value of property) distributed to Professionals LP for the Fiscal Year (the " Phantom Operating Profit Limitation") and any Operating Profit in excess of the Phantom Operating Profit Limitation that would have been allocable to Professionals LP but for the Phantom Operating Profit Limitation instead shall be allocated *pro rata* to the other Limited Partners (other than APH); (ii) the General Partner may, in its sole discretion, determine to specially allocate solely to APH such excess Operating Profit and any additional amounts of Operating Profit that the General Partner determines are in excess of the cash and value of property received by the Partnership for the Fiscal Year ("Other Phantom Operating Profit"); and (iii) the General Partner may allocate Operating Profit and Operating Loss and items thereof in such other manner as it determines in its sole discretion to be appropriate to reflect the Partners' interests in the Partnership. Income, gains and loss associated with a Book-Tax Difference shall be allocated to the Limited Partners that are entitled to a share of such Book-Tax Difference consistent with the account maintained by the General Partner pursuant to the definition of "Book-Tax Difference" and in the manner in which cash or property associated with such Book-Tax Difference is required to be distributed pursuant to the proviso of Section 4.1(b).

(b) Following a special allocation of Operating Profit to the Limited Partners pursuant to the provisos of Section 3.4(a), appropriate adjustments shall be made to the allocation of Operating Profit and Operating Loss to the Limited Partners (including Professionals LP) in one or more subsequent Fiscal Years as the General Partner may determine, in its sole discretion, may be necessary to ensure that the Limited Partners are allocated aggregate Operating Profit (in excess of aggregate Operating Loss) for all Fiscal Years in proportion to their respective Points and (in the case of Professionals LP) Discretionary Share for all such Fiscal Years.

(c) To the extent that the allocations of Capital Loss or Operating Loss contemplated by Section 3.4(a) would cause the Capital Account of any Limited Partner to be less than zero, such Capital Loss or Operating Loss shall to that extent instead

be allocated to and debited against the Capital Account of the General Partner (or, at the direction of the General Partner, to those Limited Partners who are members of the General Partner in proportion to their limited liability company interests in the General Partner). Following any such adjustment pursuant to this Section 3.4(c) with respect to any Limited Partner, any Capital Profit or Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner (or relevant Limited Partners) until the cumulative amounts so credited to the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to this Section 3.4(c) is equal to the cumulative amount debited against the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to this Section 3.4(c).

(d) Each Limited Partner's rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Capital Profit and Operating Profit expressly conferred by this Agreement and any Other Agreement entered into pursuant to Section 9.3(b) and the other rights expressly conferred by this Agreement and any such Other Agreement or required by the Delaware Act, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of his interest, or to have or exercise any other rights, privileges or powers.

(e) For purposes of Section 3.4(a), the General Partner may determine in its sole discretion to allocate any increase in value of the Partnership's assets pursuant to the definition of "Carrying Value" solely to the Limited Partners that are entitled to a Catch Up Amount (*pro rata* based on any method the General Partner determines is reasonable), or to specially allocate Operating Profit to such Limited Partners, or a combination thereof, until such Limited Partners have received an allocation equal to the Catch Up Amount.

(f) Operating Profit and Operating Loss shall be determined on a daily, monthly or other basis, as reasonably approved by the General Partner using any permissible method under Section 706 and the Treasury Regulations thereunder. If any Limited Partner shall be admitted to the Partnership, retire from the Partnership or assigned additional Points at different times during the Partnership's Fiscal Year, Operating Profit or Operating Loss shall be allocated among the Limited Partners on such proper basis as the General Partner shall determine consistent with the applicable requirements under Section 706 of the Code.

Section 3.5 Tax Allocations

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Capital Profit, Capital Loss, Operating Profit and Operating Loss pursuant to the provisions of Section 3.4 for such Fiscal Year; provided that any taxable income or loss associated with any Book-Tax Difference shall be allocated for tax purposes in accordance with the principles of Section 704(c) of the Code in any such manner (as is permitted under that Code Section and the Treasury Regulations promulgated thereunder) as determined by the General Partner in its sole discretion.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving interests in the Partnership (whether under Section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Tax Treatment of Points

(a) The Partnership and each Partner agree to treat the Points and (in the case of Professionals LP) Discretionary Share issued to the Limited Partners other than APH as a *"Profits Interest"* with respect to the Partnership within the meaning of Rev. Proc. 93-27, 1993-2 C.B. 343. In accordance with Rev. Proc. 2001-43, 2001-2 C.B. 191, the Partnership shall treat such a Limited Partner holding Points or Discretionary Share as the owner of such Points and Discretionary Share from the date such Points or Discretionary Share are issued, and shall file its IRS form 1065, and issue appropriate Schedule K-1s to such Limited Partner, allocating to such Limited Partner its distributive share of all items of income, gain, loss, deduction and credit associated with such Points or Discretionary Share as if they were fully vested. Each such Limited Partner agrees to take into account such distributive share in computing its United States federal income tax liability for the entire period during which it holds the Points or Discretionary Share. Except as required pursuant to a *"Determination"* as defined in Section 1313(a) of the Code, none of the Partnership or any Partner shall claim a deduction (as wages, compensation or otherwise) for the fair market value of such Points or (in the case of Professionals LP) Discretionary Share issued to a Limited Partner in respect of the Partnership, either at the time of grant of the Points or Discretionary Share, or at the time the Points or Discretionary Share become substantially vested. The undertakings contained in this Section 3.6 shall be construed in accordance with Section 4 of Rev. Proc. 2001-43. The provisions of this Section 3.6 shall apply regardless of whether or not the holder of Points or Discretionary Share files an election pursuant to Section 83(b) of the Code. This Section 3.6 shall only apply to Points and Discretionary Share granted while Rev. Proc. 93-27, 1993-2 C.B. 343 and Rev. Proc. 2001-43, 2001-2 C.B. 191, remain in effect.

(b) The Partners agree that, in the event the Safe Harbor Regulation is finalized, the Partnership shall be authorized and directed to make the Safe Harbor Election, and the Partnership and each Partner (including any Person to whom an interest in the Partnership is transferred in connection with the performance of services) agrees to comply with all requirements of the Safe Harbor with respect to all interests in the Partnership transferred in connection with the performance of services while the Safe Harbor Election remains effective. The General Partner shall be authorized to (and shall) prepare, execute, and file the Safe Harbor Election. The General Partner shall cause the Partnership to make any allocations of items of income, gain, loss, deduction or expense (including forfeiture allocations) necessary or appropriate to effectuate and maintain the Safe Harbor Election.

Section 3.7 FATCA

(a) Each Limited Partner:

(vi) shall provide, in a timely manner, such information regarding the Limited Partner and its beneficial owners and such forms or documentation as may be requested from time to time by the General Partner or the Partnership to enable the Partnership to comply with the requirements and obligations imposed on it pursuant to FATCA;

(vii) acknowledges that any such forms or documentation requested by the Partnership or its agents pursuant to clause (i), or any financial or account information with respect to the Limited Partner's investment in the Partnership, may be disclosed to any Governmental Authority which collects information in accordance with FATCA and to any withholding agent where the provision of that information is required by such agent to avoid the application of any withholding tax on any payments to the Partnership;

(viii) shall waive, and/or shall cooperate with the Partnership to obtain a waiver of, the provisions of any law which prohibits the disclosure by the Partnership, or by any of its agents, of the information or documentation requested from the Limited Partner pursuant to clause (i), prohibits the reporting of financial or account information by the Partnership or its agents required pursuant to FATCA or otherwise prevents compliance by the Partnership with its obligations under FATCA;

(ix) acknowledges that, if it provides information and documentation that is in anyway misleading, or it fails to provide the Partnership or its agents with the requested information and documentation necessary, in either case, to satisfy the Partnership's obligations under FATCA, the Partnership may (whether or not such action or inaction leads to compliance failures by the Partnership, or a risk of the Partnership or its investors being subject to withholding tax or other penalties under FATCA) take any action and/or pursue all remedies at its disposal, including compulsory withdrawal of the Limited Partner, and may hold back from any withdrawal proceeds, or deduct from the Limited Partner's Capital Account, any liabilities, costs, expenses or taxes caused (directly or indirectly) by the Limited Partner's action or inaction; and

(x) shall have no claim against the Partnership, or its agents, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with FATCA.

(b) Each Limited Partner hereby indemnifies the General Partner and the Partnership and each of their respective partners, members, managers, officers, directors, employees and agents and holds them harmless from and against any FATCA-related liability, action, proceeding, claim, demand, costs, damages, expenses (including legal expenses), penalties or taxes whatsoever which such Person may incur as a result of any action or inaction (directly or indirectly) of such Limited Partner (or any Related Party) described in Sections 3.7(a)(i) through (iv). This indemnification shall survive the Limited Partner's death or disposition of its interests in the Partnership.

Section 3.8 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those Persons who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time; provided that, if any individual reserve item, as adjusted by any increase therein, exceeds the lesser of $500,000 or 1% of the aggregate Capital Account balances of all such Partners, the amount of such reserve, increase or decrease shall instead be charged or credited to those Persons who were Partners at the time, as determined by the General Partner, of the act or omission giving rise to the contingent liability for which the reserve item was established in proportion to their respective Points at that time. The amount of any such reserve charged against the Capital Account of a Partner shall reduce the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1 hereof;

and the amount of any such reserve credited to the Capital Account of a Partner shall increase the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1 hereof.

(b) If at any time an amount is paid or received by the Partnership and such amount exceeds the lesser of $500,000 or 1% of the aggregate Capital Account balances of all Partners at the time of payment or receipt, and such amount was not accrued or reserved for but would nevertheless, in accordance with the Partnership's accounting practices, be treated as applicable to one or more prior periods, then such amount may be proportionately charged or credited by the General Partner, as appropriate, to those Persons who were Partners during such prior period or periods, based on each such Partner's Points for such applicable period.

(c) If any amount is required by Section 3.8(a) or (b) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash, with interest from the date on which the General Partner determines that such credit is required at the Reference Rate in effect on that date. Any amount required to be charged pursuant to Section 3.8(a) or (b) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency, together with a carrying charge at a rate equal to the Reference Rate, of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge. In no event shall a current or former Partner be obligated to satisfy any amount required to be charged pursuant to Section 3.8(a) or (b) other than by means of a debit against such Partner's Capital Account.

Section 3.9 Finality and Binding Effect of General Partner's Determinations

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article 3, including any accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

Section 3.10 Alternative GP Vehicles

If the General Partner determines that for legal, tax, regulatory or other reasons (a) any investment or other activities of a Fund should be conducted through one or more parallel funds or other alternative investment vehicles as contemplated by the applicable Fund LP Agreement, (b) any of such separate entities comprising the Fund should be managed or controlled by one or more separate entities serving as a general partner or in a similar capacity (each, an "Alternative GP Vehicle"), and (c) some or all of the Partners should participate through any such Alternative GP Vehicle, the General Partner may require any or all of the Partners, as determined by the General Partner, to participate directly or indirectly through any such Alternative GP Vehicle and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto with and/or in lieu of the Partnership, and the General Partner shall have all necessary authority to implement such Alternative GP Vehicle; provided that to the maximum extent practicable and subject to applicable legal, tax, regulatory or similar technical reasons, each Partner shall have the same economic interest in all material respects in an Alternative GP Vehicle formed pursuant to this Section 3.10 as such Partner would have had if it had participated in all Portfolio Investments through the Partnership, and the terms of such Alternative GP Vehicle shall be substantially the same in all material respects to those of the Partnership and this Agreement. Each Partner shall take such actions and execute such documents as the General Partner determines are reasonably needed to accomplish the foregoing.

ARTICLE 4
DISTRIBUTIONS

Section 4.1 Distributions

(e) Any amount of cash or property received as a distribution from any of the Funds by the Partnership in its capacity as a partner, to the extent such amount is determined by reference to the capital commitment of the Partnership in, or the capital contributions of the Partnership to, any of the Funds, shall be promptly distributed by the Partnership to APH.

(f) The General Partner shall use reasonable efforts to cause the Partnership to distribute, on a quarterly basis, any available cash or property attributable to items included in the determination of Operating Profit and Book-Tax Difference, subject to the provisions of the Fund LP Agreements relating to Final Distributions on the dissolution or termination of a Fund and subject to the retention of such reserves as the General Partner considers appropriate for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.8. The General Partner shall determine in its sole discretion for

each Fiscal Year the proportion (expressed as a percentage) of the cash and value of property available for distribution to the Limited Partners that shall be distributable to Professionals LP for the Fiscal Year (the " Discretionary Share") in addition to any amounts distributable on the Points held by Professionals LP pursuant to this Article 4. Distributions when made shall be made to the Limited Partners as follows (before adjustment for Holdback Amounts):

(xi) the APH Percentage to APH;

(xii) to Professionals LP, until it has received an amount equal to the Discretionary Share; and

(xiii) the balance to the Limited Partners (other than APH) *pro rata* in accordance with their Points, determined:

(A) in the case of any amount of cash or property received from any of the Funds that is attributable to the disposition of a Portfolio Investment by such Fund, as of the date of such disposition by such Fund; and

(B) in any other case, as of the date of receipt of such cash or property by the Partnership;

provided, however, that any cash or other property that the General Partner determines is attributable to a Book-Tax Difference in the Partnership assets shall be distributed to the Limited Partners that are entitled to a share of such Book-Tax Difference pursuant to the definition of "Book-Tax Difference," with any such distribution to be in the proportion that each such Limited Partner's allocated share of the applicable Book-Tax Difference bears to the total Book-Tax Difference of the asset giving rise to the cash or property.

Notwithstanding the foregoing, the General Partner shall retain from the distribution amount apportioned to each Limited Partner (other than APH, Partner Pool LP and Professionals LP) pursuant to this Section 4.1(b) any Holdback Amount with respect to such Limited Partner, determined in accordance with such Limited Partner's Award Letter. Any Holdback Amount retained by the General Partner pursuant to this Section 4.1(b) shall be considered to have been distributed to the Limited Partners for all purposes of this Agreement.

(g) Distributions of amounts attributable to Operating Profit and Book-Tax Difference shall be made in cash; provided, however, that if the Partnership receives a distribution from a Fund in the form of property other than cash, the General Partner may distribute such property in kind to Partners in proportion to their respective Points.

(h) Any distributions or payments in respect of the interests of Limited Partners unrelated to Capital Profit, Operating Profit or Book-Tax Difference shall be made at such time, in such manner and to such Limited Partners as the General Partner shall determine.

(i) Except as otherwise set forth in a Limited Partner's Award Letter, a Retired Partner shall receive his share of any distribution made pursuant to Section 4.1(b) with respect to which such Retired Partner received an allocation prior to his becoming a Retired Partner in accordance with Section 3.4, which distribution shall be made at the same time and in the same form as such distribution is made to the Limited Partners.

(j) (%4) Except as the General Partner otherwise may determine pursuant to the terms of an Award Letter, any Limited Partner whose admission to the Partnership causes an adjustment to Carrying Values pursuant to the definition of "Carrying Value" (a "Newly-Admitted Limited Partner") shall have the right to receive a special distribution of the Catch Up Amount (before adjustment for Holdback Amounts). Any such special distribution of the Catch Up Amount shall be in addition to the distributions to which the Newly-Admitted Limited Partner is entitled pursuant to Section 4.1(b), and shall be made to the Newly-Admitted Limited Partner (or, if there is more than one such Newly-Admitted Limited Partner, *pro rata* to all such Newly-Admitted Limited Partners based on the aggregate amount of such distributions each such Newly-Admitted Limited Partner has not yet received), after distribution of any amounts attributable to any Book-Tax Difference pursuant to the proviso of Section 4.1(b), from amounts otherwise distributable pursuant to Section 4.1(b) to APH (or other Limited Partners, as the case may be), and shall reduce the amounts distributable pursuant to Section 4.1(b) to APH (or such other Limited Partners), until each applicable Newly-Admitted Limited Partner has received an amount equal to the applicable Catch Up Amount (before adjustment for Holdback Amounts).

(i) The General Partner may determine to provide for a special distribution of a Catch Up Amount in connection with a reallocation of Points pursuant to Article 7 other than in connection with the admission to the Partnership of a Newly-Admitted Limited Partner if the General Partner reasonably believes such an adjustment to Carrying Values is required in order for the reallocated Points to be treated as profits interests for U.S. federal income tax purposes.

(ii) Any reallocation of Points pursuant to Article 7 shall include the right to receive any Catch Up Amount associated with such Points.

(k) The General Partner may reduce (but not below zero) the amounts distributable to the Limited Partners (other than APH) pursuant to Section 4.1(b) by the aggregate amount of any payment (or commitment to make such payment) by any Affiliate of the Partnership to an employee of such Affiliate, if the General Partner determines that such payments (or commitments) are in respect of services provided by the employee to such Affiliate in connection with the Credit Business; provided that no such reduction shall occur by reason of the payment of the Fee Payments (as defined in and) provided for in any award letter issued to a direct or indirect limited partner of Partner Pool LP or any of the Intermediate Pooling Vehicles or of the payment of other similar compensation, salary or bonus amounts that any such employee receives without regard to his interests in, treatment similar to that of a member or limited partner of, or admission to, the Partnership, Partner Pool LP or any general partner, managing member, manager or similar Person of any pooled investment vehicle or managed account that, directly or indirectly, makes allocations of incentive allocations to Partner Pool LP. The amount of any such reduction instead shall be distributed solely to APH.

(l) Any cash or property that the General Partner determines is attributable to the allocation of Operating Profit to the Limited Partners (other than Professionals LP) due to the Phantom Operating Profit Limitation or to the allocation of Other Phantom Operating Profit pursuant to the provisos of Section 3.4(a) shall be distributed to the Limited Partners in accordance with the manner in which such Operating Profit was specially allocated.

(m) Any cash or property that the General Partner determines is attributable to a special allocation of Operating Profit to Professionals LP or the other Limited Partners (other than APH) pursuant to Section 3.4(b) shall be distributed solely to Professionals LP or to the Limited Partners (other than APH), as the case may be, until Professionals LP and such other Limited Partners (other than APH) have received an amount equal to such special allocation.

Section 4.2 Withholding of Certain Amounts

(h) If the Partnership incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner (including withholding under Sections 1471 through 1474 of the Code), then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(i) The General Partner may (i) withhold from any distribution to any Limited Partner pursuant to this Agreement and (ii) arrange the withholding from any distribution from Co-Investors (A) to such Limited Partner any other amounts due from such Limited Partner or a Related Party (without duplication) to the Partnership, Co-Investors (A) or to any other Affiliate of AGM pursuant to any binding agreement or published policy to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.3 Limitation on Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of his interest in the Partnership if such distribution would violate the Delaware Act or other applicable law.

Section 4.4 Distributions in Excess of Basis

Notwithstanding anything in this Agreement to the contrary, the General Partner may refrain from making, at any time prior to the dissolution of the Partnership, all or any portion of any cash distribution that otherwise would be made to a Partner or Retired Partner, if such distribution would exceed such Person's U.S. federal income tax basis in the Partnership. Any amount that is not distributed to a Partner or Retired Partner due to the preceding sentence, as determined by the General Partner, either shall be retained by the Partnership on such Person's behalf or loaned to such Person. Subject to the first sentence of this Section 4.4, 100% of any or all subsequent cash distributions shall be distributed to such Person (or, if there is more than one such Person, *pro rata* to all such Persons based on the aggregate amount of distributions each such Person has not yet received) until each such Person has received the same aggregate amount of distributions such Person would have received had distributions to such Person not been deferred pursuant to this Section 4.4. If any amount is loaned to a Partner or Retired Partner pursuant to this Section 4.4, any such loan shall be on arm's length terms as determined by the General Partner and shall be fully recourse to the Partner or Retired Partner and (i) any amount thereafter distributed to such Person shall be applied to repay the principal amount of such loan and (ii) interest, if any, accrued or received by the Partnership on such loan shall be allocated and distributed to such Person. Any such loan shall be repaid no later than immediately prior to the liquidation of the Partnership. Until such repayment, for purposes of any determination hereunder based on amounts distributed to a Person, the principal amount of such loan shall be treated as having been distributed to such Person.

ARTICLE 5
MANAGEMENT

Section 5.1 Rights and Powers of the General Partner

(j) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership and (ii) for the conduct of the business and affairs of the Partnership, including all such decisions and all such business and affairs to be made or conducted by the Partnership in its capacity as general partner of any of the Funds.

(k) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund LP Agreements and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Act shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(l) The General Partner shall be the tax matters partner for purposes of Section 6231(a)(7) of the Code. Each Partner agrees not to treat, on his United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other laws.

Section 5.2 Delegation of Duties

(g) Subject to Section 5.1, the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(h) Without limiting the generality of Section 5.2(a), the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to and act as an employee or agent of the Partnership and/or General Partner, with such titles and duties as may be specified by the General Partner. Any Person appointed by the General Partner to serve as an employee or agent of the Partnership shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(i) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(j) The General Partner shall be permitted to designate one or more committees of the Partnership, which committees may include Limited Partners as members. Any such committees shall have such powers and authority granted by the General Partner. Any Limited Partner who has agreed to serve on a committee shall not be deemed to have the power to bind or act for or on behalf of the Partnership in any manner and in no event shall a member of a committee be considered a general partner of the Partnership by agreement, estoppel or otherwise or be deemed to participate in the control of the business of the Partnership as a result of the performance of his duties hereunder or otherwise.

(k) The General Partner shall cause the Partnership to enter into an arrangement with the Manager, which arrangement shall require the Manager to pay all costs and expenses of the Partnership.

Section 5.3 Transactions with Affiliates

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise

deal with any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of the foregoing Persons.

Section 5.4 Expenses

(c) Subject to the arrangement contemplated by Section 5.2(e), the Partnership will pay, or reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(d) Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.2.

Section 5.5 Rights of Limited Partners

(c) Limited Partners shall have no right to take part in the management or control of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(d) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Delaware Act.

(e) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

(f) Subject to the Fund LP Agreements and to full compliance with AGM's code of ethics and other written policies relating to personal investment transactions, admission into the Partnership as a Limited Partner of the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

Section 5.6 Other Activities of General Partner

Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

Section 5.7 Duty of Care; Indemnification

(a) The General Partner (including for this purpose each former and present director, officer, stockholder, partner, member, manager or employee of the General Partner) and each Limited Partner (including any former Limited Partner) in his capacity as such, and to the extent such Limited Partner participates, directly or indirectly, in the Partnership's activities, whether or not a Retired Partner (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage, liability or expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement (collectively, "Losses") occasioned by any acts or omissions in the performance of his services hereunder, unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such Losses are due to an act or omission of a Covered Person (i) made in bad faith or with criminal intent or (ii) that adversely affected any Fund and that failed to satisfy the duty of care owed pursuant to the applicable Fund LP Agreement or as otherwise required by law.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any Losses incurred by or imposed upon him by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or his activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any Governmental Authority to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been the General Partner or a Limited Partner or by reason of serving or having served, at the request of the Partnership in its capacity as the general partner of any Fund, as a director, officer, consultant, advisor, manager, stockholder, member or partner of any enterprise in which any of the Funds has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that his acts or his failure to act (i) were in bad faith or with criminal intent or (ii) were of a nature that makes indemnification by the Funds unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the Final Adjudication of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be

a Final Adjudication that he is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5 and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder. Each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article 5, may enforce any rights granted to it pursuant to this Agreement in its own right as if it were a party to this Agreement, and shall be entitled to the benefit of the indemnity granted to the Partnership by each of the Funds pursuant to the terms of the Fund LP Agreements.

(c) To the maximum extent permitted by law, as among any Portfolio Company of a Fund, a Fund and the Partnership, this Section 5.7(c) shall be interpreted to reflect an ordering of liability for potentially overlapping or duplicative indemnification payments, in the following order: first, such Portfolio Company; second, such Fund; and third, the Partnership (in each case, including any applicable insurance coverage that any such indemnitor maintains with respect to any such liability).

(d) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for his good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the Partners to replace such other duties and liabilities of each such Covered Person.

(e) Notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may but shall not be required to indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of the issuer of any Portfolio Investment to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Portfolio Investment by the applicable Fund.

ARTICLE 6
ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points

(l) The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be bound by this Agreement and may assign Points to such Person and/or increase the Points of any existing Limited Partner, in each case, subject to and in accordance with Section 7.1.

(m) Each additional Limited Partner shall execute (i) either a counterpart to this Agreement or a separate instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and (ii) the documents contemplated by Section 7.1(b), and shall be admitted as a Limited Partner upon such execution.

Section 6.2 Admission of Additional General Partner

The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner. No reduction in the Points of any Limited Partner shall be made as a result of the admission of an additional general partner or the increase in the Points of any general partner without the consent of such Limited Partner. Any additional general partner shall be admitted as a general partner upon its execution of a counterpart signature page to this Agreement.

Section 6.3 Transfer of Interests of Limited Partners

(e) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. Notwithstanding the foregoing, any Limited

Partner may Transfer to any Related Party of such Limited Partner all or part of such Limited Partner's interest in the Partnership (including his or its right to receive distributions of Operating Profit); provided that the Transfer has been previously approved in writing by the General Partner, such approval not to be unreasonably withheld. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(f) A Limited Partner or his legal representative shall give the General Partner notice before the proposed effective date of any voluntary Transfer and within 30 days after any involuntary Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not result in any of the following consequences:

(iii) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(iv) result in a termination of the Partnership under Section 708(b)(1)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(v) violate, or cause the Partnership, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(g) If any Transfer permitted by this Section 6.3 shall result in multiple ownership of any Limited Partner's interest in the Partnership, the General Partner may require one or more trustees or nominees whose names will be entered in the Register of Partners, to be designated to hold the legal title to the interest and to represent the entire interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferees have pursuant to the provisions of this Agreement. The Partnership shall not otherwise be required to recognize any trust or other beneficial ownership of any interest.

(h) A permitted transferee shall be entitled to the allocations and distributions attributable to the economic interest in the Partnership transferred to such transferee (and any such payment shall constitute a good and valid discharge of such obligation on the part of the General Partner); provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until he becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a counterpart of this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(i) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner's interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(j) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership's assets to be adjusted as provided by Section 734 or 743 of the Code.

(k) The Partnership shall maintain books for the purpose of registering the Transfer of partnership interests in the Partnership. No Transfer of a partnership interest shall be effective until the Transfer of the partnership interest is registered by the General Partner on the Register of Partners.

Section 6.4 Withdrawal of Partners

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner's entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

Section 6.5 Pledges

(d) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(e) Notwithstanding Section 6.5(a), any Limited Partner may grant to a bank or other financial institution a security interest in such part of such Limited Partner's interest in the Partnership as relates solely to the right to receive distributions of Operating Profit in the ordinary course of obtaining *bona fide* loan financing to fund his contributions to the capital of the Partnership, Co-Investors (A), any of the Public Vehicles and/or any other investment fund or vehicle that forms part of the Credit Business. If the interest of the Limited Partner in the Partnership or Co-Investors (A) or any portion thereof in respect of which a Limited Partner has granted a security interest ceases to be owned by such Limited Partner in connection with the exercise by the secured party of remedies resulting from a default by such Limited Partner or upon the occurrence of such similar events with respect to such Limited Partner's interest in Co-Investors (A), such interest of the Limited Partner in the Partnership or portion thereof shall thereupon become a non-voting interest and the holder thereof shall not be entitled to vote on any matter pursuant to this Agreement.

(f) For purposes of the grant, pledge, attachment or perfection of a security interest in a partnership interest in the Partnership or otherwise, each such partnership interest shall constitute a "security" within the meaning of, and governed by, (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware (the "DEUCC"), and (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

(g) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve. Every certificate representing an interest in the Partnership shall bear a legend substantially in the following form:

> "Each partnership interest constitutes a "security" within the meaning of, and governed by, (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.
>
> THE TRANSFER OF THIS CERTIFICATE AND THE PARTNERSHIP INTERESTS REPRESENTED HEREBY IS RESTRICTED AS DESCRIBED IN THE SECOND AMENDED AND RESTATED AGREEMENT OF LIMITED PARTNERSHIP OF THE PARTNERSHIP, AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME."

(h) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

(i) Notwithstanding any provision of this Agreement to the contrary, to the extent that any provision of this Agreement is inconsistent with any non-waivable provision of Article 8 of the DEUCC, such provision of Article 8 of the DEUCC shall control.

ARTICLE 7
ALLOCATION OF POINTS; ADJUSTMENTS OF POINTS AND RETIREMENT OF PARTNERS

Section 7.1 Allocation of Points

(c) Except as otherwise provided herein, the General Partner shall be responsible for the allocation of Points from time to time to the Limited Partners. The General Partner may allocate Points to a new Limited Partner and/or increase or reduce the Points of any existing Limited Partner at any time; provided that: (1) except as expressly set forth in a Limited Partner's Award Letter, (i) the General Partner may reduce such Limited Partner's Points only in December of each year following the date of the initial allocation of Points to such Limited Partner, (ii) the General Partner may not reduce a Retired Partner's Vested Points, and (iii) the allocation and reallocation of Points will be on such terms as are consistent with the treatment of the Points as profits interests for U.S. federal income tax purposes; (2) Professionals LP shall at all times have at least 0.4% of all Points; and (3) APH and its Affiliates shall in no event have more than the APH Percentage of all Points. Notwithstanding anything to the contrary herein, there shall be a maximum of 2,000 Points available for issuance.

(d) Unless otherwise agreed by the General Partner, the initial allocation of Points to any Limited Partner (other than Partner Pool LP and Professionals LP) shall not become effective until:

(vi) the receipt of the following documents, in form and substance reasonably satisfactory to the General Partner, executed by such Limited Partner: (A) a customary and standard guarantee or guarantees, for the benefit of Fund investors, of the Limited Partner's Clawback Share of the Partnership's obligation to make Clawback Payments, and (B) a customary and standard undertaking to reimburse Apollo Principal Holdings II, L.P. for any payment made by it (or by another AGM Affiliate) that is attributable to such Limited Partner's Clawback Share of any Clawback Payment; and

(vii) the effective date of the acceptance by Co-Investors (A) of a capital commitment from such Limited Partner (or his Related Party, as applicable) in an amount equal to such Limited Partner's Required Commitment as set forth in such Limited Partner's Award Letter.

(e) Any change to a Limited Partner's Points pursuant to this Agreement or such Limited Partner's Award Letter shall apply on a prospective basis only from and after the effective date of such change; it being understood that such Limited Partner shall not be required to refund to the Partnership any distributions received by such Limited Partner in respect of his Points prior to such change, solely as a result of any such change.

(f) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and promptly upon any change in such Limited Partner's Points pursuant to this Article 7 and such notice shall include the calculations used by the General Partner to determine the amount of any such reduction.

(g) Subject to the limitations imposed under Section 7.1(a)(1)(ii) and (iii) regarding the allocation of Points and Section 7.1(f), any Points that are forfeited under this Agreement or a Limited Partner's Award Letter may be reallocated by the General Partner, in its sole discretion, following consultation with AGM Credit Senior Management, to any Person or Persons. Until any such reallocation by the General Partner, forfeited Points shall be deemed reallocated to James Zelter (or his successor as head of the Credit Business), except that, unless otherwise determined by the General Partner (including as regards any distribution to pay taxes incurred by Mr. Zelter, net of any tax benefit conferred upon him, in respect of the reallocation of such forfeited Points to Mr. Zelter), Mr. Zelter shall not be entitled to any allocations or distributions on such forfeited Points and shall instead hold them for the benefit and on behalf of the Person or Persons to whom they are reallocated, which reallocation(s), unless otherwise determined by the General Partner, shall occur not later than the fourth quarter of the Fiscal Year in which the Points were forfeited.

(h) The Points awarded to APH may be reduced from time to time, as determined by the General Partner, to increase the Points to be allocated to any of the other Limited Partners (other than Professionals LP) or to issue Points to any Newly-Admitted Limited Partner with the intention that the dilution resulting therefrom is borne by APH and by the then existing Limited Partners on a *pro rata* basis. Thereafter, if Points become available for reallocation for any reason, then any reduction theretofore made in the Points allocated to APH as described in the preceding sentence shall first be restored, before any further reallocation of such Points. The determinations of the General Partner to implement the foregoing shall be final and binding on the Partnership and the Limited Partners.

Section 7.2 Retirement of Partner

(l) A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner terminating such Limited Partner's employment by AGM or an Affiliate thereof, unless otherwise determined by the General Partner;

(ii) delivery by such Limited Partner of at least 90 days' prior written notice to the General Partner, AGM or an Affiliate thereof stating that such Limited Partner elects to resign from or otherwise terminate his or her employment by or service to AGM or an Affiliate thereof; or

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Disability of the Limited Partner.

(m) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner; it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points

(g) The consequences of a Limited Partner's retirement on his Points shall be set forth in such Limited Partner's Award Letter.

(h) Upon a Limited Partner's becoming a Retired Partner by reason of his Bad Act, as of his Retirement Date, he shall automatically cease to be a Limited Partner and shall forfeit the balance of his Capital Account as of his Retirement Date. Notwithstanding the foregoing, each Retired Partner shall be entitled to a payment in an amount equal to any Book-Tax Difference that was recognized by such Retired Partner as taxable income or gain prior to his Retirement Date.

ARTICLE 8
DISSOLUTION AND LIQUIDATION

Section 8.1 Dissolution and Liquidation of Partnership

(n) Upon dissolution of the Partnership in accordance with the Delaware Act, the General Partner shall liquidate the business and administrative affairs of the Partnership, except that, if the General Partner is unable to perform this function, a liquidator may be elected by a majority in interest (determined by Points) of Limited Partners and upon such election such liquidator shall liquidate the Partnership.

(o) Capital Profit, Capital Loss, Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership, including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts in accordance with Article 4.

(p) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon dissolution, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(b); provided that if any in kind distribution is to be made, the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(b).

(q) Upon completion of the winding-up of the Partnership in accordance with the terms hereof, the General Partner shall file a certificate of cancellation of certificate of limited partnership of the Partnership with the Office of the Secretary of State of the State of Delaware pursuant to the Delaware Act.

ARTICLE 9
GENERAL PROVISIONS

Section 9.1 Consistent Economic Treatment

Except as otherwise specifically provided herein or in any Limited Partner's Award Letter, the General Partner shall not treat any Team Member who is a Limited Partner in a manner that is adverse in comparison with the treatment of APH with respect to allocations of Operating Profit, distributions (including liquidating distributions) of Operating Profit (including form, timing and amount of such distributions), Point dilution and funding of Clawback Shares or Giveback Shares. For the avoidance of doubt, the foregoing is not intended to limit the General Partner's authority (i) relating to forfeiture of Points due to retirement or Bad Acts and allocation of Points to APH to the extent not required to be allocated to Team Members, in each case, in accordance with the terms and conditions set forth herein, (ii) to enter into any Award Letter or Other Agreement with a Team Member or APH in connection with an award of Points to such Team Member or APH providing for special allocations of income or a reapportionment of distributions attributable to such Points for the purpose of eliminating or reducing a current recognition of taxable income by such Team Member or APH as a result of such Point award, or (iii) to implement any of the special allocation or special distribution provisions of this Agreement.

Section 9.2 Carried Interest Related to the Fund

To the extent that (a) any strategic partnership or managed account of the Credit Business invests in or co-invests with

the Fund, either directly or through a special purpose vehicle of such strategic partnership or managed account, and (b) its general partner or any other AGM entity derives any carried interest distributions attributable to such investment or co-investments, AGM and the General Partner shall cause such carried interest distributions (as adjusted, as necessary, taking into account the arrangements described in the next sentence of this Section 9.2) to be allocated and distributed among holders of Points at the same time and in the same manner as such amounts would be allocated and distributed if received as Operating Profit by the Partnership, but without duplication, either by causing the Partnership to hold an equity or tracking interest in the entity deriving such carried interest or in some other manner reasonably calculated to accomplish the intent of this provision. The Partners hereby acknowledge and understand that nothing contained herein shall restrict the right of AGM or any of its Affiliates to apply any netting arrangements with respect to any fees or charges, including management fees, carried interest or incentive allocations, in respect of any such strategic partnership or managed account across all or any portion of the investments or co-investments made by such strategic partnership or managed account.

Section 9.3 Amendment of Partnership Agreement and Co-Investors (A) Partnership Agreement

(f) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner by giving notice of such amendment to any Limited Partner whose rights or obligations as a Limited Partner pursuant to this Agreement are changed thereby; provided that: (i) any amendment that would disproportionately effect a material adverse change in the contractual rights or obligations of a Limited Partner vis-à-vis all other Limited Partners (such rights or obligations determined without regard to the amendment power reserved herein) may only be made if the written consent of such Limited Partner is obtained prior to the effectiveness thereof; and (ii) any amendment that (x) increases a Partner's obligation to contribute to the capital of the Partnership, or (y) increases such Limited Partner's Clawback Share shall not be effective with respect to such Limited Partner, unless such Limited Partner consents thereto in advance in writing. Notwithstanding the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner to enable the Partnership to (i) comply with the requirements of the "Safe Harbor" Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation Section 1.83-3(e)(1) or Proposed Treasury Regulation Section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement and (ii) comply with applicable law; provided that any amendment pursuant to clause (i) that would cause a Limited Partner's rights to allocations and distributions to suffer a material adverse change only may be made if the written consent of such Limited Partner is obtained prior to the effectiveness thereof. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 7.1 or Section 7.3 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.3(a). The General Partner's approval of or consent to (x) any transaction resulting in the substitution of another Person in place of the Partnership as the general partner of any of the Funds or (y) any change to the scheme of distribution under any of the Fund LP Agreements (but, for the avoidance of doubt, not including any arrangements with investors in any Fund that reduce the Carried Interest Revenues chargeable to or payable by such investors), that, in either case, would have the effect of reducing the Partnership's allocable share of the Net Income of any Fund shall require the consent of any Limited Partner adversely affected thereby.

(g) Notwithstanding the provisions of this Agreement, including Section 9.3(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements ("Other Agreements") with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in an Other Agreement with one or more Limited Partners shall govern with respect to such Limited Partner or Limited Partners notwithstanding the provisions of this Agreement. Any Other Agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement, but no such Other Agreement between the General Partner and any Limited Partner or Limited Partners and the Partnership shall adversely amend the contractual rights or obligations of any other Limited Partner without such other Limited Partner's prior consent.

(h) The provisions of this Agreement that affect the terms of the Co-Investors (A) Partnership Agreement applicable to Limited Partners constitute a "side letter or similar agreement" between each Limited Partner and the general partner of Co-Investors (A), which has executed this Agreement exclusively for purposes of confirming the foregoing.

Section 9.4 Special Power-of-Attorney

(a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 9.3);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the State of Delaware, the United States of America, or any other jurisdiction, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as a limited partnership;

(iii) all such instruments, certificates, agreements and other documents relating to the conduct of the investment program of any of the Funds which, in the opinion of such attorney-in-fact and the legal counsel to the Funds, are reasonably necessary to accomplish the legal, regulatory and fiscal objectives of the Funds in connection with its or their acquisition, ownership and disposition of investments, including:

(A) the governing documents of any management entity formed as a part of the tax planning for any of the Funds and any amendments thereto; and

(B) documents relating to any restructuring transaction with respect to any of the Funds' investments;

provided that such documents referred to in clauses (A) and (B) above, viewed individually or in the aggregate, provide substantially equivalent financial and economic rights and obligations with respect to such Limited Partner and otherwise do not:

(1) increase the Limited Partner's overall financial obligation to make capital contributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(2) diminish the Limited Partner's overall entitlement to share in profits and distributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(3) cause the Limited Partner to become subject to increased personal liability for any debts or obligations of the Partnership or other Partners; or

(4) otherwise result in an adverse change in the overall rights or obligations of the Limited Partner in relation to the conduct of the investment program of any of the Funds;

(iv) any instrument or document necessary or advisable to implement the provisions of Section 3.10;

(v) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the United States Securities Exchange Act of 1934, as amended, or that is registered under the United States Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(vi) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 9.7(c)).

(b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without his consent. If an amendment of the Certificate or this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is a special power-of-attorney and is coupled with an interest in favor of the General Partner and as such:

(vi) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(vii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power- of-attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 9.5 Notices

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of Leon D. Black with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at his Partnership office or electronically to the primary e-mail account supplied by the Partnership for Partnership business communications, except that a notice to a Retired Partner or a notice demanding cure of a Bad Act shall be considered given only when delivered by hand or by a recognized overnight courier or delivered by mailing through the United States Postal System by regular mail to such Retired Partner's Home Address.

Section 9.6 Agreement Binding Upon Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors by operation of law, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.7 Merger, Consolidation, etc.

(a) Subject to Section 9.7(b) and Section 9.7(c), the Partnership may merge or consolidate with or into one or more limited partnerships formed under the Delaware Act or other business entities (as defined in Section 17-211 of the Delaware Act) pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 9.7(c), but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 9.7(a) may, to the extent permitted by Section 17-211(g) of the Delaware Act and Section 9.7(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the power and authority to approve and implement any merger, consolidation or other reorganization, restructuring or similar transaction without the consent of any Limited Partner, other than any Limited Partner with respect to which the General Partner has determined that such transaction will, or will reasonably be likely to, result in any material adverse change in the financial and other material rights of such Limited Partner conferred by this Agreement and any Other Agreement entered into pursuant to Section 9.3(b) or the imposition of any material new financial or other obligation on such Limited Partner. Subject to the foregoing, the General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

Section 9.8 Governing Law; Dispute Resolution

(a) This Agreement, and the rights and obligations of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the State of Delaware.

(b) Subject to Section 9.8(c), any dispute, controversy, suit, action or proceeding arising out of or relating to this Agreement, other than injunctive relief, will be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York (applying Delaware law) in accordance with, and pursuant to, the applicable rules of JAMS ("JAMS"). The arbitration shall be conducted on a strictly confidential basis, and none of the parties shall disclose the existence of a claim, the nature of a claim, any documents, exhibits, or information exchanged or presented in connection with such a claim, or the result of any action, to any third party, except as required by law, with the sole exception of their legal counsel and parties engaged by that counsel to assist in the arbitration process, who also shall be bound by these confidentiality terms. The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Any party hereto may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The party that is determined by the arbitrator not to be the prevailing party will pay all of the JAMS's administrative fees and the arbitrator's fee and expenses. If neither party is so determined, such fees shall be shared. Each party shall be responsible for such party's own attorneys' fees. IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTNER AND THE PARTNERSHIP

WAIVE AND COVENANT THAT THE PARTNER AND THE PARTNERSHIP WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT THE PARTNERSHIP OR ANY OF ITS AFFILIATES OR ANY PARTNER MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTNERSHIP AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTNER, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS AGREEMENT WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(c) Nothing in this Section 9.8 will prevent the General Partner or a Limited Partner from applying to a court for preliminary or interim relief or permanent injunction in a judicial proceeding (*e.g.*, injunction or restraining order), in addition to and not in lieu of any other remedy to which it may be entitled at law or in equity, if such relief from a court is necessary to preserve the status quo pending resolution or to prevent serious and irreparable injury in connection with any breach or anticipated breach of covenants applicable pursuant to a Limited Partner's Award Letter; provided, however, that all parties explicitly waive all rights to seek preliminary, interim, injunctive or other relief in a judicial proceeding and all parties submit to the exclusive jurisdiction of the forum described in Section 9.8(b) hereto for any dispute or claim concerning continuing entitlement to distributions or other payments, even if such dispute or claim involves or relates to any restrictive covenants set forth in a Limited Partner's Award Letter. For the purposes of this Section 9.8(c), each party hereto consents to the exclusive jurisdiction and venue of the courts of the state and federal courts within the County of New York in the State of New York.

Section 9.9 Termination of Right of Action

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.10 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Except with respect to the rights of Covered Persons hereunder, each of whom shall be an intended beneficiary and shall be entitled to enforce the provisions of Section 5.7, this Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.11 Reports

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes his distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year, including a copy of the United States Internal Revenue Service Schedule "K-1" issued by the Partnership to such Limited Partner, and a reconciliation of any difference between (i) such Operating Profit or Operating Loss and (ii) the aggregate net profits or net losses allocated by the Funds to the Partnership for such year (other than any difference attributable to the aggregate Capital Profit or Capital Loss allocated by the Funds to the Partnership for such year).

Section 9.12 Filings

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for U.S. federal, state and local income tax purposes.

Section 9.13 Counterparts

This Agreement may be executed in one or more counterparts, including by facsimile or other electronic signature. All such counterparts so executed shall constitute an original agreement binding on all the parties, but together shall constitute but one instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first set forth above.

GENERAL PARTNER:

APOLLO CREDIT OPPORTUNITY
ADVISORS III (APO FC) GP LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

LIMITED PARTNERS:

APH HOLDINGS (FC), L.P.
By: Apollo Principal Holdings VII GP, Ltd.,
its General Partner

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

APOLLO CIP PARTNER POOL, L.P.
By: Apollo CIP GenPar, Ltd.,
its General Partner

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

APOLLO CIP PROFESSIONALS, L.P.
By: Apollo CIP GenPar, Ltd.,
its General Partner

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

For purposes of Section 9.3(c) only:

APOLLO CO-INVESTORS MANAGER, LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

[FORM OF AWARD LETTER]

APOLLO CREDIT OPPORTUNITY ADVISORS III (APO FC) LP

[Name]

[Address]

Dear [Name]:

Reference is made to the Second Amended and Restated Agreement of Limited Partnership of Apollo Credit Opportunity Advisors III (APO FC) LP (the "Partnership"), as in effect from time to time (the "Partnership Agreement"). This Award Letter confirms the number of Points you are being awarded in the Partnership and certain terms in relation to the Partnership Agreement. Capitalized terms used but not defined herein shall have the meanings set forth in the Partnership Agreement.

I.Your Initial Point Award

You are being granted [˜] Points on the terms set forth in this Award Letter and the Partnership Agreement.

II. Vesting Percentage and Vesting Commencement Date

The term "Vesting Percentage" as applied to you shall have the meaning set forth below:

"Vesting Percentage" means, with respect to you upon your becoming a Retired Partner: [˜]

Your "Vesting Commencement Date" is [˜] for the initial Points awarded to you by the Partnership.

If additional Points are awarded to you by the Partnership after the date hereof, the Vesting Commencement Date for such additional Points will commence on dates to be agreed by AGM Credit Senior Management and the Executive Committee of AGM.

As long as you remain an employee of or active partner of AGM, you will share in distributions made by the Partnership to its Partners with respect to all your Points granted by the Partnership (vested and unvested).

III. Dilution

1. The General Partner may increase or reduce your Points at any time; provided that, except as expressly set forth below in paragraphs 2, 3 and 4, (i) the General Partner may reduce your Points in the Partnership only in December 2016, and thereafter in December of each subsequent even-numbered year, and (ii) the General Partner may not reduce your Vested Points when you become a Retired Partner.

2. The General Partner may reduce or eliminate your Points (including your Vested Points when you become a Retired Partner), upon the occurrence of your default, after the expiration of the applicable cure period set forth in the Co-Investors (A) Partnership Agreement, in your obligation to contribute capital to Co-Investors (A) in accordance with the Co-Investors (A) Partnership Agreement.

3. 1.%2.%3.%4. Your Points may be reduced as a consequence of an allocation of Points to another Team Member (as defined below) if all of the following conditions are satisfied: [˜]

(a) For new issuance of Points agreed to between AGM Credit Senior Management and the Executive Committee of AGM, it is intended that the dilution in the sharing of the Carried Interest Revenues will be borne by all then existing Limited Partners on a *pro rata* basis (determined as of the effective date of the dilution). Accordingly, the Points of the then existing Limited Partners will be appropriately reduced on a *pro rata* basis based on the Points then held by them; provided, however, that if your Points would be reduced to below 40, your Points shall be reduced to 40 and the balance of the Points that would otherwise have reduced your Points shall instead reduce the Points of the other Limited Partners whose Points are to be reduced in accordance with this paragraph 3(b). In all cases, the determinations of the General Partner to implement the foregoing shall be final and binding on the Partnership and the

Limited Partners.

(b) The Executive Committee of AGM shall apply the reduction of your Points against the Points held by you in the Partnership or indirectly in Partner Pool LP as determined by the Executive Committee of AGM in its sole discretion.

(c) For purposes of this Award Letter:

"Credit Business" means all segments of the credit business of AGM, which, for the avoidance of doubt, includes, without limitation, Opportunistic Credit, European Credit, U.S. Performing Credit, Structured Credit, Non-Performing Loans, Strategic Accounts, CMBS/CRE, CPI Europe, Principal Structured Finance and RMBS, as well as credit businesses under development, including, but not limited to, Energy Credit and Finco, but excluding assets of Athene Holding Ltd. (and related revenues) that the credit business of AGM does not manage; it being understood that the General Partner, in consultation with AGM Credit Senior Management, shall determine whether business segments acquired or created after the date of this Agreement shall be included in the Credit Business.

"Team Member" means (i) a natural person whose services to AGM or its Affiliates are substantially dedicated to AGM's or its Affiliates' Credit Business, (ii) a natural person who, following the date hereof, becomes a Retired Partner and who, on or following the date hereof, held Points in his capacity as a Team Member, or (iii) a Related Party of any of the foregoing.

4. If you become a Retired Partner, your Points shall be reduced automatically to (i) zero if your retirement is the consequence of a Bad Act and (ii) otherwise, an amount equal to your Vested Points calculated as of your Retirement Date. Any such reduction shall be effective as of your Retirement Date or such subsequent date as may be determined by the General Partner; provided that the General Partner may agree to a lesser reduction (or to no reduction) of your Points when you become a Retired Partner.

5. 2.%2.%3.%4. If any Points become available for reallocation as a result of a reduction pursuant to paragraph 4 or any similar provision in the Award Letter of any other Limited Partner (i) the Points of the Limited Partners shall be adjusted so as to restore them to the number thereof prior to any adjustment described in paragraph 3(b) and (ii) only after such restoration is complete, shall the Partnership have the right to reallocate such remaining forfeited Points. In each case, the determinations of the General Partner to implement the foregoing shall be final and binding on the Partnership and the Limited Partners.

(a) If a reduction occurred prior to your Retirement and was applied against your Points and you, as a Retired Partner, have unrestored Points at the time of your Retirement, the quantity of such unrestored Points shall be adjusted at that time by multiplying such amount by the Vesting Percentage applicable to you, as a Retired Partner.

(b) After restoration of all previously reduced Points, the General Partner shall determine the manner of reallocating any Points that become available as a result of a reduction pursuant to paragraph 4(a) or any similar provision in the Award Letter or Other Agreement of any other Limited Partner.

(c) Unless otherwise determined by the General Partner in its good faith discretion, the aggregate amount of forfeited Points reallocated to non-Retired Team Members who hold Points shall be apportioned among them in accordance with the Points held by such Team Members at the time the relevant Points were forfeited.

IV. Mandatory Purchases and Repurchases of AGM Shares

1. A portion of all distributions to be made to you (whether directly from the Partnership or any other Fund General Partner (as defined in the limited partnership agreement of Partner Pool LP) or indirectly through Partner Pool LP (the "Holdback Amount") in a given fiscal quarter will be required to be used by you to purchase Class A shares of AGM ("AGM Shares") in accordance with the terms and conditions set forth in the Restricted Share Award Agreement under the AGM 2007 Equity Incentive Plan (as defined below) and related grant notice attached hereto as Annex A-1 (the "Restricted Share Award Agreement") or, to the extent you become a Retired Partner, in accordance with the terms and conditions set forth in the Share Award Agreement under the AGM 2007 Equity Incentive Plan and related grant notice attached hereto as Annex A-2 (the "Retired Partner Share Award Agreement"). You will be required to make an election under Section 83(b) of the Code with respect to each such purchase of AGM Shares with the Holdback Amount. The Holdback Amount will be in an amount not exceeding the applicable amounts determined under the following formula, except to the extent reduced by the Executive Committee of AGM: [˜]

2. The Holdback Amount for a particular quarter, if any, will be distributed to you on the first business day on which a "trading window" for AGM Shares occurs during the calendar quarter following the quarter end to which the distribution relates, or, if earlier, 10 days before the end of such succeeding quarter or, if such date falls on a weekend or holiday, the next preceding business day (the "Grant Date").

3. An Affiliate of AGM shall serve as agent in effecting the acquisition by you of the AGM Shares on the date such amounts are

distributed, and no cash distribution will actually be made to you, but rather, the Holdback Amount will be paid directly to AGM on your behalf to acquire AGM Shares. In the case of AGM Shares that are subject to vesting pursuant to the terms of the Restricted Share Award Agreement, the vesting commencement date shall be the midpoint of the calendar quarter in which the Holdback Amount was reserved, without regard to the actual date in a subsequent calendar quarter on which such AGM Shares are purchased with such Holdback Amount, except that the vesting commencement date for the initial AGM Shares to be acquired by you with a Holdback Amount shall be [˜] (the "Applicable Date").

4. The amount of AGM Shares to be acquired on any such distribution date shall be equal to the fair market value of the AGM Shares (calculated based on the volume weighted average price of the AGM Shares on the date such AGM Shares are scheduled to be purchased), rounded down to the nearest whole AGM Share and reduced to reflect any sales commissions or associated costs. Only whole AGM Shares will be acquired, and cash shall be distributed to you in lieu of fractional AGM Shares.

5. Delivery of AGM Shares to you shall be subject to your execution of the applicable grant notice (substantially in the form attached as Annex A-1 or Annex A-2, as applicable).

6. If you have vested Points after you become a Retired Partner, a Holdback Amount shall still apply, but any AGM Shares acquired will not be subject to vesting and may be granted outside of the Apollo Global Management LLC 2007 Equity Incentive Plan (as the same may be amended, supplemented, modified or replaced from time to time, the "AGM 2007 Equity Incentive Plan"). However, such AGM Shares shall be subject solely to the transfer restrictions and other terms set forth in the Retired Partner Share Award Agreement. Notwithstanding anything to the contrary herein, if (i) following the distribution of a Holdback Amount to you and (ii) prior to the time of the acquisition of the applicable AGM Shares with respect to such Holdback Amount for you, you become a Retired Partner, then the AGM Shares (that would have otherwise been acquired with the Holdback Amount), or a portion thereof, as applicable, shall be forfeited to the same extent as AGM Shares would have been forfeited if purchased on the distribution date.

7. In the case of any AGM Shares that are subject to mandatory repurchase by AGM from you pursuant to the provisions of the Restricted Share Award Agreement or the Retired Partner Share Award Agreement, as the case may be, the cash proceeds of such mandatory repurchase shall be contributed by AGM, as agent for you, to the Partnership for distribution to APH and, for all purposes of this Award Letter, such cash contribution shall be treated as contributed by you to the Partnership and will increase your Capital Account, but you shall not have any right to receive any distributions with respect to any such increase in your Capital Account.

8. For purposes of calculating your Clawback Share and/or Partner Giveback Share, AGM Shares (including, for the avoidance of doubt, any AGM Shares that have previously vested, but excluding any such AGM Shares that have previously been mandatorily repurchased by AGM) shall be valued, without regard to any restrictions thereon and/or whether or not you still retain such AGM Shares, based on the purchase price of such AGM Shares as of the Grant Date.

9. You will be required to open and maintain a transfer agent account with American Stock Transfer and a brokerage account with Morgan Stanley Smith Barney and/or any replacement transfer agent or brokerage firm selected by AGM (such brokerage firm, the "Designated Broker") for the purpose of purchasing, holding and disposing of AGM Shares as described hereunder. For the purposes of purchasing any AGM Shares as required hereunder, you hereby designate AGM as your authorized agent to instruct the Designated Broker to purchase AGM Shares on your behalf (it being understood that AGM will have the right, but not the obligation, to do so). You hereby (i) agree to execute and deliver such additional documents, certificates and instruments, and perform such additional acts, as may be reasonably requested by AGM as may, in AGM's determination, be necessary or advisable to carry out the provisions of this paragraph 9, and (ii) authorize AGM or its designee to open any of the foregoing accounts on your behalf.

V. COF III Required Commitment

You acknowledge and agree that you are subject to the obligations set forth in the "Required Commitment" section of the Award Letter issued to you under the limited partnership agreement of Partner Pool LP and, as provided therein with respect to the Partnership, that breach of such obligations could lead to the forfeiture of your Points, your Required Commitment to Co-Investors (A) and the Fund, and your unvested AGM Shares.

VI. Recoupment Policy

To the extent mandated by applicable law, stock exchange or accounting rule and as set forth in a written recoupment policy (*e.g.,* with respect to compensation paid based on financial statements that are later found to have been materially misstated) adopted by AGM, AGM Shares awarded hereunder and amounts distributed in respect of Points shall be subject to such law or policy.

VII. Bad Act and Designated Act

Each of the terms "Bad Act" and "Designated Act" shall have the meanings set forth in Annex B hereto.

VIII. Restrictive Covenants

1. You acknowledge and agree that your willingness to be bound by, and to abide by, the restrictions in favor of AGM regarding confidentiality, non-solicitation, non-interference, non-disparagement and non-competition set forth in Annex C hereto (collectively, the "Restrictive Covenants"), was a material factor in the decision to grant Points to you, and that such grant would not have occurred in the absence of such binding Restrictive Covenants. You hereby agree to the acknowledgements and covenants set forth on Annex C.

2. If you materially breach any of your Restrictive Covenants in a jurisdiction where such Restrictive Covenant is invalid or unenforceable, the General Partner may elect to forfeit all or a portion of (i) your Points (whether vested or unvested), and/or (ii) any of your unvested AGM Shares.

3. AGM will be subject to restrictions in favor of you regarding non-disparagement set forth in paragraph (f) of Annex C.

4. The confidentiality and non-disparagement restrictions set forth in Annex C hereto shall survive indefinitely following your Termination.

IX. Effect of Retirement

Required Commitment:

Upon your becoming a Retired Partner without Cause (as defined in the AGM 2007 Equity Incentive Plan) and other than by reason of a Bad Act, you shall, in your sole discretion, have the option as to whether to continue to fund the outstanding portion of your Required Commitment. Such option shall be exercised within 90 days following your Retirement Date, by notice in writing to the Partnership and the general partner of Co-Investors (A).

Retirement with Bad Acts:

Upon your becoming a Retired Partner by reason of a Bad Act, all of your Points (whether vested or unvested) and your unvested AGM Shares shall automatically be forfeited in full as of your Termination Date (as defined in Annex C), and Section 4.1(e) of the Partnership Agreement shall not apply to you, but Section 7.3(b) of the Partnership Agreement shall apply to you.

Other Termination:

Upon your Termination (other than due to your Bad Acts), you shall retain such number of Points as is equal to the product of (i) your Vesting Percentage and (ii) all of your Points. All of your Points that have not theretofore vested (taking into account any Points that vest upon your Termination) shall be forfeited.

X. Forfeited Points

Upon your Termination, any unvested Points shall be forfeited. Subject to Section III, any forfeited Points shall be available to be reallocated.

XI. [Reserved]

XII. Miscellaneous

1. No officer, director, employee or agent of AGM or any of its Affiliates shall be personally liable for any action, omission, determination, or interpretation taken or made with respect to the Partnership or any associated documentation.

2. AGM may, in its sole discretion, decide to deliver any documents related to the Partnership Agreement and any associated documentation by electronic means or to request your consent to participate in any of the foregoing by electronic means. You hereby consent to receive such documents by electronic delivery and, if requested, to agree to participate therein through an online or electronic system established and maintained by AGM, an Affiliate or a third party designated thereby.

3. By your acceptance of, and as a condition of the payment to you of, the initial distributions or other payments on or after the date hereof of any amounts hereunder and under the Partnership Agreement, and in accordance with the Credit Incentive Plan Commitment Letter previously executed by you, you acknowledge and agree that you are subject to this Award Letter, the Partnership Agreement and any other agreements referred to herein or therein and are bound by, and shall be treated as a party to, all of the foregoing agreements (including as the same may be amended or modified from time to time in accordance with their terms).

4. This Award Letter shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the

principles of conflicts of laws that would cause the laws of another jurisdiction to apply. Any dispute or controversy arising out of or relating to the Partnership, other than injunctive relief in the event of a breach or threatened breach of the Restrictive Covenants, will be settled exclusively by arbitration as provided in the Partnership Agreement, such that the provisions of Section 9.8(b) and 9.8(c) of the Partnership Agreement shall apply *mutatis mutandis* to this Award Letter. This Award Letter is binding on and enforceable against the General Partner, the Partnership and you. This Award Letter may be amended only with the consent of each party hereto. The Partnership or the General Partner may provide copies of this Award Letter to other Persons. This Award Letter may be executed by facsimile and in one or more counterparts, all of which shall constitute one and the same instrument.

[*remainder of page intentionally left blank*]

You have confirmed that the above correctly reflects our understanding and agreement with respect to the foregoing matters.

Very truly yours,

APOLLO CREDIT OPPORTUNITY
ADVISORS III (APO FC) LP

By: Apollo Credit Opportunity
Advisors III (APO FC) GP LLC,
its General Partner

By:__________
Name:
Title:

APOLLO CREDIT OPPORTUNITY
ADVISORS III (APO FC) GP LLC

By:__________
Name:
Title:

Restricted AGM Share Award Grant Notice
and Restricted AGM Share Award Agreement

Share Award Grant Notice
Share Award Agreement
(for Retired Partners)

Definitions

"Bad Act" means your:

(i) commission of an intentional violation of a material law or regulation in connection with any transaction involving the purchase, sale, loan, pledge or other disposition of, or the rendering of investment advice with respect to, any security, asset, futures or forward contract, insurance contract, debt instrument or currency, in each case, that has a significant adverse effect on your ability to

perform your services to AGM or any of its Affiliates;

(ii) commission of an intentional and material breach of a material provision of a written Apollo Code of Conduct (other than any Apollo Code of Conduct adopted after the date of your admission to the Apollo Credit Opportunity Advisors III (APO FC) LP with the primary purpose of creating or finding "Bad Acts");

(iii) commission of intentional misconduct in connection with your performance of services for AGM or any of its Affiliates;

(iv) commission of any misconduct that, individually or in the aggregate, has caused or substantially contributed to, or is reasonably likely to cause or substantially contribute to, material economic or reputational harm to AGM or any of its Affiliates (excluding any mistake of judgment made in good faith with respect to a portfolio investment or account managed by AGM or its Affiliates, or a communication made to the principals or other partners, in a professional manner, of a good faith disagreement with a proposed action by AGM or any of its Affiliates);

(v) conviction of a felony or plea of no contest to a felony charge, in each case, if such felony relates to AGM or any of its Affiliates;

(vi) fraud in connection with your performance of services for AGM or any of its Affiliates; or

(vii) embezzlement from AGM or any of its Affiliates or interest holders;

provided, however, that:

(a) you have failed to cure within 15 days after notice thereof, to the extent such occurrence is susceptible to cure, the items set forth in clauses (ii) and (iv); and

(b) during the pendency of any felony charge under clause (v), AGM and its Affiliates may suspend payment of any distributions in respect of your Points, and if (I) you are later acquitted or otherwise exonerated from such charge, or (II) your employment or service with AGM or its applicable Affiliate does not terminate, then (A) AGM or its applicable affiliate shall pay to you all such accrued but unpaid distributions with respect to vested Points, with interest calculated from the date such distributions were suspended at the prime lending rate in effect on the date of such suspension, and (B) throughout the period of suspension (or until the date of termination of your employment or service, if earlier), distributions with respect to unvested Points shall continue to accrue, and Points shall continue to vest, in accordance with the terms and conditions set forth herein.

"*Designated Act*" means your:

(i) intentional breach of any material provision of an award agreement or any other agreements of AGM or any of its Affiliates;

(ii) failure to devote a significant portion of your time to performing services as an agent of AGM without the prior written consent of AGM, other than by reason of death or Disability; or

(iii) suspension or other disciplinary action against you by an applicable regulatory authority;

provided, however, that you have failed to cure within 15 days after notice thereof, to the extent such occurrence is susceptible to cure, the item set forth in clause (i).

For purposes of this Annex B, the term "*Affiliate*" includes Portfolio Companies.

Restrictive Covenants

[˜]

Exhibit 21.1

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
2012 CMBS-I GP LLC	Delaware
2012 CMBS-I Management LLC	Delaware
2012 CMBS-II GP LLC	Delaware
2012 CMBS-II Management LLC	Delaware
2012 CMBS-III GP LLC	Delaware
2012 CMBS-III Management LLC	Delaware
A/A Capital Management, LLC	Delaware
A/A Investor I, LLC	Delaware
A-A Mortgage Opportunities Corp.	Delaware
AAA Associates (Co-Invest VII GP), Ltd.	Cayman Islands
AAA Associates (Co-Invest VII), L.P.	Cayman Islands
AAA Associates, L.P.	Guernsey
AAA Guernsey Limited	Guernsey
AAA Holdings GP Limited	Guernsey
AAA Holdings, L.P.	Guernsey
AAA Life Re Carry, L.P.	Cayman Islands
AAA MIP Limited	Guernsey
AAM GP Ltd.	Cayman Islands
ACC Advisors A/B, LLC	Delaware
ACC Advisors C, LLC	Delaware
ACC Advisors D, LLC	Delaware
ACC Management, LLC	Delaware
ACREFI Management, LLC	Delaware
AEM GP, LLC	Delaware
AES Advisors II GP, LLC	Delaware
AES Advisors II, L.P.	Cayman Islands
AES Co-Investors II, LLC	Delaware
AGM India Advisors Private Limited	India
AGRE - CRE Debt Manager, LLC	Delaware
AGRE - DCB, LLC	Delaware
AGRE - E Legacy Management, LLC	Delaware
AGRE - E2 Legacy Management, LLC	Delaware
AGRE Asia Pacific Legacy Management, LLC	Delaware
AGRE Asia Pacific Management, LLC	Delaware
AGRE Asia Pacific Real Estate Advisors GP, Ltd	Cayman Islands
AGRE Asia Pacific Real Estate Advisors, L.P.	Cayman Islands
AGRE CMBS GP II LLC	Delaware
AGRE CMBS GP LLC	Delaware
AGRE CMBS Management II LLC	Delaware
AGRE CMBS Management LLC	Delaware
AGRE Debt Fund I GP, Ltd.	Cayman Islands
AGRE Europe Co-Invest Advisors GP, LLC	Marshall Islands
AGRE Europe Co-Invest Advisors, L.P.	Marshall Islands
AGRE Europe Co-Invest Management GP, LLC	Marshall Islands
AGRE Europe Co-Invest Management, L.P.	Marshall Islands
AGRE Europe Legacy Management, LLC	Delaware
AGRE Europe Management, LLC	Delaware
AGRE GP Holdings, LLC	Delaware
AGRE NA Legacy Management, LLC	Delaware
AGRE NA Management, LLC	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
AGRE U.S. Real Estate Advisors Cayman, Ltd.	Cayman Islands
AGRE U.S. Real Estate Advisors GP, LLC	Delaware
AGRE U.S. Real Estate Advisors, L.P.	Delaware
AHL 2014 Investor GP, Ltd.	Cayman Islands
AIF III Management, LLC	Delaware
AIF V Management, LLC	Delaware
AIF VI Management, LLC	Delaware
AIF VII Management, LLC	Delaware
AIF VIII Management, LLC	Delaware
AION Co-Investors (D) Ltd	Mauritius
ALM IV, Ltd.	Cayman Islands
ALM Loan Funding 2010-1, LLC	Delaware
ALM Loan Funding 2010-3, LLC	Delaware
ALM V, Ltd.	Cayman Islands
ALM VI, Ltd.	Cayman Islands
ALM VII (R), LLC	Delaware
ALM VII (R)-2, LLC	Delaware
ALM VII(R), Ltd.	Cayman Islands
ALM VII(R)-2, Ltd.	Cayman Islands
ALM VII, Ltd.	Cayman Islands
ALM VIII, Ltd.	Cayman Islands
ALM X, LLC	Delaware
ALM X, Ltd.	Cayman Islands
ALM XI, LLC	Delaware
ALM XI, Ltd.	Cayman Islands
ALM XIV, LLC	Delaware
ALM XIV, Ltd.	Cayman Islands
ALME Loan Funding II Limited	Ireland
ALME Loan Funding III Limited	Ireland
AMH Holdings (Cayman), L.P.	Cayman Islands
AMH Holdings GP, Ltd.	Cayman Islands
AMI (Holdings), LLC	Delaware
AMI (Luxembourg) S.a r.l.	Luxembourg
ANRP EPE GenPar, Ltd.	Cayman Islands
ANRP PG GenPar, Ltd.	Cayman Islands
ANRP Talos GenPar, Ltd.	Cayman Islands
AP Alternative Assets, L.P.	Guernsey
AP AOP VII Transfer Holdco, LLC	Delaware
AP Transport LLC	Delaware
AP TSL Funding, LLC	Delaware
APH HFA Holdings GP, Ltd	Cayman Islands
APH HFA Holdings, L.P.	Cayman Islands
APH Holdings (DC), L.P.	Cayman Islands
APH Holdings (FC), L.P.	Cayman Islands
APH Holdings, L.P.	Cayman Islands
APH I (Sub I), Ltd.	Cayman Islands
APH III (Sub I), Ltd.	Cayman Islands
APO (FC II), LLC	Anguilla
APO (FC), LLC	Anguilla
APO Asset Co., LLC	Delaware
APO Corp.	Delaware
Apollo Achilles Co-Invest GP, LLC	Anguilla

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo Administration GP Ltd.	Cayman Islands
Apollo Advisors (Mauritius) Ltd.	Mauritius
Apollo Advisors (MHE), LLC	Delaware
Apollo Advisors IV, L.P.	Delaware
Apollo Advisors V (EH Cayman), L.P.	Cayman Islands
Apollo Advisors V (EH), LLC	Anguilla
Apollo Advisors V, L.P.	Delaware
Apollo Advisors VI (APO DC), L.P.	Delaware
Apollo Advisors VI (APO DC-GP), LLC	Delaware
Apollo Advisors VI (APO FC), L.P.	Cayman Islands
Apollo Advisors VI (APO FC-GP), LLC	Anguilla
Apollo Advisors VI (EH), L.P.	Cayman Islands
Apollo Advisors VI (EH-GP), Ltd.	Cayman Islands
Apollo Advisors VI, L.P.	Delaware
Apollo Advisors VII (APO DC), L.P.	Delaware
Apollo Advisors VII (APO DC-GP), LLC	Delaware
Apollo Advisors VII (APO FC), L.P.	Cayman Islands
Apollo Advisors VII (APO FC-GP), LLC	Anguilla
Apollo Advisors VII (EH), L.P.	Cayman Islands
Apollo Advisors VII (EH-GP), Ltd.	Cayman Islands
Apollo Advisors VII, L.P.	Delaware
Apollo Advisors VIII (APO DC), L.P.	Delaware
Apollo Advisors VIII (APO DC-GP), LLC	Delaware
Apollo Advisors VIII (EH), L.P.	Cayman Islands
Apollo Advisors VIII (EH-GP), Ltd.	Cayman Islands
Apollo Advisors VIII, L.P.	Delaware
Apollo AGRE APREF Co-Investors (D), L.P.	Cayman Islands
Apollo AGRE Prime Co-Investors (D), LLC	Anguilla
Apollo AGRE USREF Co-Investors (B), LLC	Delaware
Apollo AIE II Co-Investors (B), L.P.	Cayman Islands
Apollo AION Capital Partners GP, LLC	Delaware
Apollo AION Capital Partners, L.P.	Cayman Islands
Apollo ALS Holdings II GP, LLC	Delaware
Apollo ALST GenPar, Ltd.	Cayman Islands
Apollo ALST Voteco, LLC	Delaware
Apollo Alteri Investments Advisors, L.P.	Cayman Islands
Apollo Alteri Investments Management, Ltd.	Cayman Islands
Apollo Alternative Assets GP Limited	Cayman Islands
Apollo Alternative Assets, L.P.	Cayman Islands
Apollo Alternative Credit Absolute Return Advisors LLC	Delaware
Apollo Alternative Credit Absolute Return Management LLC	Delaware
Apollo Alternative Credit Long Short Advisors LLC	Delaware
Apollo Alternative Credit Long Short Management LLC	Delaware
Apollo Anguilla B LLC	Anguilla
Apollo ANRP Advisors (APO DC), L.P.	Delaware
Apollo ANRP Advisors (APO DC-GP), LLC	Delaware
Apollo ANRP Advisors (APO FC), L.P.	Cayman Islands
Apollo ANRP Advisors (APO FC-GP), LLC	Anguilla
Apollo ANRP Advisors (IH), L.P.	Cayman Islands
Apollo ANRP Advisors (IH-GP), LLC	Anguilla
Apollo ANRP Advisors, L.P.	Delaware
Apollo ANRP Capital Management, LLC	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo ANRP Co-Investors (D), L.P.	Delaware
Apollo ANRP Co-Investors (DC-D), L.P.	Delaware
Apollo ANRP Co-Investors (FC-D), LP	Anguilla
Apollo ANRP Co-Investors (IH-D), LP	Anguilla
Apollo ANRP Fund Administration, LLC	Delaware
Apollo APC Advisors, L.P.	Cayman Islands
Apollo APC Capital Management, LLC	Anguilla
Apollo APC Management GP, LLC	Delaware
Apollo APC Management, L.P.	Delaware
Apollo Arrowhead Management, LLC	Delaware
Apollo Asia Administration, LLC	Delaware
Apollo Asia Advisors, L.P.	Delaware
Apollo Asia Capital Management, LLC	Delaware
Apollo Asia Management GP, LLC	Delaware
Apollo Asia Management, L.P.	Delaware
Apollo Asian Infrastructure Management, LLC	Delaware
Apollo ASPL Management, LLC	Delaware
Apollo Athlon GenPar, Ltd.	Cayman Islands
Apollo BSL Management, LLC	Delaware
Apollo Capital Credit Management, LLC	Delaware
Apollo Capital Management GP, LLC	Delaware
Apollo Capital Management IV, Inc.	Delaware
Apollo Capital Management V, Inc.	Delaware
Apollo Capital Management VI, LLC	Delaware
Apollo Capital Management VII, LLC	Delaware
Apollo Capital Management VIII, LLC	Delaware
Apollo Capital Management, L.P.	Delaware
Apollo Capital Spectrum Advisors, LLC	Delaware
Apollo Capital Spectrum Management, LLC	Delaware
Apollo Centre Street Advisors (APO DC), L.P.	Delaware
Apollo Centre Street Advisors (APO DC-GP), LLC	Delaware
Apollo Centre Street Co-Investors (DC-D), L.P.	Delaware
Apollo Centre Street Management, LLC	Delaware
Apollo CIP European SMAs & CLOs, L.P.	Cayman Islands
Apollo CIP GenPar, Ltd.	Cayman Islands
Apollo CIP Global SMAs, L.P.	Cayman Islands
Apollo CIP Hedge Funds, L.P.	Cayman Islands
Apollo CIP Partner Pool, L.P.	Cayman Islands
Apollo CIP Professionals, L.P.	Delaware
Apollo CIP Structured Credit, L.P.	Cayman Islands
Apollo CIP US SMAs, L.P.	Cayman Islands
Apollo CKE GP, LLC	Delaware
Apollo COF I Capital Management, LLC	Delaware
Apollo COF II Capital Management, LLC	Delaware
Apollo COF Investor, LLC	Delaware
Apollo Co-Investment Capital Management, LLC	Delaware
Apollo Co-Investment Management, LLC	Delaware
Apollo Co-Investors Manager, LLC	Delaware
Apollo Co-Investors VI (D), L.P.	Delaware
Apollo Co-Investors VI (DC-D), L.P.	Delaware
Apollo Co-Investors VI (EH-D), LP	Anguilla
Apollo Co-Investors VI (FC-D), LP	Anguilla

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo Co-Investors VII (D), L.P.	Delaware
Apollo Co-Investors VII (DC-D), L.P.	Delaware
Apollo Co-Investors VII (EH-D), LP	Anguilla
Apollo Co-Investors VII (FC-D), L.P.	Anguilla
Apollo Co-Investors VII (NR D), L.P.	Delaware
Apollo Co-Investors VII (NR DC-D), L.P.	Delaware
Apollo Co-Investors VII (NR EH-D), LP	Anguilla
Apollo Co-Investors VII (NR FC-D), LP	Anguilla
Apollo Co-Investors VIII (D), L.P.	Delaware
Apollo Co-Investors VIII (DC-D), L.P.	Delaware
Apollo Co-Investors VIII (EH-D), L.P.	Cayman Islands
Apollo Commodities Management GP, LLC	Delaware
Apollo Commodities Management, L.P., with respect to Series I	Delaware
Apollo Commodities Partners Fund Administration, LLC	Delaware
Apollo Consumer Credit Advisors, LLC	Delaware
Apollo Consumer Credit Fund, L.P.	Delaware
Apollo Consumer Credit Master Fund, L.P.	Delaware
Apollo Credit Advisors I, LLC	Delaware
Apollo Credit Advisors II, LLC	Delaware
Apollo Credit Advisors III, LLC	Delaware
Apollo Credit Capital Management, LLC	Delaware
Apollo Credit Fund LP	Delaware
Apollo Credit Funding I Ltd.	Cayman Islands
Apollo Credit Funding III Ltd.	Cayman Islands
Apollo Credit Income Advisors LLC	Delaware
Apollo Credit Income Co-Investors (D) LLC	Delaware
Apollo Credit Income Management LLC	Delaware
Apollo Credit Liquidity Advisors, L.P.	Delaware
Apollo Credit Liquidity Capital Management, LLC	Delaware
Apollo Credit Liquidity CM Executive Carry, L.P.	Delaware
Apollo Credit Liquidity Investor, LLC	Delaware
Apollo Credit Liquidity Management GP, LLC	Delaware
Apollo Credit Liquidity Management, L.P.	Delaware
Apollo Credit Management (CLO), LLC	Delaware
Apollo Credit Management (European Senior Debt), LLC	Delaware
Apollo Credit Management (Senior Loans) II, LLC	Delaware
Apollo Credit Management (Senior Loans), LLC	Delaware
Apollo Credit Management, LLC	Delaware
Apollo Credit Opportunity Advisors I, L.P.	Delaware
Apollo Credit Opportunity Advisors II, L.P.	Delaware
Apollo Credit Opportunity Advisors III (APO FC) GP LLC	Delaware
Apollo Credit Opportunity Advisors III (APO FC) LP	Delaware
Apollo Credit Opportunity Advisors III GP LLC	Delaware
Apollo Credit Opportunity Advisors III LP	Delaware
Apollo Credit Opportunity CM Executive Carry I, L.P.	Delaware
Apollo Credit Opportunity CM Executive Carry II, L.P.	Delaware
Apollo Credit Opportunity Co-Investors III (D) LLC	Delaware
Apollo Credit Opportunity Management III LLC	Delaware
Apollo Credit Opportunity Management, LLC	Delaware
Apollo Credit Senior Loan Fund, L.P.	Delaware
Apollo Credit Short Opportunities Advisors LLC	Delaware
Apollo Credit Short Opportunities Co-Investors (D), LLC	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo Credit Short Opportunities Management, LLC	Delaware
Apollo Emerging Markets Absolute Return Advisors GP LLC	Delaware
Apollo Emerging Markets Absolute Return Advisors LP	Cayman Islands
Apollo Emerging Markets Absolute Return Co-Investors (D) GP LLC	Delaware
Apollo Emerging Markets Absolute Return Co-Investors (D) LP	Delaware
Apollo Emerging Markets Absolute Return Management LLC	Delaware
Apollo Emerging Markets Fixed Income Strategies Advisors GP, LLC	Delaware
Apollo Emerging Markets Fixed Income Strategies Advisors, L.P.	Cayman Islands
Apollo Emerging Markets Fixed Income Strategies Management, LLC	Delaware
Apollo Emerging Markets, LLC	Delaware
Apollo EPF Administration, Limited	Cayman Islands
Apollo EPF Advisors II, L.P.	Cayman Islands
Apollo EPF Advisors, L.P.	Cayman Islands
Apollo EPF Capital Management, Limited	Cayman Islands
Apollo EPF Co-Investors (B), L.P.	Cayman Islands
Apollo EPF Co-Investors II (D), L.P.	Cayman Islands
Apollo EPF Co-Investors II (Euro), L.P.	Cayman Islands
Apollo EPF II Capital Management, LLC	Marshall Islands
Apollo EPF Management GP, LLC	Delaware
Apollo EPF Management II GP, LLC	Delaware
Apollo EPF Management II, L.P.	Delaware
Apollo EPF Management, L.P.	Delaware
Apollo Europe Advisors III, L.P.	Cayman Islands
Apollo Europe Advisors, L.P.	Cayman Islands
Apollo Europe Capital Management III, LLC	Delaware
Apollo Europe Capital Management, Ltd.	Cayman Islands
Apollo Europe Co-Investors III (D), LLC	Delaware
Apollo Europe Management III, LLC	Delaware
Apollo Europe Management, L.P.	Delaware
Apollo European Credit Advisors GP, LLC	Delaware
Apollo European Credit Advisors, L.P.	Cayman Islands
Apollo European Credit Co-Investors, LLC	Delaware
Apollo European Credit Management GP, LLC	Delaware
Apollo European Credit Management, L.P.	Delaware
Apollo European Long Short Advisors GP, LLC	Delaware
Apollo European Long Short Advisors, L.P.	Cayman Islands
Apollo European Long Short Management, LLC	Delaware
Apollo European Senior Debt Advisors II, LLC	Delaware
Apollo European Senior Debt Advisors, LLC	Delaware
Apollo European Senior Debt Management, LLC	Delaware
Apollo European Strategic Advisors GP, LLC	Delaware
Apollo European Strategic Advisors, L.P.	Cayman Islands
Apollo European Strategic Co-Investors, LLC	Delaware
Apollo European Strategic Management GP, LLC	Delaware
Apollo European Strategic Management, L.P.	Delaware
Apollo Executive Carry VII (NR APO DC), L.P.	Delaware
Apollo Executive Carry VII (NR APO FC), L.P.	Cayman Islands
Apollo Executive Carry VII (NR EH), L.P.	Cayman Islands
Apollo Executive Carry VII (NR), L.P.	Delaware
Apollo Franklin Advisors (APO DC), L.P.	Delaware
Apollo Franklin Advisors (APO DC-GP), LLC	Delaware
Apollo Franklin Co-Investors (DC-D), L.P.	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo Franklin Management, LLC	Delaware
Apollo Fund Administration IV, L.L.C.	Delaware
Apollo Fund Administration V, L.L.C.	Delaware
Apollo Fund Administration VI, LLC	Delaware
Apollo Fund Administration VII, LLC	Delaware
Apollo Fund Administration VIII, LLC	Delaware
Apollo Gaucho GenPar, Ltd	Cayman Islands
Apollo Global Real Estate Management GP, LLC	Delaware
Apollo Global Real Estate Management, L.P.	Delaware
Apollo Global Securities, LLC	Delaware
Apollo GSS GP Limited	Guernsey
Apollo HK TMS Investment Holdings GP, LLC	Delaware
Apollo HK TMS Investment Holdings Management, LLC	Delaware
Apollo India Credit Opportunity Management, LLC	Delaware
Apollo International Management (Canada) ULC	British Columbia
Apollo International Management GP, LLC	Delaware
Apollo International Management, L.P.	Delaware
Apollo Investment Administration, LLC	Delaware
Apollo Investment Consulting LLC	Delaware
Apollo Investment Management, L.P.	Delaware
Apollo Jupiter Resources Co-Invest GP, LLC	Delaware
Apollo Laminates Agent, LLC	Delaware
Apollo Life Asset Ltd.	Cayman Islands
Apollo Lincoln Fixed Income Advisors (APO DC), L.P.	Delaware
Apollo Lincoln Fixed Income Advisors (APO DC-GP), LLC	Delaware
Apollo Lincoln Fixed Income Management, LLC	Delaware
Apollo Lincoln Private Credit Advisors (APO DC), L.P.	Delaware
Apollo Lincoln Private Credit Advisors (APO DC-GP), LLC	Delaware
Apollo Lincoln Private Credit Co-Investors (DC-D), L.P.	Delaware
Apollo Lincoln Private Credit Management, LLC	Delaware
Apollo Longevity, LLC	Delaware
Apollo Management (AOP) VII, LLC	Delaware
Apollo Management (AOP) VIII, LLC	Delaware
Apollo Management (Germany) VI, LLC	Delaware
Apollo Management (UK) VI, LLC	Delaware
Apollo Management (UK), L.L.C.	Delaware
Apollo Management Advisors Espana, S.L.U.	Spain
Apollo Management Advisors GmbH	Germany
Apollo Management Asia Pacific Limited	Hong Kong
Apollo Management GP, LLC	Delaware
Apollo Management Holdings GP, LLC	Delaware
Apollo Management Holdings, L.P.	Delaware
Apollo Management III, L.P.	Delaware
Apollo Management International LLP	United Kingdom
Apollo Management IV, L.P.	Delaware
Apollo Management Singapore Pte Ltd.	Singapore
Apollo Management V, L.P.	Delaware
Apollo Management VI, L.P.	Delaware
Apollo Management VII, L.P.	Delaware
Apollo Management VIII, L.P.	Delaware
Apollo Management, L.P.	Delaware
Apollo Maritime Management, LLC	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo Master Fund Administration, LLC	Delaware
Apollo Master Fund Feeder Advisors, L.P.	Delaware
Apollo Master Fund Feeder Management, LLC	Delaware
Apollo MidCap Holdings (Cayman) GP, Ltd.	Cayman Islands
Apollo MidCap Holdings (Cayman), L.P.	Cayman Islands
Apollo NA Management II, LLC	Delaware
Apollo Offshore Credit Fund Ltd.	Cayman Islands
Apollo Palmetto Advisors, L.P.	Delaware
Apollo Palmetto Athene Advisors, L.P.	Delaware
Apollo Palmetto Athene Management, LLC	Delaware
Apollo Palmetto HFA Advisors, L.P.	Delaware
Apollo Palmetto Management, LLC	Delaware
Apollo Parallel Partners Administration, LLC	Delaware
Apollo PE VIII Director, LLC	Anguilla
Apollo PG GenPar, Ltd.	Cayman Islands
Apollo Principal Holdings I GP, LLC	Delaware
Apollo Principal Holdings I, L.P.	Delaware
Apollo Principal Holdings II GP, LLC	Delaware
Apollo Principal Holdings II, L.P.	Delaware
Apollo Principal Holdings III GP, Ltd.	Cayman Islands
Apollo Principal Holdings III, L.P.	Cayman Islands
Apollo Principal Holdings IV GP, Ltd.	Cayman Islands
Apollo Principal Holdings IV, L.P.	Cayman Islands
Apollo Principal Holdings IX GP, Ltd.	Cayman Islands
Apollo Principal Holdings IX, L.P.	Cayman Islands
Apollo Principal Holdings V GP, LLC	Delaware
Apollo Principal Holdings V, L.P.	Delaware
Apollo Principal Holdings VI GP, LLC	Delaware
Apollo Principal Holdings VI, L.P.	Delaware
Apollo Principal Holdings VII GP, Ltd.	Cayman Islands
Apollo Principal Holdings VII, L.P.	Cayman Islands
Apollo Principal Holdings VIII GP, Ltd.	Cayman Islands
Apollo Principal Holdings VIII, L.P.	Cayman Islands
Apollo Principal Holdings X GP, Ltd.	Cayman Islands
Apollo Principal Holdings X, L.P.	Cayman Islands
Apollo Resolution Servicing GP, LLC	Delaware
Apollo Resolution Servicing, L.P.	Delaware
Apollo Rose GP, L.P.	Cayman Islands
Apollo Royalties Management, LLC	Delaware
Apollo Senior Loan Fund Co-Investors (D), L.P.	Delaware
Apollo SK Strategic Advisors GP, L.P.	Cayman Islands
Apollo SK Strategic Advisors, LLC	Anguilla
Apollo SK Strategic Co-Investors (DC-D), LLC	Marshall Islands
Apollo SK Strategic Management, LLC	Delaware
Apollo SOMA Advisors, L.P.	Delaware
Apollo SOMA Capital Management, LLC	Delaware
Apollo SOMA II Advisors, L.P.	Cayman Islands
Apollo SPN Advisors (APO DC), L.P.	Cayman Islands
Apollo SPN Advisors (APO FC), L.P.	Cayman Islands
Apollo SPN Advisors, L.P.	Cayman Islands
Apollo SPN Capital Management (APO DC-GP), LLC	Anguilla
Apollo SPN Capital Management (APO FC-GP), LLC	Anguilla

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Apollo SPN Capital Management, LLC	Anguilla
Apollo SPN Co-Investors (D), L.P.	Anguilla
Apollo SPN Co-Investors (DC-D), L.P.	Anguilla
Apollo SPN Co-Investors (FC-D), L.P.	Anguilla
Apollo SPN Management, LLC	Delaware
Apollo ST Capital LLC	Delaware
Apollo ST CLO Holdings GP, LLC	Delaware
Apollo ST Credit Partners GP LLC	Delaware
Apollo ST Credit Strategies GP LLC	Delaware
Apollo ST Debt Advisors LLC	Delaware
Apollo ST Fund Management LLC	Delaware
Apollo ST Operating LP	Delaware
Apollo ST Structured Credit Recovery Partners II GP LLC	Delaware
Apollo Strategic Advisors, L.P.	Cayman Islands
Apollo Strategic Capital Management, LLC	Delaware
Apollo Strategic Management GP, LLC	Delaware
Apollo Strategic Management, L.P.	Delaware
Apollo Structured Credit Recovery Advisors III LLC	Delaware
Apollo Structured Credit Recovery Co-Investors III (D), LLC	Delaware
Apollo Structured Credit Recovery Management III LLC	Delaware
Apollo SVF Administration, LLC	Delaware
Apollo SVF Advisors, L.P.	Delaware
Apollo SVF Capital Management, LLC	Delaware
Apollo SVF Management GP, LLC	Delaware
Apollo SVF Management, L.P.	Delaware
Apollo Talos GenPar, Ltd.	Cayman Islands
Apollo Total Return Advisors GP LLC	Delaware
Apollo Total Return Advisors LP	Cayman Islands
Apollo Total Return Co-Investors (D) GP LLC	Delaware
Apollo Total Return Co-Investors (D) LP	Delaware
Apollo Total Return Management LLC	Delaware
Apollo U.S. Real Estate Advisors GP II, LLC	Delaware
Apollo U.S. Real Estate Advisors II, L.P	Delaware
Apollo USREF Co-Investors II (D), LLC	Delaware
Apollo Value Administration, LLC	Delaware
Apollo Value Advisors, L.P.	Delaware
Apollo Value Capital Management, LLC	Delaware
Apollo Value Management GP, LLC	Delaware
Apollo Value Management, L.P.	Delaware
Apollo Verwaltungs V GmbH	Germany
Apollo VII TXU Administration, LLC	Delaware
Apollo VIII GenPar, Ltd.	Cayman Islands
Apollo Zeus Strategic Advisors, L.P.	Cayman Islands
Apollo Zeus Strategic Advisors, LLC	Delaware
Apollo Zeus Strategic Co-Investors (DC-D), LLC	Delaware
Apollo Zeus Strategic Management, LLC	Delaware
Apollo Zohar Advisors LLC	Delaware
Apollo/Artus Management, LLC	Delaware
ARM Manager, LLC	Delaware
Athene Asset Management, L.P. (Delaware-see CYM entity)	Delaware
Athene Investment Analytics LLC	Delaware
Athene Mortgage Opportunities GP, LLC	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
August Global Management, LLC	Florida
Blue Bird GP, Ltd.	Cayman Islands
Bond3 GP, Ltd.	Cayman Islands
CAI Strategic European Real Estate Advisors GP, LLC	Marshall Islands
CAI Strategic European Real Estate Advisors, L.P.	Marshall Islands
Champ GP, LLC	Delaware
Champ II Luxembourg Holdings S.a r.l.	Luxembourg
Champ L.P.	Cayman Islands
Champ Luxembourg Holdings S.a r.l.	Luxembourg
CMP Apollo LLC	Delaware
Cornerstone CLO, Ltd.	Cayman Islands
CPI Asia G-Fdr General Partner GmbH	Germany
CPI Capital Partners Asia Pacific GP Ltd.	Cayman Islands
CPI Capital Partners Asia Pacific MLP II Ltd.	Cayman Islands
CPI Capital Partners Europe GP Ltd.	Cayman Islands
CPI CCP EU-T Scots GP Ltd.	Scotland
CPI European Carried Interest, L.P.	Delaware
CPI European Fund GP LLC	Delaware
CPI NA Cayman Fund GP L.P.	Cayman Islands
CPI NA Fund GP LP	Delaware
CPI NA GP LLC	Delaware
CPI NA WT Fund GP LP	Delaware
Cyclone Royalties, LLC	Delaware
Delaware Rose GP, L.L.C.	Delaware
EPE Acquisition Holdings, LLC	Delaware
EPF II Team Carry Plan, L.P.	Marshall Islands
Financial Credit I Capital Management, LLC	Delaware
Financial Credit II Capital Management, LLC	Delaware
Financial Credit Investment Advisors I, L.P.	Cayman Islands
Financial Credit Investment Advisors II, L.P.	Cayman Islands
Financial Credit Investment I Manager, LLC	Delaware
Financial Credit Investment II Manager, LLC	Delaware
Granite Ventures II Ltd.	Cayman Islands
Granite Ventures III Ltd	Cayman Islands
Green Bird GP, Ltd.	Cayman Islands
Greenhouse Holdings, Ltd.	Cayman Islands
GSAM Apollo Holdings, LLC	Delaware
Gulf Stream - Compass CLO 2007, Ltd.	Cayman Islands
Gulf Stream - Rashinban CLO 2006-I, Ltd.	Cayman Islands
Gulf Stream - Sextant CLO 2006-1, Ltd.	Cayman Islands
Gulf Stream - Sextant CLO 2007-1, Ltd.	Cayman Islands
Gulf Stream Asset Management, LLC	North Carolina
Gulf Stream-Compass CLO 2005-II, Ltd.	Cayman Islands
Harvest Holdings, LLC	Marshall Islands
Insight Solutions GP, LLC	Delaware
Karpos Investments, LLC	Marshall Islands
Lapithus EPF II Team Carry Plan, L.P.	Marshall Islands
LeverageSource Management, LLC	Delaware
London Prime Apartments Guernsey Holdings Limited	Guernsey
London Prime Apartments Guernsey Limited	Guernsey
Neptune Finance CCS, Ltd.	Cayman Islands
Ohio Haverly Finance Company GP, LLC	Delaware

LIST OF SUBSIDIARIES

Entity Name	Jurisdiction of Organization
Ohio Haverly Finance Company, L.P.	Delaware
Rampart CLO 2006-I Ltd.	Cayman Islands
Rampart CLO 2007 Ltd.	Cayman Islands
Red Bird GP, Ltd.	Cayman Islands
RWNIH-ALL Advisors, LLC	Delaware
Smart & Final Holdco LLC	Delaware
ST Holdings GP, LLC	Delaware
ST Management Holdings, LLC	Delaware
Stanhope Life Advisors, L.P.	Cayman Islands
Stone Tower CLO II Ltd.	Cayman Islands
Stone Tower CLO III Ltd.	Cayman Islands
Stone Tower CLO IV Ltd	Cayman Islands
Stone Tower CLO V Ltd	Cayman Islands
Stone Tower CLO VI Ltd.	Cayman Islands
Stone Tower CLO VII Ltd.	Cayman Islands
Stone Tower Credit Solutions Fund LP	Delaware
Stone Tower Credit Solutions GP LLC	Delaware
Stone Tower Europe Limited	Ireland
Stone Tower Europe LLC	Delaware
Stone Tower Offshore Ltd.	Cayman Islands
Stone Tower Structured Credit Recovery Partners GP, LLC	Delaware
VC GP C, LLC	Delaware
VC GP, LLC	Delaware
Verso Paper Investments Management LLC	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our report, dated February 27, 2015, relating to the consolidated financial statements of Apollo Global Management, LLC and subsidiaries (the "Company"), and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of the Company for the year ended December 31, 2014:

- Registration Statement No. 333-182844 on Form S-3ASR
- Registration Statement No. 333-188415 on Form S-3ASR
- Registration Statement No. 333-188416 on Form S-3ASR
- Registration Statement No. 333-188417 on Form S-3ASR
- Registration Statement No. 333-173161 on Form S-8

/s/ Deloitte & Touche LLP
New York, New York
February 27, 2015

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Leon Black, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2014 of Apollo Global Management, LLC;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 27, 2015

/s/ Leon Black

Leon Black
Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Martin Kelly, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2014 of Apollo Global Management, LLC

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: February 27, 2015

/s/ Martin Kelly

Martin Kelly

Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Apollo Global Management, LLC (the "Company") on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Leon Black, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2015

/s/ Leon Black
Leon Black
Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Annual Report of Apollo Global Management, LLC (the "Company") on Form 10-K for the year ended December 31, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Martin Kelly, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 27, 2015

/s/ Martin Kelly

Martin Kelly
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.