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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, 2016 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

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, 2016 was approximately $2,761.8 million, which includes non-voting Class A shares with a value of approximately $681.8 million.

As of February 10, 2017 there were 187,144,092 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 (including the parallel funds and alternative investment vehicles of such 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 or advisory 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 or advise for the funds, partnerships and accounts to which we provide investment management or advisory 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 or advise plus the capital that 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 or advisory 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 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 or advise, 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 or advise; and

(v) the fair value of any other assets that we manage or advise for the funds, partnerships and accounts to which we provide investment management or advisory 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. In addition our AUM measure includes certain assets for which we do not have investment discretion. 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. Our calculation also differs from the manner in which our affiliates registered with the SEC report "Regulatory Assets Under Management" on Form ADV and Form PF in various ways;

"Fee-Generating AUM" consists of assets we manage or advise for the funds, partnerships and accounts to which we provide investment management or advisory services and on which we earn management fees, monitoring fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts we manage or advise. 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 structured portfolio company investments of the funds, partnerships and accounts we manage or advise, 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" refers to AUM that does not produce management fees or monitoring fees. This measure generally includes 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 interests;

(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 invested capital of the funds, partnerships and accounts we manage or advise, that is currently above its hurdle rate or preferred return, and profit of such funds, partnerships and accounts is being 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 invested capital of the funds, partnerships and accounts we manage or advise that is currently below its hurdle rate or preferred return; and

(iii) "Uninvested Carry-Eligible AUM", which refers to capital of the funds, partnerships and accounts we manage or advise that is available for investment or reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements, which capital is not currently part of the NAV or fair value of investments that may eventually produce carried interest income allocable 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 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;

"Advisory" refers to certain assets advised by Apollo Asset Management Europe PC LLP, a wholly-owned subsidiary of Apollo Asset Management Europe LLP (collectively, "AAME"). The AAME entities are subsidiaries of Apollo. Until AAME receives full authorization by the UK Financial Conduct Authority ("FCA"), references to AAME in this report mean AAME and Apollo Management International LLP, an existing FCA authorized and regulated subsidiary of Apollo in the United Kingdom;

"capital deployed" or "deployment" is the aggregate amount of capital that has been invested during a given period (which may, in certain cases, include leverage) by (i) our drawdown funds, (ii) SIAs that have a defined maturity date and (iii) funds and SIAs in our real estate debt strategy;

"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;

"drawdown" refers to commitment-based funds and certain SIAs in which investors make a commitment to provide capital at the formation of such funds and SIAs and deliver capital when called as investment opportunities become available. It includes assets of Athene Holding Ltd. ("Athene Holding") and its subsidiaries (collectively "Athene") managed by Athene Asset Management, L.P. ("Athene Asset Management" or "AAM") that are invested in commitment-based funds;

"gross IRR" of a private equity fund represents the cumulative investment-related cash flows (i) for a given investment for the fund or funds which made such investment, and (ii) for a given fund, in the relevant fund itself (and not any one investor in the fund), in each case, on the basis of the actual timing of investment inflows and outflows (for unrealized investments assuming disposition on December 31, 2016 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. In addition, gross IRRs at the fund level differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor;

"gross IRR" of a credit fund represents the annualized return of a fund based on the actual timing of all cumulative fund cash flows before management fees, carried interest income allocated to the general partner and certain other fund expenses. Calculations may include certain investors that do not pay fees. The terminal value is the net asset value as of the reporting date. Non-U.S. dollar denominated ("USD") fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, gross IRRs at the fund level differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor;

"gross IRR" of a real estate fund represents the cumulative investment-related cash flows in the fund itself (and not any one investor in the fund), on the basis of the actual timing of cash inflows and outflows (for unrealized investments assuming disposition on December 31, 2016 or other date specified) starting on the date that each investment closes, 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. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, gross IRRs at the fund level differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor;

"gross return" of a credit or real estate fund is the monthly or quarterly time-weighted return that is equal to the percentage change in the value of a fund's portfolio, adjusted for all contributions and withdrawals (cash flows) before the effects of management fees, incentive fees allocated to the general partner, or other fees and expenses. Returns of Athene sub-advised portfolios and CLOs represent the gross returns on invested assets, which exclude cash. Returns over multiple periods are calculated by geometrically linking each period's return over time;

"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;

"inflows" represents (i) at the individual segment level, subscriptions, commitments, and other increases in available capital, such as acquisitions or leverage, net of inter-segment transfers, and (ii) on an aggregate basis, the sum of inflows across the private equity, credit and real estate segments;

"IRS" refers to the Internal Revenue Service;

"liquid/performing" includes CLOs and other performing credit vehicles, hedge fund style credit funds, structured credit funds and SIAs, as well as sub-advised managed accounts owned by or related to Athene. Certain commitment-based SIAs are included as the underlying assets are liquid;

"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 gross IRR applicable to a fund, including returns for related parties which may not pay fees or carried interest, net of management fees, certain fund expenses (including interest incurred or earned by the fund itself) and realized carried interest all offset to the extent of interest income, and measures returns at the fund level on amounts that, if distributed, would be paid to investors of the fund. To the extent that a fund exceeds all requirements detailed within the applicable fund agreement, the estimated unrealized value is adjusted such that a percentage of up to 20.0% of the unrealized gain is allocated to the general partner of such fund, thereby reducing the balance attributable to fund investors. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor;

"net IRR" of a credit fund represents the annualized return of a fund after management fees, carried interest income allocated to the general partner and certain other fund expenses, calculated on investors that pay such fees. The terminal value is the net asset value as of the reporting date. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor;

"net IRR" of a real estate fund represents the cumulative cash flows in the fund (and not any one investor in the fund), on the basis of the actual timing of cash inflows received from and outflows paid to investors of the fund (assuming the ending net asset value as of December 31, 2016 or other date specified is paid to investors), excluding certain non-fee and non-carry bearing parties, and the return is annualized and compounded after management fees, carried interest, and certain other expenses (including interest incurred by the fund itself) and measures the returns to investors of the fund as a whole. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor;

"net return" of a credit or real estate fund represents the gross return after management fees, incentive fees allocated to the general partner, or other fees and expenses. Returns of Athene sub-advised portfolios and CLOs represent the gross or net returns on invested assets, which exclude cash. Returns over multiple periods are calculated by geometrically linking each period's return over time;

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

"permanent capital vehicles" refers to (a) assets that are owned by or related to Athene, (b) assets that are owned by or related to MidCap FinCo Limited ("MidCap") and managed by Apollo Capital Management, L.P., (c) assets of publicly traded vehicles managed by Apollo such as Apollo Investment Corporation ("AINV"), Apollo Commercial Real Estate Finance, Inc. ("ARI"), 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 and (d) a non-traded business development company sub-advised by Apollo. The investment management arrangements of AINV, AIF and AFT have one year terms, are reviewed annually and remain in effect only if approved by the boards of directors of such companies or by the affirmative vote of the holders of a majority of the outstanding voting shares of such companies, including in either case, approval by a majority of the directors who are not "interested persons" as defined in the Investment Company Act of 1940. In addition, the investment management agreements of AINV, AIF and AFT may be terminated in certain circumstances upon 60 days' written notice. The investment management agreement of ARI has a one year term and is reviewed annually by ARI's board of directors and may be terminated under certain circumstances by an affirmative vote of at least two-thirds of ARI's independent directors. The investment management arrangements between MidCap and Apollo Capital Management, L.P. and Athene and Athene Asset Management, may also be terminated under certain circumstances;

"private equity fund appreciation (depreciation)" refers to gain (loss) and income for the traditional private equity funds (as defined below), Apollo Natural Resources Partners, L.P. ("ANRP I"), Apollo Natural Resources Partners II, L.P. ("ANRP II"), Apollo

Special Situations Fund, L.P. and AION Capital Partners Limited ("AION") for the periods presented on a total return basis before giving effect to fees and expenses. The performance percentage is determined by dividing (a) the change in the fair value of investments over the period presented, minus the change in invested capital over the period presented, plus the realized value for the period presented, by (b) the beginning unrealized value for the period presented plus the change in invested capital for the period presented. Returns over multiple periods are calculated by geometrically linking each period's return over time;

"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;

"Realized Value" refers to all cash investment proceeds received by the relevant Apollo fund, including interest and dividends, but does not give effect to management fees, expenses, incentive compensation or carried interest to be paid by such Apollo fund;

"Remaining Cost" represents the initial investment of the general partner and limited partner investors in a fund, reduced for any return of capital distributed to date, excluding management fees, expenses, and any accrued preferred return;

"Strategic Investors" refers to the California Public Employees' Retirement System, or "CalPERS," and an affiliate of the Abu Dhabi Investment Authority, or "ADIA";

"Total Invested Capital" refers to the aggregate cash invested by the relevant Apollo fund and includes capitalized costs relating to investment activities, if any, but does not give effect to cash pending investment or available for reserves;

"Total Value" represents the sum of the total Realized Value and Unrealized Value of investments;

"traditional private equity funds" refers to Apollo Investment Fund I, L.P. ("Fund I"), AIF II, L.P. ("Fund II"), a mirrored investment account established to mirror Fund I and Fund II for investments in debt securities ("MIA"), Apollo Investment Fund III, L.P. (together with its parallel funds, "Fund III"), Apollo Investment Fund IV, L.P. (together with its parallel fund, "Fund IV"), Apollo Investment Fund V, L.P. (together with its parallel funds and alternative investment vehicles, "Fund V"), Apollo Investment Fund VI, L.P. (together with its parallel funds and alternative investment vehicles, "Fund VI"), Apollo Investment Fund VII, L.P. (together with its parallel funds and alternative investment vehicles, "Fund VII") and Apollo Investment Fund VIII, L.P. (together with its parallel funds and alternative investment vehicles, "Fund VIII");

"Unrealized Value" refers to the fair value consistent with valuations determined in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), for investments not yet realized and may include pay in kind, accrued interest and dividends receivable, if any. In addition, amounts include committed and funded amounts for certain investments; and

"Vintage Year" refers to the year in which a fund's final capital raise occurred.

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, 2016, we had total AUM of $192 billion, including approximately $44 billion in private equity, $137 billion in credit and $11 billion in real estate. 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, 2016.

Apollo is led by our Managing Partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for 30 years and lead a team of 986 employees, including 376 investment professionals, as of December 31, 2016. This team possesses a broad range of transaction, financial, managerial and investment skills. We have offices in New York, Los Angeles, Houston, Chicago, Ballwin, Bethesda, Toronto, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai. 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, manufacturing and industrial, natural resources, consumer and retail, consumer services, business services, financial services, leisure, and media and telecom and technology. 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.

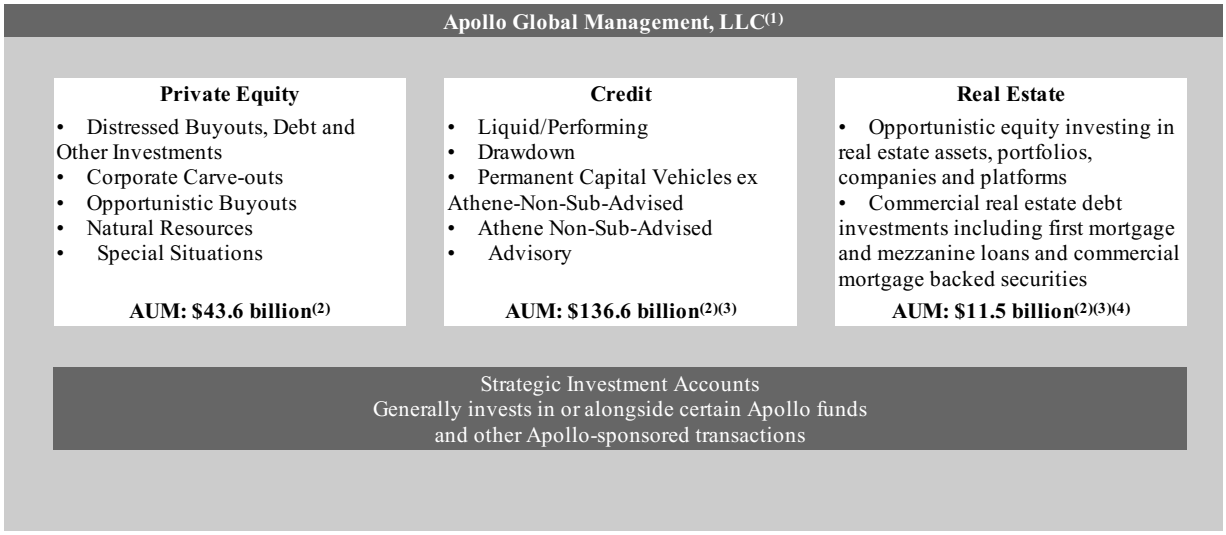
We have grown our total AUM at a 22% compound annual growth rate from December 31, 2005 to December 31, 2016. In addition, we benefit from mandates with long-term capital commitments in our private equity, credit and real estate businesses. Our long-lived capital base allows us to invest our funds' assets with a long-term focus, which is an important component in generating attractive returns for our fund 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, 2016, more than 90% of our AUM was in funds with a contractual life at inception of seven years or more, and 45% of our AUM was in permanent capital vehicles.

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 existing funds and may face pressure on incentive income and 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.

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, 2016.
(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 $1.05 as of December 31, 2016.
(4) Includes funds that are denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.23 as of December 31, 2016.

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, 2016, approximately 70% 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. As of December 31, 2016, our private equity segment had total and Fee-Generating AUM of approximately $43.6 billion and $30.7 billion, respectively.

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.

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. 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, our 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 our 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. 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.

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.

Natural Resources

In addition to our traditional private equity funds which pursue opportunities in nine core industries, one of which is natural resources, we have two dedicated private equity natural resources funds. In 2011, we established our first dedicated private equity natural resources fund, Apollo Natural Resources Partners, L.P. (together with its alternative investment vehicles, "ANRP I") and 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. In 2015, we launched our second natural resources fund, Apollo Natural Resources Partners II, L.P. (together with its alternative investment vehicles, "ANRP II"). We believe we can source and execute compelling, value-oriented investment opportunities for our funds irrespective of the commodity price environment.

Special Situations

In 2016, we established our first dedicated special situations fund, Apollo Special Situations Fund, L.P. (together with its alternative investment vehicles, "SSF") which seeks investment opportunities that do not fit within our existing private equity and credit fund mandates based on a variety of reasons, including risk-return profile, duration and control provisions. The Fund relies on a flexible investment approach to pursue opportunities up and down the capital structure, including opportunities that may result from market dislocation, regulatory change or out of favor industries. We believe these special situations investments represent a sizable and scalable investment opportunity to capture structurally downside-protected opportunities. While SSF is distinct from previous Apollo funds, we believe the Fund is a natural extension of Apollo's private equity business and will benefit from Apollo's integrated platform.

AP Alternative Assets, L.P. ("AAA")

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 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 Investments' only investment.

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, 2016:

Company	Year of Initial Investment	Fund(s)	Buyout Type	Industry	Region
Constellis	2016	Fund VIII	Opportunistic Buyout	Business Services	North America
Diamond Resorts	2016	Fund VIII	Opportunistic Buyout	Leisure	North America
Maxim Crane Works / AmQuip	2016	Fund VIII	Opportunistic Buyout	Manufacturing & Industrial	North America
Nova KBM	2016	Fund VIII	Opportunistic Buyout	Financial Services	Central Europe
Outerwall	2016	Fund VIII	Opportunistic Buyout	Consumer Services	North America
Rackspace	2016	Fund VIII	Opportunistic Buyout	Media/Telecom/Technology	North America
The Fresh Market	2016	Fund VIII	Opportunistic Buyout	Consumer & Retail	North America
Vistra Energy	2016	Fund VII & ANRP II	Distressed Buyout	Natural Resources	North America
Warrior Met Coal	2016	Fund VIII & ANRP I	Distressed Buyout	Natural Resources	North America
ADT	2015	Fund VIII	Opportunistic Buyout	Consumer Services	North America
Amissima	2015	Fund VIII	Corporate Carve-Out	Financial Services	Western Europe
CH2M Hill	2015	Fund VIII	Opportunistic Buyout	Business Services	North America
Presidio	2015	Fund VIII	Opportunistic Buyout	Business Services	North America
RegionalCare	2015	Fund VIII	Opportunistic Buyout	Consumer Services	North America
Tranquilidade	2015	Fund VIII	Corporate Carve-Out	Financial Services	Western Europe
Vectra	2015	Fund VIII	Corporate Carve-Out	Chemicals	North America
Ventia	2015	Fund VIII	Corporate Carve-Out	Business Services	Australia
Verallia	2015	Fund VIII	Corporate Carve-Out	Manufacturing & Industrial	Western Europe
Caelus Energy Alaska	2014	Fund VIII & ANRP I	Corporate Carve-Out	Natural Resources	North America
CEC Entertainment	2014	Fund VIII	Opportunistic Buyout	Leisure	North America
Double Eagle Energy II	2014	ANRP I & ANRP II	Opportunistic Buyout	Natural Resources	North America
Express Energy	2014	Fund VIII & ANRP I	Opportunistic Buyout	Natural Resources	North America
Jupiter Resources	2014	Fund VIII & ANRP I	Corporate Carve-Out	Natural Resources	North America
American Gaming Systems	2013	Fund VIII	Opportunistic Buyout	Leisure	North America
Apex Energy	2013	ANRP I	Opportunistic Buyout	Natural Resources	North America
Aurum	2013	Fund VII	Opportunistic Buyout	Consumer & Retail	Western Europe
Hostess Snacks	2013	Fund VII	Opportunistic Buyout	Consumer & Retail	North America
McGraw Hill Education	2013	Fund VII	Corporate Carve-Out	Consumer Services	North America
EP Energy	2012	Fund VII & ANRP I	Corporate Carve-Out	Natural Resources	North America

Talos Energy	2012	Fund VII & ANRP I	Opportunistic Buyout	Natural Resources	North America
Endemol Shine Group	2011	Fund VII	Distressed Buyout	Media/Telecom/Technology	Global
Welspun Group	2011	Fund VII & ANRP I	Opportunistic Buyout	Natural Resources	India
Ladbrokes Coral Group	2010	Fund VI & Fund VII	Distressed Buyout	Leisure	Western Europe
Caesars Entertainment(1)	2008	Fund VI	Opportunistic Buyout	Leisure	North America
Norwegian Cruise Lines	2008	Fund VI & Fund VII	Opportunistic Buyout	Leisure	North America
Claire's Stores	2007	Fund VI	Opportunistic Buyout	Consumer & Retail	Global
Momentive Performance Materials	2006	Fund VI	Corporate Carve-Out	Chemicals	North America
Debt Investment Vehicles	Various	Various	Debt Investment	Various	Various

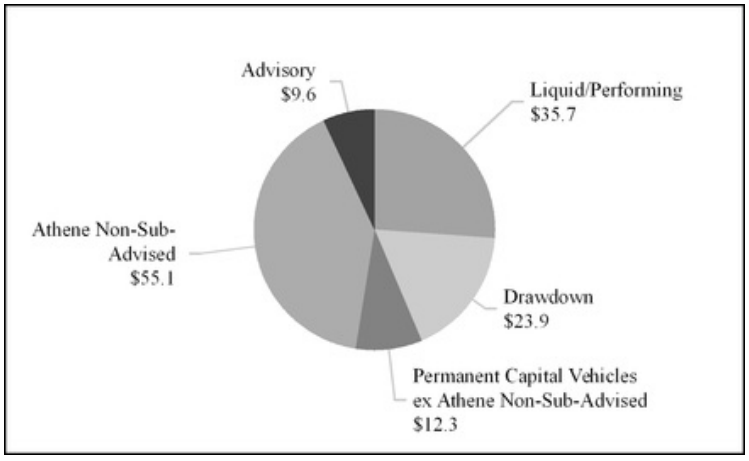
Note: The table above includes portfolio companies of Fund IV, Fund V, Fund VI, Fund VII, Fund VIII, ANRP I, ANRP II and AION with a remaining value greater than $100 million, excluding the value associated with any portion of such private equity funds' portfolio company investments held by co-investment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

(1) Includes investment in Caesars Entertainment Corp. and Caesars Acquisition Company.

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 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, 2016, Apollo's credit segment had total AUM and Fee-Generating AUM of $136.6 billion and $111.8 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, is categorized as follows:

Credit AUM as of December 31, 2016
(in billions)



Liquid/Performing

Our liquid/performing category within the credit segment generally includes funds and accounts where the underlying assets are liquid in nature and/or have some form of periodic redemption right. Liquid/performing includes a variety of hedge funds, CLOs and SIAs that utilize a range of investment strategies including performing credit, structured credit, and liquid opportunistic credit. Performing credit strategies focus on income-oriented, senior loan and bond investment strategies that target issuers primarily domiciled in the U.S. and in Europe. Structured credit strategies target multiple tranches of structured securities

with favorable and protective lending terms, predictable payment schedules, well diversified portfolios and low default rates. Liquid opportunistic strategies primarily focus on credit investments that are generally liquid in nature and that utilize a similar value-oriented investment philosophy as our private equity business. This includes investments by our credit funds in a broad array of primary and secondary opportunities encompassing stressed and distressed public and private securities primarily within corporate credit, including senior loans (secured and unsecured), high yield, mezzanine, derivative securities, debtor in possession financings, rescue or bridge financings, and other debt investments. In aggregate, our AUM and Fee-Generating AUM within the liquid/performing category totaled $35.7 billion and $31.6 billion, respectively, as of December 31, 2016.

Hedge Funds

Hedge Funds primarily includes Apollo Credit Strategies Master Fund Ltd., Apollo Credit Master Fund Ltd. and Apollo Credit Short Opportunities Fund. Collectively, our hedge fund AUM and Fee-Generating AUM totaled $6.0 billion and $2.8 billion, respectively, as of December 31, 2016. Our hedge funds may utilize a mix of the investment strategies outlined above. Investments in these funds may be made on a long or short basis and employ leverage to finance the acquisition of various credit investments. Accordingly, the difference between AUM and Fee-Generating AUM for hedge funds is driven by non-fee paying leverage.

CLOs

CLOs includes more than 20 internally managed CLOs focused within the U.S. and Europe. In aggregate, our AUM and Fee-Generating AUM in CLOs totaled $12.2 billion and $11.8 billion, respectively, as of December 31, 2016. Through their lifecycle, CLOs employ structured credit and performing credit strategies with the goal of providing investors with competitive yields achieved through highly diversified pools of historically low defaulting assets.

SIAs / Other

SIAs / Other includes a diverse group of separately managed accounts and certain commitment-based funds where the underlying assets are liquid and generally employ a mix of performing credit, structured credit, and liquid opportunistic credit investment strategies. In aggregate, our AUM and Fee-Generating in SIAs and other accounts totaled $17.4 billion and $16.9 billion as of December 31, 2016, respectively. The managed accounts comprising the majority of AUM and Fee-Generating AUM within this subcategory are customized according to an investor's specified risk and target return preferences.

Drawdown

Our drawdown category within the credit segment generally includes commitment-based funds and certain SIAs 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. Drawdown comprises our fund series' including Credit Opportunity Funds, European Principal Finance Funds, and Structured Credit Funds, including Financial Credit Investment Funds and Structured Credit Recovery Funds, as well as other commitment-based funds not included within a series of funds and certain SIAs. Drawdown funds and SIAs utilize a range of investment strategies including illiquid opportunistic, principal finance, and structured credit strategies. In aggregate, our AUM and Fee-Generating AUM within the drawdown category totaled $23.9 billion and $13.6 billion, respectively, as of December 31, 2016.

Credit Opportunity Funds

The Credit Opportunity Fund ("COF") series primarily employs our illiquid opportunistic investment strategy, which focuses on credit investments that are less liquid in nature and that utilize a similar value-oriented investment philosophy as our private equity business. This includes investments in a broad array of primary and secondary opportunities encompassing 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, for certain illiquid opportunistic investments our underwriting process may result in selective and at times concentrated investments by the funds in the various industries on which we focus. In certain cases, leverage can be employed in connection with this strategy 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. Our AUM and Fee-Generating AUM within the Credit Opportunity Funds totaled $3.6 billion and $2.5 billion, respectively, as of December 31, 2016.

European Principal Finance Funds

The European Principal Finance Fund ("EPF") series primarily employs our principal finance investment strategy, which is utilized to invest in European commercial and residential real estate, performing loans, non-performing loans, and unsecured consumer loans, as well as acquiring assets as a result of distressed market situations. Our EPF series recently expanded as we held a first closing for our third European Principal Finance Fund during the year ended December 31, 2016. Certain of the EPF

investment vehicles we manage own captive pan-European financial institutions, loan servicing and property management platforms. These entities perform banking and lending activities and manage and service consumer credit receivables and loans secured by commercial and residential properties. In aggregate, these financial institutions, loan servicing, and property management platforms operate in five European countries and employed approximately 1,500 individuals as of December 31, 2016. We believe the post-investment loan servicing and real estate asset management requirements, combined with the illiquid nature of these investments, limits participation by traditional long-only investors, hedge funds, and private equity funds, resulting in what we believe to be an opportunity for our credit business. Our AUM and Fee-Generating AUM within the European Principal Finance Funds totaled $7.1 billion and $5.2 billion, respectively, as of December 31, 2016.

Structured Credit Funds - FCI and SCRF

Our Structured Credit Funds include the Financial Credit Investment Fund series ("FCI") and the Structured Credit Recovery Fund series ("SCRF"). Collectively, the Structured Credit Funds employ our structured credit investing strategy, which targets multiple tranches of less liquid structured securities with favorable and protective lending terms, predictable payment schedules, well-diversified portfolios and low default rates. Our AUM and Fee-Generating AUM within Structured Credit Funds totaled $5.0 billion and $2.8 billion, respectively, as of December 31, 2016.

Permanent Capital Vehicles - Credit

Our permanent capital vehicles category within the credit segment generally includes pools of assets which are not subject to redemption and are generally associated with long term asset management or advisory contracts. This category is comprised of (a) Athene assets managed or advised by Apollo; (b) assets that are owned by or related to Midcap and managed by Apollo; (c) assets of certain publicly traded vehicles managed by Apollo such as AINV, AIF, and AFT and (d) a non-traded business development company sub-advised by Apollo. The permanent capital vehicles within credit utilize a range of investment strategies including performing credit and structured credit as described previously, as well as directly originated credit. Direct origination generally relates to the sourcing of senior credit assets, both secured and unsecured, including asset-backed loans, leveraged loans, mezzanine debt, real estate loans, re-discount loans and venture loans. Directly originated credit is primarily employed by Midcap, AINV, and a non-traded business development company sub-advised by Apollo. In aggregate, our AUM and Fee-Generating AUM within our credit permanent capital vehicles totaled $67.4 billion and $66.6 billion, respectively, as of December 31, 2016.

Permanent Capital Vehicles excluding Athene Non-Sub-Advised Assets

This category includes all permanent capital vehicles within the credit segment described above except for the portion of Athene-related AUM that is not sub-advised by Apollo or invested in Apollo funds as of December 31, 2016. The AUM and Fee-Generating AUM we managed within the permanent capital vehicles excluding Athene Non-Sub-Advised category totaled $12.3 billion and $11.5 billion, respectively, as of December 31, 2016.

Athene Non-Sub-Advised Assets

This category includes the Athene assets which are managed by Apollo but not sub-advised by Apollo nor invested in Apollo funds or investment vehicles. We refer to these assets collectively as "Athene Non-Sub-Advised Assets". Included in this category is $4.4 billion of Athene AUM for which AAME provides investment advisory services. Our AUM within the Athene Non-Sub-Advised category totaled $55.1 billion as of December 31, 2016, all of which was Fee-Generating AUM, although certain assets are subject to partial fee rebates as described in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." For additional information, please refer to "—Athene" below.

Athene

As discussed in the preceding section, permanent capital vehicles within the credit segment includes Athene assets that are managed or advised by Apollo. As of December 31, 2016, Apollo, through its subsidiaries, managed or advised $70.8 billion of AUM and $70.8 billion of Fee-Generating AUM in accounts owned by or related to Athene (the "Athene Accounts"). This amount includes $15.7 billion of AUM that was either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo within the credit, real estate, and private equity business segments.

Athene Holding was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene Holding, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements. Athene Holding became an effective registrant on December 9, 2016 under the U.S. Securities Exchange Act of 1934, as amended, and trades on the New York Stock Exchange (NYSE) under the symbol "ATH".

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 Holding for providing such services. As of December 31, 2016, Athene Asset Management managed Athene Holding's entire investment portfolio, except with respect to certain Athene assets which are advised by AAME. Through Athene Asset Management and AAME, Apollo managed or advised $70.8 billion of AUM as of December 31, 2016 in the Athene Accounts, of which approximately $15.7 billion, or approximately 22%, was either sub-advised by Apollo or invested in Apollo funds and investment vehicles. The vast majority of sub-advised assets are in managed accounts that invest in high grade credit asset classes such as CLO debt, commercial mortgage backed securities and insurance-linked securities. We currently expect this percentage to increase over time provided that we continue to perform successfully in providing asset management and advisory 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. AAME receives a gross fee of 0.10% per annum on Athene assets it advises.

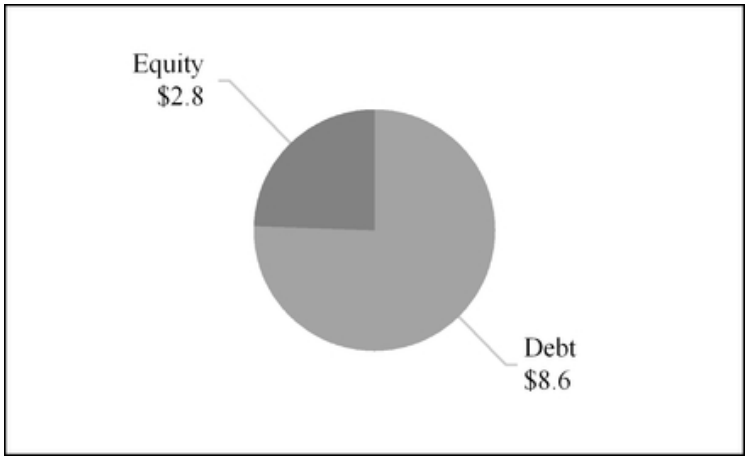
Advisory

Advisory refers to certain assets advised by AAME. AAME is a subsidiary of Apollo which provides asset allocation and risk management advisory services principally to certain of the insurance and bank institutions acquired by Apollo managed funds on either a cost reimbursement basis. Advisory excludes $4.4 billion of Athene AUM for which AAME provides investment advisory services. Our AUM as of December 31, 2016 within the Advisory category totaled $9.6 billion.

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, 2016, our real estate business had total and fee generating AUM of approximately $11.5 billion and $8.3 billion, respectively, through a combination of investment funds, SIAs and ARI, a publicly-traded, commercial mortgage real estate investment trust managed by Apollo.

Real Estate AUM as of December 31, 2016
(in billions)



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 across the United States and Asia. The U.S. real estate equity 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. The Asia real estate equity funds we manage have a primary focus on investing in China, India and Southeast Asia, while executing Apollo's strategy of opportunistic value investing in real estate related assets, portfolios, companies, operating platforms, and structured finance. Our real estate equity funds under management currently include (i) AGRE U.S. Real Estate Fund, L.P. ("U.S. RE Fund I") and Apollo U.S. Real Estate Fund II, L.P. ("U.S. RE Fund II"), our U.S. focused opportunistic funds, (ii) Apollo Asia Real Estate Fund, L.P. ("Asia RE Fund"), our Asia-focused opportunistic fund, (iii) Trophy Property Development Fund, L.P., a China-focused investment fund we manage since 2015 through the acquisition of Venator Real Estate Capital Partners ("Venator"), an Asian focused real estate investment manager

and (iv) 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, 2016, approximately $20 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 Fund VIII, investors representing over 92% of Fund VII's 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 investors. We host quarterly webcasts that are led by members of our senior management team and we provide quarterly reports to the 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 and AIF. AINV is listed on the NASDAQ Global Select Market and complies with the reporting requirements of that exchange. ATH, AFT and AIF 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 of our traditional private equity funds 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 adviser 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 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. Additionally, Apollo adopted new U.S. GAAP consolidation guidance during the year ended December 31, 2015, which resulted in the deconsolidation of certain funds and variable interest entities ("VIEs") as of January 1, 2015.

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, 2016 of $607.9 million.

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 fund assets generally on the same terms and conditions as those to which the applicable fund is subject.

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 our funds acquiring investments in attractive portfolio companies and making other fund investments. We compete for outside investors for our funds 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.

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.”

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 advisers of our funds are registered as investment advisers either directly or as a "relying adviser" with the SEC. A “relying adviser” is an investment adviser that relies on the investment adviser registration of a directly registered investment adviser pursuant to the SEC’s Division of Investment Management staff guidance dated January 18, 2012, issued in a no-action letter in response to the American Bar Association’s request for interpretative guidance (the “ABA No-Action Letter”). Registered investment advisers 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. Pursuant to the ABA No-Action letter, each “relying adviser” is an investment adviser registered with the SEC and, as such, is required to comply with all of the provisions of the Investment Advisers Act and the rules thereunder that apply to registered advisers.

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 the 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 has elected to be taxed as a real estate investment trust, or REIT, under the Internal Revenue Code. To maintain its qualification as a REIT, ARI must distribute at least 90% of its taxable income to its 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, investments, 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 direct or indirect 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.

The New York State Department of Financial Services (the "NYSDFS") adopted an amendment to its holding company system regulations which requires prospective acquirers of New York domiciled insurers to provide greater disclosure with respect to intended changes to the business operations of the insurer, and which expressly authorizes the NYSDFS to impose additional conditions on such an acquisition and limit changes that the acquirer may make to the insurer's business operations for a specified period of time following the acquisition without the NYSDFS' prior approval. In particular, the amendment provides the NYSDFS with the specific authority to require acquirers of New York domiciled life insurers to post assets in a trust account for the benefit of the target company's policyholders. In making such determination, the NYSDFS may consider whether the acquirer is, or is controlled by or under common control with, an investment manager such as Apollo. The NAIC's former Private Equity Issues Working Group, which was formed to develop best practice recommendations relating to acquisitions of control of insurance or reinsurance companies by private equity and hedge funds, recently adopted new narrative guidance for state insurance examiners to consider in reviewing applications for an acquisition of an insurer by a private equity firm. Such guidance has been adopted by the NAIC and is included in the 2015 Annual/2016 Quarterly edition of the NAIC's Financial Analysis Handbook.

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. The NAIC has adopted amendments to the Holding Company Model Act that introduced the concept of "enterprise risk" within an insurance holding company system and imposed 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. Changes to existing NAIC model laws or regulations must be adopted by individual states or foreign jurisdictions before they will become effective. To date, each of Delaware, Iowa and New York has 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. In the United States, 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. To date, Delaware has enacted laws to adopt a form of these amendments, and Iowa has adopted similar provisions under a predecessor statute. 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 established the Federal Insurance Office (the "FIO") within the U.S. Department of the Treasury headed by a Director appointed by the Treasury Secretary. While currently not having a general supervisory or regulatory authority over the business of insurance, the Director of the FIO performs various functions with respect to insurance, including serving as a non-voting member of the FSOC and making recommendations to the FSOC regarding non-bank financial companies to be designated as SIFIs. The Director of the FIO has also submitted reports to the U.S. Congress on (i) modernization of U.S. insurance regulation (provided in December

2013) and (ii) the U.S. and global reinsurance market (provided in November 2013 and January 2015, respectively). Such reports could ultimately lead to changes in the regulation of insurers and reinsurers in the U.S.

As the ultimate parent of the general partner or manager of certain shareholders of Athene Holding, we are subject to certain insurance laws and regulations in Bermuda, where Athene Holding's direct, wholly owned subsidiary, Athene Life Re Ltd. ("ALRe"), is registered as a Class E insurer. ALRe is subject to regulation and supervision by the Bermuda Monetary Authority ("BMA") and compliance with all applicable Bermuda law and Bermuda insurance statutes and regulations, including but not limited to the Insurance Act of 1978 (Bermuda) and the rules and regulations promulgated thereunder (the "Bermuda Insurance Act").

Under the Bermuda Insurance Act, the BMA maintains supervision over the "controllers" of all registered insurers in Bermuda. For these purposes, a "controller" includes a shareholder controller. The definition of shareholder controller is set out in the Bermuda Insurance Act but generally refers to (a) a person who holds 10% or more of the shares carrying rights to vote at a shareholders' meeting of the registered insurer or its parent company, (b) a person who is entitled to exercise 10% or more of the voting power at any shareholders' meeting of such registered insurer or its parent company or (c) a person who is able to exercise significant influence over the management of the registered insurer or its parent company by virtue of its shareholding or its entitlement to exercise, or control the exercise of, the voting power at any shareholders' meeting.

The Bermuda Insurance Act imposes certain notice requirements upon any person that has become, or as a result of a disposition ceased to be, a shareholder controller, and failure to comply with such requirements is punishable by a fine of $25,000. Athene Holding's shareholder controllers include Apollo and certain investment funds and other collective investment vehicles controlled by or under common control with Apollo. In addition, the BMA may file a notice of objection to any person or entity who has become a controller of any description where it appears that such person or entity is not, or is no longer, fit and proper to be a controller of the registered insurer. Any person or entity who continues to be a controller of any description after having received a notice of objection is guilty of an offense and liable on summary conviction to a fine of $25,000 (and a continuing fine of $500 per day for each day that the offense is continuing) or, if convicted on indictment, to a fine of $100,000 and/or two years in prison.

The BMA may, in accordance with the Bermuda Insurance Act and in respect of an insurance group, determine whether it is appropriate for it to act as its group supervisor. The BMA has not yet designated any long-term life reinsurers, such as ALRe, for group supervision; accordingly, our insurance company affiliates are not currently subject to group supervision by the BMA. The BMA may, however, exercise its authority to act as group supervisor for our insurance company affiliates in the future. We cannot predict with any degree of certainty the additional capital requirements, compliance costs or other burdens that such a determination may impose on us and our insurance company affiliates.

Apollo Management International LLP ("AMI") is authorized and regulated by the U.K. Financial Conduct Authority ("FCA") in the United Kingdom, under the Financial Services and Markets Act 2000 ("FSMA") and the rules promulgated thereunder. AMI has permission to engage in certain specified regulated activities, including dealing as agent and arranging deals in relation to certain types of investments. Most aspects of AMI's investment business are governed by the FSMA and related rules, including sales, research, trading practices, provision of investment advice, corporate finance, regulatory capital, record keeping, approval standards for individuals, anti-money laundering and period reporting and settlement procedures. The U.K. Financial Conduct Authority is responsible for administering these requirements and our compliance with the relevant the FSMA and related rules.

Apollo Asset Management Europe LLP and its subsidiary Apollo Asset Management Europe PC LLP (together, AAME), each registered in England and Wales and authorized by the FCA as appointed representatives of AMI, are subsidiaries of Apollo whose primary purpose is to provide a centralized asset management and risk function to European clients in the financial services and insurance sectors. Currently, AAME provides client services to its clients jointly with AMI. Until AAME receives full authorization by the FCA, references to AAME in this report mean AAME and AMI.

Apollo Investment Management Europe LLP ("AIME") is authorized as an Alternative Investment Fund Manager ("AIFM") by the FCA in the United Kingdom. The AIFM is intended to market and distribute new European funds to institutional clients in Europe. It will also allow for one central registration per European fund rather than multiple registrations as is currently the case under national private placement regimes.

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 regulatory environment in which we operate, see "Item 1A. Risk Factors—Risks Related To Our Businesses—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 taxation or law and other legislative or regulatory changes could adversely affect 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—Our failure to deal appropriately with conflicts of interest could damage our reputation and adversely affect our businesses."

Available Information

Apollo Global Management, LLC is a Delaware limited liability company that was formed on July 3, 2007. 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. You may also read and copy any document we file at the SEC's public reference room located at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition these reports and the other documents we file with the SEC are available on the SEC's website at www.sec.gov.

From time to time, we may use our website as a channel of distribution of material information. Financial and other material information regarding the Company is routinely posted on and accessible at www.agm.com.

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 committed or 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 committed or invested in our funds and ultimately, our management fee income.

We depend on Leon Black, Joshua Harris and Marc Rowan and other key personnel, 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, and other key personnel. 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 and other key personnel is crucial to our success. Our Managing Partners and other key personnel may resign, join our competitors or form a competing firm. If our Managing Partners or other key personnel were to join or form a competitor, some of our fund 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 and other key personnel 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 or other key personnel. In addition, the loss of two or more of our Managing Partners or certain other key personnel may result in the termination of our role as general partner of certain 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 certain other investment professionals leave our company, the commitment periods of certain of our funds may be terminated, and we may be in default under the governing documents of certain of our funds and our credit agreement."

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 decrease 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 our funds may have contracted to purchase. Our funds' portfolio companies regularly utilize the corporate debt markets in order to obtain financing for their operations. To the extent that the current credit markets and/or regulatory changes have rendered financing difficult to obtain or more expensive, this may negatively impact the operating performance of such portfolio companies and funds, 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 or economic 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 and the businesses of the companies in which our funds invest 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). Recently, markets have been affected by a weak global economy, increases in interest rates in the U.S., concerns of China's slowing economy, falling oil prices, growing debt loads for certain countries and uncertainty about the consequences of the U.S. and other governments withdrawing monetary stimulus measures. The increase in the foreign exchange value of the U.S. Dollar could also result in financial market dislocations that could negatively impact deal financing conditions. The low price of oil may increase default risk among corporate and sovereign borrowers that have exposure to the energy sector, which increases the cost or availability of financing for certain of our funds' transactions. 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. 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. 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 businesses 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 affected 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.

A financial downturn could adversely affect our operating results in a number of ways, and if the economy was 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 and other income from our funds;
- increases in costs of financial instruments;
- adverse conditions for the portfolio companies of our funds (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 our funds use to acquire companies in our private equity business; and
- material reductions in the value of our fund investments, affecting our ability to realize incentive income from these investments.

Lower investment returns and such material reductions in value may result because, among other reasons, during periods of difficult market conditions or slowdowns (which may be across one or more industries, sectors or geographies), companies in which our funds 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 debt investments made by our funds, which could have a negative impact on our funds with significant debt investments, such as our 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.

While the adverse effects of the unprecedented turmoil in global financial markets in 2008 and 2009 have abated to a certain degree, markets have continued to experience volatility including during August and September 2015 and then again in January 2016, following the decision of the People's Bank of China to reduce the foreign exchange value of the renminbi. As

China accounts for a significant portion of global manufacturing output and is a key link in global supply chains, a slowdown in China's industrial sector has a direct negative impact on global industrial orders. At the same time, the decline in Chinese demand for industrial inputs has contributed to a reduction in the capital spending of global businesses operating in the energy, metals, and mining industries because low commodity prices generally do not support new capital investment in businesses in these industries. To the extent China's growth continues to slow, the portfolio companies of our funds around the world, especially those in the industrial industries, could be adversely impacted. Low levels of growth and high levels of government debt in major markets including the United States and Europe persist, and Europe continues to experience high unemployment and ongoing austerity. Concerns regarding sovereign defaults and the possibility that additional countries might leave the European Union ("EU") have resurfaced.

Heightened financial market volatility has also been attributed to weakness in commodity prices. The low price of oil has increased default risk among corporate and sovereign borrowers that have exposure to the energy sector. Losses (or anticipated losses) on energy and related credits have been so large that financing sources, particularly in the U.S., are exercising caution in providing additional credit in all sectors. This tightening in the debt financing market could impact our funds' ability to finance transactions, as well as the operations of our funds' portfolio companies, by increasing the cost and/or decreasing the availability of financing.

To the extent the uncertainty in the market prompts sellers to readjust their valuations, attractive investment opportunities may present themselves. On the other hand, the reduction in the availability of credit financing could impact our funds' ability to consummate transactions, particularly larger transactions. In the event that our investment pace slows, it could have an adverse impact on our ability to generate future performance fees and fully invest the capital in our funds. Our funds may also be affected by reduced opportunities to exit and realize value from their investments via a sale or merger upon a general slowdown in corporate mergers and acquisitions activity. Additionally, we may not be able to find suitable investments for the funds to effectively deploy capital and these factors could adversely affect the timing of and our ability to raise new funds.

In addition, while conditions in the U.S. economy have somewhat improved since the credit crisis, many other economies continue to experience weakness, tighter credit conditions and a decreased availability of foreign capital. Further, there is concern that the favorability of conditions in certain markets may be dependent on continued monetary policy accommodation from central banks, especially the Board of Governors of the Federal Reserve System (the "Federal Reserve") and the European Central Bank ("ECB"). Since the most recent recession, the Federal Reserve has taken actions which have resulted in low interest rates prevailing in the marketplace for a historically long period of time. However, in December 2015, the Federal Reserve raised its benchmark interest rate by a quarter of a percentage point, and in December 2016 the Federal Reserve raised interest rates further by one quarter point and indicated it may continue raising interest rates in the coming twelve months. Higher interest rates generally impact the investment management industry by making it harder to obtain financing for new investments, refinance existing investments or liquidate debt investments, which can lead to reduced investment returns and missed investment opportunities. Consequently, such increases in interest rates may have an adverse impact on our business.

Changing political environments, regulatory restrictions and changes in government institutions and policies outside of the United States could adversely affect our businesses. Our businesses may be adversely affected by the planned exit of the U.K. from the EU. The U.K. held a referendum on June 23, 2016 at which the electorate voted to leave the EU. However, the government of the U.K. has not entered into negotiations with the EU Council or invoked article 50 of the Treaty on the European Union (which would have the effect of formally initiating the withdrawal of the U.K. from the EU). The Treaty on the European Union provides for a period of up to two years for negotiation of withdrawal arrangements, at the end of which (whether or not agreement has been reached) EU treaties cease to apply to the withdrawing member state unless the European Council, in agreement with the member state concerned, unanimously decides to extend this period. During, and possibly after, this two-year period there is likely to be considerable uncertainty as to the position of the U.K. and the arrangements which will apply to its relationships with the EU and other countries following its withdrawal. This uncertainty may affect other countries in the EU, or elsewhere, if they are considered to be impacted by these events. Additionally, political parties in several other EU member states have proposed that a similar referendum be held on their country's membership in the EU. It is unclear whether any other EU member states will hold such referendums, but such referendums could result in one or more other countries leaving the EU or in major reforms being made to the EU or to the eurozone. The nature and extent of the impact of such events on our businesses is difficult to predict but they may adversely affect the operations of the portfolio companies of our funds, the availability of credit and liquidity for our businesses and the return on our funds and their investments. There may be detrimental implications for the value of certain of our funds' investments, their ability to enter into transactions or to value or realize such investments or otherwise to implement their investment program. This may be due to, among other things:

- increased uncertainty and volatility in the U.K. and EU financial markets;
- fluctuations in the market value of British Pounds and of U.K. and EU assets;
- fluctuations in exchange rates between British Pounds, the Euro and other currencies;
- increased illiquidity of investments located or listed within the U.K. or the EU;

- changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- changes in legal and regulatory regimes to which we, our funds, and/or certain of our funds' assets and portfolio companies are, or become, subject.

Once the position of the U.K. and the arrangements which will apply to its relationships with the EU and other countries have been established, or if the U.K. ceases to be a member of the EU without having agreed on such arrangements or before such arrangements become effective, it is possible that certain of our funds' investments may need to be restructured to enable their objectives fully to be pursued. This may increase costs or make it more difficult for us to pursue our objectives.

Our operating results will most likely continue to be affected by economic and fiscal conditions in eurozone countries and developments relating to the euro. The deterioration of the sovereign debt of several eurozone countries together with the risk of contagion to other more stable economies exacerbated the global economic crisis. This situation raised a number of uncertainties regarding the stability and overall standing of the EU. Economic, political or other factors could still result in changes to the composition of the EU. The risk that other eurozone countries could be subject to higher borrowing costs and face further deterioration in their economies, together with the risk that some countries could withdraw from the eurozone, could have a negative impact on our funds' investment activities. A reintroduction of national currencies in one or more eurozone countries or, in more extreme circumstances, the possible dissolution of the EU cannot be ruled out. The departure or risk of departure from the EU by one or more eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on our business. These potential developments, or market perceptions concerning these and related issues, could adversely affect our businesses.

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 fees.

A variety of fees that we earn, such as transaction and advisory fees, 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, 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 agreed that 100% of certain transaction and advisory fees will be shared with the management fee paying investors in the fund through a management fee offset mechanism, whereas the percentage was 68% in Fund VII.

The SEC has also recently focused on certain fund fees and expenses, including whether such fees and expenses were appropriately disclosed to fund investors, which may cause fund investor resistance to our receipt of fees and reimbursement of expenses. As publicly disclosed, we reached a settlement with the SEC concerning the acceleration of certain fees and other issues in August 2016.

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

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 businesses, the commitment period will terminate if a certain percentage in interest of the fund investors do not vote to continue the commitment period, or the commitment period may terminate for a variety of other reasons. This is true for example of Fund VI, Fund VII and Fund VIII. Certain of our other funds have similar provisions. Furthermore, the 2013 AMH Credit Facilities described in note 11 to our consolidated financial statements provide that an event of default may occur if such "key persons" no longer own a majority of the voting power represented by our issued and outstanding equity and a majority of our economic interests. 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 or the 2013 AMH Credit Facilities would likely result in significant reputational damage to us.

Messrs. Black, Harris and Rowan and other key personnel 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 existing funds and may face pressure on incentive income and 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 lower than those currently anticipated. Any capital raising that our funds undertake 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.

For example, as a result of the global economic downturn during 2008 and 2009, 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 affected our ability to raise capital from them. 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 similar economic conditions reoccur, we may be unable to raise sufficient amounts of capital to support the investment activities of our existing and future funds.

In addition, certain institutional investors have publicly criticized certain fund fee and expense structures, including management, 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 incentive income 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.

In addition, certain institutional investors, including sovereign wealth funds and public pension funds, have demonstrated an increased preference for alternatives to the traditional investment fund structure, such as managed accounts, specialized funds and co-investment vehicles. We also have entered into strategic partnerships with individual investors whereby we manage that investor's capital across a variety of our products on separately negotiated terms. There can be no assurance that such alternatives will be as profitable to us as traditional investment fund structures, and the impact such a trend could have on our results of operations, if widely implemented, is unclear. Moreover, certain institutional investors are demonstrating a preference to in-source their own investment professionals and to make direct investments in alternative assets without the assistance of investment advisors like us. Such institutional investors may become our competitors and could cease to be our clients.

The failure of our funds to raise capital in sufficient amounts and on satisfactory terms could result in a decrease in AUM, incentive income and/or fee revenue or could result in us being unable to achieve an increase in AUM, incentive income and/or 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.

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 fund 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 does not fund a capital call would be subject to several possible penalties, including forfeiting a significant amount of its existing investment in that fund. However, the impact of the penalty is directly correlated to the amount of capital previously invested, 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.

We may not have sufficient cash to satisfy general partner obligations to return incentive income if and when they are triggered under the governing agreements with our fund investors.

Incentive 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 incentive income on individual portfolio investments in excess of the amount of incentive income it would be entitled to from the profits

calculated for all portfolio investments in the aggregate. Adverse economic conditions may increase the likelihood of triggering these general partner obligations. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, subject to certain limitations, these general partner obligations. We have agreed to indemnify the 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 we manage (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 Managing Partners and Contributing Partners have contributed or sold to the Apollo Operating Group. To the extent one or more such general partner obligations were to be triggered, we might not have available cash to repay the incentive income and satisfy such obligations, or if applicable, to reimburse the Managing Partners and certain Contributing Partners for the indemnifiable percentage of amounts that they are required to pay under their guarantees. If we were unable to repay such incentive income, we would be in breach of the relevant governing agreements with our fund investors and could be subject to liability.

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 any 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 such funds or 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' and certain other 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 financing on attractive terms and the availability of distressed debt opportunities, and we may not be able to achieve the same returns or secure the same profitable investment opportunities or deploy capital as quickly;
- the historical returns that we present in this report derive largely from the performance of our existing 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 and may have lower target returns than our existing private equity 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;
- in recent years, there has been increased competition for private equity investment opportunities resulting from, among other things, the increased amount of capital invested in private equity funds and high liquidity in debt markets;
- our newly established funds may generate lower returns during the period that they take to deploy their capital; and
- we may create new funds in the future that reflect a different asset mix, investment strategy, and/or geographic and industry exposure, as well as target returns and economic terms, compared to our current funds, and any such new funds could have different returns from our existing or previous funds.

Finally, the IRR of our funds has 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 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 funds' reported net asset values, rates of return and the incentive income we receive are subject to a number of factors beyond our control and are based in large part upon estimates of the fair value of our funds' investments, which are based on subjective standards that may prove to be incorrect.

A large number of investments held by 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 funds' 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 that 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 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 our funds eventually realize. See note 2 to our consolidated financial statements for more detail.

In addition, the values of our funds' 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 may 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 our funds 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 a fund realizes value on an investment that is significantly lower than the value at which it was reflected in a fund's net asset values, the fund would suffer losses. This could in turn lead to a decline in our management fees and a loss equal to the portion of the incentive income reported in prior periods that was not actually realized upon disposition. These effects could become applicable to a large number of our funds' investments if our funds' current valuations differ from future valuations due to market developments or other factors that are beyond our control. 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 capital.

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, regulatory, 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 also of the growth in the variety, including the differences in strategy among, and complexity of, our different funds. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing complexity 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;
- in 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 in 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.

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 does not result in a sanction or the sanction imposed against us or our personnel by a regulator is 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, in 2014 federal bank regulatory agencies issued leveraged lending guidance covering transactions characterized by a degree of financial leverage. Such guidance has limited the amount and may increase the cost of financing our funds are able to obtain for transactions, which may lead to a negative impact on the returns on our funds' investments.

Our businesses may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC or other U.S. or foreign governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. For example, in 2015, senior officials at the SEC emphasized their intention to implement a "broken windows" policy, meaning that the SEC will pursue even the most minor violations on the theory that publicly pursuing smaller matters will reduce the prevalence of larger matters.

Regulatory changes in the United States could adversely affect our business. The Dodd-Frank Wall Street Reform and Consumer Protection Act, or the "Dodd-Frank Act," continues to impose significant regulations on almost every aspect of the U.S. financial services industry, including aspects of our businesses 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 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 non-bank financial companies as systemically important financial institutions ("SIFIs"). On February 4, 2015, FSOC approved supplemental procedures for this process. 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 are expected to, evolve over time. To date, the FSOC has designated a few non-bank financial institutions for Federal Reserve supervision. While we believe it is 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, including 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 Federal Reserve.
- 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. In connection with the work of the FSOC, on October 31, 2011, the SEC and the Commodity Futures Trading Commission (the "CFTC") issued a joint final rule, which requires large private equity fund advisors, such as Apollo, to submit reports on Form PF focusing primarily on the extent of leverage incurred by their funds' portfolio companies and the use of bridge financing in their funds' investments in financial institutions.

- On December 18, 2014, the FSOC released a notice seeking public comment on the potential risks posed by aspects of the asset management industry, including whether asset management products and activities pose potential risks to the U.S. financial system in the areas of liquidity and redemptions, leverage, operational functions, and resolution, or in other areas.
- The Dodd-Frank Act, under what has become known as the "Volcker Rule," generally prohibits insured banks or thrifts, any bank holding company or savings and loan holding company, any non-U.S. bank with a U.S. branch, agency or commercial lending company and any subsidiaries and affiliates of such entities, regardless of geographic location (collectively, "banking entities"), from investing in, sponsoring or having certain other relationships with "covered funds," which include private equity funds or hedge funds. The final Volcker Rule became effective on April 1, 2014 and was subject to a conformance period, which ended on July 21, 2016. The Volcker Rule adversely affects our ability to raise funds from banking entities. The Dodd-Frank Act authorizes U.S. 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.
- 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 recoupment 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.

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 businesses, 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. Complying with any new laws or regulations could be more difficult and expensive, affect the manner in which we conduct our businesses and adversely affect our profitability.

Regulatory changes in jurisdictions outside of the United States could adversely affect our business. Apollo provides investment management services through registered investment advisors in various jurisdictions around the world. Investment advisors are subject to extensive regulation not only in the United States, but also in the other countries in which our investment activities occur. In the United Kingdom (the "U.K."), we are subject to regulation by the U.K. Financial Conduct Authority. 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 the regulatory regimes to which we are subject, could result in investigations, sanctions and reputational damage.

The European Union Alternative Investment Fund Managers Directive ("AIFMD") came into force on July 22, 2013. The AIFMD imposes significant regulatory requirements on fund managers operating within the European Economic Area (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. Compliance with the AIFMD has also increased the cost and complexity of raising capital for our funds and consequently may also slow the pace of fundraising. Alternative investment funds (i) organized outside of the EEA and (ii) in which interests are marketed under AIFMD within the EEA are also subject to significant operational requirements. For example, currently such funds may only be marketed in EEA jurisdictions 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 also requires the appointment of one or more depositaries (with cost implications for the fund). In the longer term non-EEA managers of non-EEA funds may be able to register under the AIFMD, although whether and when this may become possible is unclear. Where Apollo registers under the AIFMD as a non-EEA manager (if that option becomes available) or chooses to establish an EEA fund vehicle managed by its U.K. affiliate which is registered under the AIFMD ("the AIFM"), Apollo will have more freedom to promote relevant funds in the EEA. However, this remains subject to ongoing full compliance with all the requirements of the AIFMD, 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 businesses or investments in the EEA and could limit our operating flexibility within the relevant jurisdictions.

The EU is introducing significant changes to the EU Markets in Financial Instruments Directive (Directive 2004/39/EC) ("MiFID"), known as "MiFID II." The original MiFID, which came into force in 2007, is the foundational piece of legislation for financial services firms operating in the EU. While MiFID II was due to come into force with effect from January 2017, MiFID II's implementation date has been delayed to January 3, 2018. Many of the changes in MiFID II will impose significant new organizational, conduct, governance and reporting requirements, including new requirements around the receipt of inducements and the use of soft dollars / dealing commissions, enhanced transaction reporting and post-trade transparency requirements, formal telephone taping requirements, and new best execution rules. Further, new rules in MiFID II may restrict the ability of entities domiciled outside of the EU (known as "third-country firms") to provide services to clients domiciled in the EU. Other changes resulting from MiFID II may have an impact (indirectly) on any entity or client that trades on EU markets or trading venues, or does business with EU-regulated banks or brokers. This may include venue trading requirements for certain categories of shares and derivatives, product banning powers, algorithmic trading restrictions, and enhanced requirements around the provision of direct market access services. Such new compliance requirements on our European operations will increase our costs of compliance. We may be required to invest significant additional management time and resources to address the new requirements.

The European Parliament has adopted the Regulation on OTC Derivatives, Central Counterparties and Trade Repositories, known as "EMIR." EMIR and the implementing rules thereunder come into force in stages and implement requirements similar to, but not the same as, those in Title VII of the Dodd Frank Act, in particular requiring reporting of most derivative transactions, risk mitigation (in particular mandatory initial and variation margin requirements for certain market participants) for OTC derivative transactions and central clearing of certain OTC derivative contracts. EMIR does not have a direct material impact on most of the Apollo funds at present, although (i) its impact on funds managed by the AIFM will be greater and it is likely to apply more fully as additional implementation stages are reached, and (ii) it is beginning to, and will likely continue to, affect Apollo funds indirectly as a result of its impact on many of the Apollo funds' counterparties to OTC derivatives. Compliance with the relevant requirements is likely to increase the burdens and costs of doing business.

Additional laws and regulations will come into force in the EU in coming years. These are expected to have an impact on Apollo including the costs of, risk to and manner of conducting its business; the markets in which Apollo operates; the assets managed or advised by Apollo; Apollo's ability to raise capital from investors; and ultimately there may be an impact on the returns which can be achieved. Examples include the revisions to MiFID; the new regulation relating to Securities Financing Transactions; further changes to or reviews of the extent and interpretation of pay regulation (which may have an impact on the retention and recruitment of key personnel); a proposed new regulation governing securitization arrangements, which may have an impact on the cost or feasibility of certain securitization structures, among other matters; proposals for enhanced regulation of loan origination; and significant focus on entities considered to be "shadow banks." Regulations affecting specific investor types, such as insurance companies, may impact their businesses; their ability to invest and the assets in which they are permitted to invest; and the requirements which their investments place on us, such as extensive disclosure and reporting obligations. The regulation of some institutions has an effect on their ability and willingness to extend credit and the costs of credit. This has, and is likely to continue to have, an impact on the price and availability of credit. Changes to the regulation of benchmarks, such as the London Interbank Offered Rate, may affect the way in which those benchmarks are calculated, with commercial implications, including on the stability of the benchmark and returns.

The U.K.'s decision to leave the EU may bring an extended period of uncertainty and regulatory change in the EEA, in the U.K .and in the way in which Apollo is able to operate from the U.K. into the remainder of the EEA. This may have an impact on Apollo including the cost of, risk to, manner of conducting and location of its European business and its ability to hire and retain key staff in Europe. This may also impact the markets in which Apollo operates; the funds managed or advised by Apollo; Apollo's fund investors and its ability to raise capital from them; and ultimately on the returns which may be achieved.

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"). In case annual net interest expense does not exceed the threshold of €3 million, the interest expense 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 (again subject to the interest barrier rule in the respective year in the future). In respect of a tax group, net 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 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 EUR100,000 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.

The Organization for Economic Co-operation and Development ("OECD") and other government agencies globally have continued to recommend and implement changes related to the taxation of multinational companies. On October 5, 2015 the OECD published 13 final reports and an explanatory statement outlining consensus actions under the OECD/G20 Base Erosion and Profit Shifting (BEPS) project. This project involves a coordinated multi-jurisdictional approach to increase transparency and exchange of information in tax matters, and to address weaknesses of the international tax system that create opportunities for BEPS by multinational companies. The reports cover measures such as new minimum standards, the revision of existing standards, common approaches which will facilitate the convergence of national practices, and guidance drawing on best practices.

Issues including limiting interest deductibility, changes in transfer pricing, new rules around hybrid instruments or entities, and loss of eligibility for the benefits of double tax treaties could increase tax uncertainty and impact the tax treatment of our foreign earnings and adversely impact the investment returns of our funds or limit future investment opportunities.

Implementation into domestic legislation may not be uniform across the participating states; certain actions give states options for implementation, certain actions are recommendations only and other jurisdictions may elect to only partially implement rules where it is in the state's interest. On November 24, 2016, the OECD published the text of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, which is intended to expedite the interaction of the tax treaty changes of the BEPS project and initial signing is expected from summer 2017. Countries including various EU countries have been moving forward on the BEPS agenda independent of agreement and finalization of the BEPS action items and currently are in the process of adapting and introducing the necessary legislation. The EU may implement minimum standards and best practices across 28 member states, which may go further than the OECD plans. As a result, significant uncertainty remains around the impact for the investments of our funds.

In addition, there are additional transfer pricing and standardized country by country ("CbC") reporting requirements being implemented under the BEPS actions which may place additional administrative burden on our management team or portfolio company management and ultimately could lead to increased cost which could adversely affect profitability. Additional information from these sources and other documentation held by tax authorities is expected to be subject to greater information sharing under Automatic Exchange of Information provisions under BEPS and specific local arrangements such as the EU's automatic exchange of cross-border rulings directive. Many tax authorities are unfamiliar with asset management businesses and dealing with challenges from tax authorities reviewing such information may also place additional administrative burden on our management team or portfolio company management and ultimately could lead to increased cost which could adversely affect profitability

Recent changes to regulations regarding derivatives and commodity interest transactions could adversely impact various aspects of our business. Rules and regulations required under the Dodd-Frank Act have become effective and comprehensively regulate the "over the counter" ("OTC") derivatives markets for the first time. The Dodd-Frank Act and the regulations promulgated thereunder require mandatory clearing and exchange or swap execution facility trading of certain swaps and derivative transactions (including formerly unregulated OTC derivatives). The CFTC currently requires that certain interest rate and credit default index swaps be centrally cleared and the requirement to execute those 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 imposed by the clearing brokers. 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 for uncleared trades. 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 CFTC and various prudential regulators have published final rules governing margin requirements for certain uncleared swaps. The final rules generally require banks and dealers, subject to thresholds and certain limited exemptions, to collect and post margin in respect of uncleared swap transactions. These newly adopted rules on margin requirements for uncleared swaps could adversely affect our businesses, including our ability to enter such swaps or our available liquidity. 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.

Position limits imposed by various regulators, self-regulatory organizations or trading facilities on derivatives may also limit our ability to effect 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 December 5, 2016, voted to re-propose rules that would establish specific limits on positions in 25 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.

New risk retention rules could adversely affect our CLO business. Effective as of December 24, 2016, "risk retention" rules promulgated by U.S. federal regulators under the Dodd-Frank Act require a "securitizer" or "sponsor" of a collateralized loan obligation, or "CLO", to retain at least 5% of the credit risk of the securitized assets, either directly or through a majority-owned affiliate (the "U.S. Risk Retention Rules"). The EU has in place similar 5% risk retention rules (the "EU Risk Retention Rules", and together with the U.S. Risk Retention Rules, the "Risk Retention Rules") that apply to certain EU investors such as credit institutions (including banks), investment firms, authorized investment fund managers and insurance and reorganization undertakings. In instances in which any such entities subject to the EU Risk Retention Rules invest in a CLO (as a noteholder or otherwise), such investors must ensure that the CLO satisfies the EU Risk Retention Rules.

The U.S. Risk Retention Rules became effective December 24, 2016. Thus, any CLO issued after such date will be required to satisfy the U.S. Risk Retention Rules, and any existing CLO issued prior to December 24, 2016 may be structured to satisfy the U.S. Risk Retention Rules to facilitate the later refinancing, re-pricing or material amendment thereof. The EU Risk Retention rules became effective January 1, 2011.

The Risk Retention Rules have caused, and are expected to continue to cause, significant changes to the CLO business generally, and to our CLO business specifically. In connection with the Risk Retention Rules, we established a new standalone, self-managed asset management business (collectively with its subsidiaries, "Redding Ridge"), which is expected to manage CLOs and retain required risk retention interests. Investors in Redding Ridge include certain of our affiliates as well as accounts and/or funds managed by our affiliates. There can be no assurance that the applicable governmental authorities will agree that Redding Ridge or any CLO it manages will satisfy the requirements of the Risk Retention Rules, which could have an adverse effect on us and/or Redding Ridge.

Redding Ridge has various service arrangements in place with certain of our affiliates pursuant to which such affiliates provide administrative and credit research related services as well as access to certain shared employees. The fees earned by our affiliates under such service arrangements may be less than the fees such affiliates would have otherwise earned as a CLO manager. In addition, to the extent any of our affiliates (and accounts and/or funds managed by our affiliates) invests in Redding Ridge, there is no guarantee that such deployment of capital will generate positive returns or any returns at all. Furthermore, the relationship of our affiliates with Redding Ridge will subject us to various conflicts of interest.

Redding Ridge will be required from time to time in connection with CLOs it manages to execute one or more letter or other agreements, the exact form and nature of which will vary and in the case of the U.S. Risk Retention Rules is not known at this time (the "Risk Retention Undertakings"), under which Redding Ridge will agree to certain undertakings designed to ensure that the CLOs comply with the Risk Retention Rules. If Redding Ridge breaches any such Risk Retention Undertakings, Redding Ridge will be exposed to claims by the other parties thereto, including for any losses incurred as a result of such breach. Such claims may reduce, or entirely diminish any cash or assets that would otherwise be used to make distributions to Redding Ridge equity holders and/or service providers, including Apollo.

The EU Risk Retention Rules are in the process of being modified, and any of the Risk Retention Rules may be amended, supplemented or revoked at any time or from time to time. Moreover, no assurance can be given that the CLOs outstanding prior to the effective date of such U.S. Risk Retention Rules will continue to be grandfathered.

The Risk Retention Rules are also subject to varying interpretations, and one or more agencies or governmental officials could take positions regarding such matters that differ from the approach taken or embodied in the Risk Retention Undertakings, which position could be informed by varying regulatory considerations as well as differing legal analyses. Available interpretive authority to date addressing the Risk Retention Rules applicable to CLOs is limited, and there is no judicial decisional authority or applicable agency interpretation that has directly addressed any of the risk retention approaches taken in the CLOs. Accordingly, no assurance can be made that the currently applicable rules and regulations will not be interpreted differently in the future by any applicable authority, or that there will not be a change in applicable law or rules and regulations in the future that could adversely affect us or the CLOs we manage.

No assurance can be given as to whether the Risk Retention Rules will have a future material adverse effect on our business. The Risk Retention Rules also may have an adverse effect on the leveraged loan market generally, which may adversely affect our CLO management business or the CLO management business of Redding Ridge. As a result of the effectiveness of the U.S. Risk Retention Rules and the launch of Redding Ridge, it is less likely that we will manage new CLOs issued after December 24, 2016.

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 and the laws and regulations of other jurisdictions 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 and similar exemptions under the securities laws of other countries.

These exemptions include Regulation D, which was amended in 2013 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 businesses, 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."

These exemptions also include the so-called "de minimis" exemption from commodity pool operator registration, codified in CFTC Rule 4.13(a)(3). If any of our funds cease to qualify for this (or another applicable) exemption, certain Apollo entities

associated with and/or affiliated with those funds will be required to register with the CFTC as commodity pool operators. Registration as a commodity pool operator entails several potentially costly and time-consuming requirements, including, without limitation, membership with the National Futures Association, a self-regulatory organization for the U.S. derivatives industry, and compliance with the regulatory framework applicable to registered commodity pool operators. In 2015, two of our investment management entities were required to register as a commodity pool operator. The increased costs associated with such registration may affect the manner in which the funds managed by such investment management entity conducts its business and may adversely affect such fund's profitability.

Regulatory environment of our funds and portfolio companies of our funds. The regulatory environment in which our funds and portfolio companies of our funds operate may affect our businesses. Certain laws, such as environmental laws, insurance regulations, gaming laws, takeover laws, anti-bribery and anti-corruption laws, sanctions laws, escheat or abandoned property laws, and antitrust laws, may impose requirements on us, our funds and portfolio companies of our funds. 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. Additionally, 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 for additional examples "-Insurance Regulation" and "Federal, state and foreign anti-corruption and sanctions laws applicable to us and our funds and portfolio companies create the potential for significant liabilities and penalties and reputational harm." 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 or advise 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 our funds and ultimately on Apollo.

Our funds along with their affiliates may obtain a controlling interest (e.g., 80% or more voting control) in certain portfolio companies which may impose risks of liability to such fund under the Employee Retirement Income Security Act of 1974 ("ERISA") for a portfolio company's underfunded pension plans, including withdrawal liability under any multiemployer plans in which such portfolio company contributes. Such liabilities might arise if any fund (or its general partner or management company, on behalf of such fund) were deemed to be engaged in a "trade or business" under ERISA. The determination of whether an investment fund is engaged in a trade or business under ERISA is uncertain and could depend upon which U.S. Federal Circuit has jurisdiction over the matter. In July 2013, the United States Federal Court of Appeals for the First Circuit held that the supervisory and portfolio management activities of a private equity fund could cause the fund to be regarded for ERISA controlled group purposes as engaging in a "trade or business." (Sun Capital Partners III, LP v. New England Teamsters & Trucking Industry Pension Fund, No. 12-2312, 2013 WL 3814984 (1st Cir. 2013)). On remand in March 2016, the United States District Court for the District of Massachusetts granted summary judgment to the pension fund, holding three Sun Capital investment funds jointly and severally liable for the pension obligations of their bankrupt portfolio company. Sun Capital's liability was established on a novel theory, which aggregated the ownership and management activities of parallel and otherwise related funds. Although many practitioners question the holdings in Sun Capital, the possibility of trade or business characterization and fund aggregation remains a risk for our funds and private equity funds generally, especially in the First Circuit. Activities that may indicate the possibility of a trade or business rather than a passive investment include, but are not limited to, management of a portfolio company's operations, authority with respect to the hiring, termination and compensation of such portfolio company's employees and agents and receipt of fees or other compensation that offset the management fee for services provided to such portfolio company by the relevant fund or its affiliates. If any of our funds (along with its affiliates) were treated as engaged in a trade or business for purposes of ERISA, then that fund (and certain affiliates of such fund in the same ERISA controlled group (e.g., other controlled portfolio companies)) could be jointly and severally liable to satisfy the liabilities of a specific portfolio company to an ERISA pension plan (i.e., one of our funds might suffer a loss that is greater than its actual investment in a specific portfolio company to the extent that such portfolio company becomes insolvent and is unable to satisfy its own obligations). It should be noted that the test as to whether a fund is engaged in a trade or business for purposes of ERISA may not necessarily be the same as the test that would be used for U.S. federal income tax purposes.

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.

In 2016, the U.S. Department of Labor adopted a regulation that would make it more likely that persons who recommend investments to employee benefit plans and individual retirement accounts would be considered fiduciaries with respect to such plans and accounts for purposes of ERISA and certain provisions of the Internal Revenue Code. This rule, which was scheduled to apply beginning January 10, 2017 but has been proposed to be delayed for 180 days, could limit our ability to market interests in our funds to certain of these investors. The new Congress may seek to further delay the implementation of the rule or modify it.

Regulatory environment for control persons. We could become jointly and severally liable for all or part of fines imposed on portfolio companies of our funds or be fined directly for violations committed by portfolio companies, and such fines imposed directly on us could be greater than those imposed on the portfolio company. The fact that we or one of our funds exercises control or exerts influence (or merely has the ability to exercise control or exert influence) over a company may impose risks of liability (including under various theories of parental liability and piercing the corporate veil doctrines) to us and our funds for, among other things, environmental damage, product defects, employee benefits (including pension and other fringe benefits), failure to supervise management, violation of laws and governmental regulations (including securities laws, anti-trust laws, employment laws, anti-bribery (and other anti-corruption) laws) and other types of liability for which the limited liability characteristic of business ownership and the relevant fund itself (and the limited liability structures that may be utilized by such fund in connection with its ownership of our portfolio companies or otherwise) may be ignored or pierced, as if such limited liability characteristics or structures did not exist for purposes of the application of such laws, rules regulations and court decisions. Under certain circumstances, we could also be held liable under federal securities or state common law for statements made by or on behalf of portfolio companies of our funds. These risks of liability may arise pursuant to U.S. and non-U.S. laws, rules, regulations, court decisions or otherwise (including the laws, rules, regulations and court decisions that apply in jurisdictions in which our funds' portfolio companies or their subsidiaries are organized, headquartered or conduct business). Such liabilities may also arise to the extent that any such laws, rules, regulations or court decisions are interpreted or applied in a manner that imposes liability on all persons that stand to economically benefit (directly or indirectly) from ownership of portfolio companies, even if such persons do not exercise control or otherwise exert influence over such portfolio companies (e.g., limited partners). Lawmakers, regulators and plaintiffs have recently made (and may continue to make) claims along the lines of the foregoing, some of which have been successful. If these liabilities were to arise with respect to any of our funds or portfolio companies of our funds, the fund or portfolio company might suffer significant losses and incur significant liabilities and obligations that may, in turn, affect our results of operations. The having or exercise of control or influence over a portfolio company could expose our assets and those of our relevant fund, its partners, general partner, management company and their respective affiliates to claims by such portfolio company, its security holders and its creditors and regulatory authorities or other bodies. While we intend to manage our operations to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to us. Moreover, it is possible that, when evaluating a potential portfolio investment, we, as manager of our funds, funds may choose not to pursue or consummate such portfolio investment, if any of the foregoing risks may create liabilities or other obligations for us, any of our funds or any of their respective affiliates.

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, marketing practices, advertising, maintaining policyholder privacy, payment of dividends and distributions to shareholders, investments, review and/or approval of transactions with affiliates, reinsurance, acquisitions, mergers 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. The National Association of Insurance Commissioners (the "NAIC") adopted amendments to the Holding Company Model Act that introduced the concept of "enterprise risk" within an insurance holding company system and imposed 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. Changes to existing NAIC model laws or regulations must be adopted by individual states or foreign jurisdictions before they will become effective. To date, each of Delaware, Iowa and New York has enacted laws to adopt such amendments. Internationally, the International Association of Insurance Supervisors (the "IAIS") is in the process of adopting a framework for the "group wide"

supervision of internationally active insurance groups. In the United States, the NAIC has promulgated additional amendments to its insurance holding company system model law that address "group wide" supervision of internationally active insurance groups. To date, Delaware has enacted laws to adopt a form of these amendments, and Iowa has adopted similar provisions under a predecessor statute. 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 established the Federal Insurance Office (the "FIO") within the U.S. Department of the Treasury headed by a Director appointed by the Treasury Secretary. While currently not having a general supervisory or regulatory authority over the business of insurance, the Director of the FIO performs various functions with respect to insurance, including serving as a non-voting member of the FSOC and making recommendations to the FSOC regarding non-bank financial companies to be designated as SIFIs. The Director of the FIO has also submitted reports to the U.S. Congress on (i) modernization of U.S. insurance regulation (provided in December 2013) and (ii) the U.S. and global reinsurance market (provided in November 2013 and January 2015, respectively). Such reports could ultimately lead to changes in the regulation of insurers and reinsurers in the U.S.

As the ultimate parent of the general partner or manager of certain shareholders of Athene Holding, we are subject to certain insurance laws and regulations in Bermuda, where Athene Holding's direct, wholly owned subsidiary, ALRe, is registered as a Class E insurer. ALRe is subject to regulation and supervision by the BMA and compliance with all applicable Bermuda law and Bermuda insurance statutes and regulations, including but not limited to the Bermuda Insurance Act. Under the Bermuda Insurance Act, the BMA maintains supervision over the "controllers" of all registered insurers in Bermuda. For these purposes, a "controller" includes a shareholder controller (as defined in the Bermuda Insurance Act). The Bermuda Insurance Act imposes certain notice requirements upon any person that has become, or as a result of a disposition ceased to be, a shareholder controller, and failure to comply with such requirements is punishable by a fine of $25,000. In addition, the BMA may file a notice of objection to any person or entity who has become a controller of any description where it appears that such person or entity is not, or is no longer, fit and proper to be a controller of the registered insurer. Any person or entity who continues to be a controller of any description after having received a notice of objection is guilty of an offense and liable on summary conviction to a fine of $25,000 (and a continuing fine of $500 per day for each day that the offense is continuing) or, if convicted on indictment, to a fine of $100,000 and/or two years in prison. Athene Holding's shareholder controllers include Apollo and certain investment funds and other collective investment vehicles controlled by or under common control with Apollo. These laws may discourage potential acquisition proposals and may delay, deter or prevent an acquisition of controllers of Bermuda insurers.

Future regulatory changes could adversely affect our businesses. The regulatory environment in which we operate both in the United States and outside the United States may be subject to changes in 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.

The regulatory and legal requirements that apply to our activities are subject to change from time to time and may become more restrictive, which may impose additional expenses on us, make compliance with applicable requirements more difficult, require attention of senior management, or otherwise restrict our ability to conduct our business activities in the manner in which they are now conducted. They also may result in fines or other sanctions if we or any of our funds are deemed to have violated any law or regulations. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules. Changes in applicable regulatory and legal requirements, including changes in their enforcement, could materially and adversely affect our businesses and our financial condition and results of operations.

Investment advisors have come under increased scrutiny from regulators, including the SEC and other government and self-regulatory organizations, with a particular focus on fees, allocation of expenses to funds, valuation practices, and related disclosures to fund investors. Public statements by regulators, in particular the SEC, indicate increased enforcement attention will continue to be focused on investment advisors, which has the potential to affect us. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations.

Regulatory investigations and enforcement actions may adversely affect our operations and create the potential for significant liabilities, penalties and reputational harm.

There can be no assurance that we or our affiliates will avoid regulatory examination and possibly enforcement actions. Recent SEC enforcement actions and settlements involving U.S.-based private fund advisors have involved a number of issues, including the undisclosed allocation of the fees, costs and expenses related to unconsummated co-investment transactions (i.e., the allocation of broken deal expenses), undisclosed legal fee arrangements affording the applicable advisor with greater discounts than those afforded to funds advised by such advisor and the undisclosed acceleration of certain special fees. Recent SEC focus areas have also included the use and compensation of, and disclosure regarding, operating partners or consultants, outside business activities of firm principals and employees, group purchasing arrangements and general conflicts of interest disclosures. As

previously disclosed, we reached a settlement with the SEC concerning the acceleration of certain special fees and other issues in August 2016.

If the SEC or any other governmental authority, regulatory agency or similar body takes issue with our past practices, we will be at risk for regulatory sanction. Even if an investigation or proceeding did not result in a sanction or the sanction imposed was small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm us and our reputation which may adversely affect our results of operations.

Federal, state and foreign anti-corruption and sanctions laws applicable to us and our funds and portfolio companies create the potential for significant liabilities and penalties and reputational harm.

We are subject to a number of laws and regulations governing payments and contributions to political persons or other third parties, including restrictions imposed by the U.S. Foreign Corrupt Practices Act ("FCPA"), as well as trade sanctions and export control laws administered by the Office of Foreign Assets Control, or OFAC, the U.S. Department of Commerce and the U.S. Department of State. The FCPA is intended to prohibit bribery of foreign governments and their employees and political parties, and requires public companies in the United States to keep books and records that accurately and fairly reflect their transactions. OFAC, the U.S. Department of Commerce and the U.S. Department of State administer and enforce various export control laws and regulations, including economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign states, organizations and individuals. These laws and regulations relate to a number of aspects of our businesses, including servicing existing fund investors, finding new fund investors, and sourcing new investments, as well as activities by the portfolio companies of our funds. In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the U.K. has significantly expanded the reach of its anti-bribery laws. While we have developed and implemented policies and procedures designed to ensure compliance by us and our personnel with the FCPA and other applicable anticorruption and anti-bribery laws, 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 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. The Financial Industry Regulatory Authority ("FINRA") has proposed its own set of "pay to play" regulations, which are similar to the SEC's regulations. The FINRA rule effectively prohibits the receipt of compensation from state or local government agencies for solicitation and distribution activities within two years of a prohibited contribution by a broker-dealer or one of its covered associates. In December 2015, FINRA submitted revised proposals to the SEC for adoption and we are awaiting the release of the final regulations. There have also been similar laws, rules and regulations and/or policies adopted by a number of states and municipal pension plans, which prohibit, restrict or require disclosure of payments to (and/or certain contracts with) state officials by individuals and entities seeking to do business with state entities, including investment by public retirement funds. Any failure on our part to comply with these rules could expose us to significant penalties and reputational damage.

The Iran Threat Reduction and Syrian Human Rights Act of 2012 ("ITRA") expands the scope of U.S. sanctions against Iran. Notably, ITRA generally prohibits foreign entities that are majority owned or controlled by U.S. persons from engaging in transactions with Iran. However, pursuant to the Joint Comprehensive Plan of Action (the "JCPOA"), which was implemented on January 16, 2016, such foreign entities may now engage in Iran-related transactions authorized by OFAC under General License H. In addition, Section 219 of ITRA amended the Exchange Act to require public reporting companies to disclose in their annual or quarterly reports certain dealings or transactions the company or its affiliates engaged in during the previous reporting period involving Iran or other individuals and entities targeted by certain OFAC sanctions. In some cases, ITRA requires companies to disclose these types of transactions even if they were permissible under U.S. law or were conducted outside of the United States by a non-U.S. entity. Companies that may be considered our affiliates have publicly filed and/or provided to us the disclosures reproduced in each of the Company's Annual Reports on Form 10-K filed on March 3, 2014 and March 1, 2013 and the Company's Quarterly Report on Form 10-Q filed on November 12, 2013. We have not independently verified or participated in the preparation of these disclosures. We are required to separately file, concurrently with this annual report, a notice that such activities have been disclosed in this annual report. The SEC is required to post this notice of disclosure on its website and send the report to the U.S. President and certain U.S. Congressional committees. The U.S. President thereafter is required to initiate an investigation and, within 180 days of initiating such an investigation, to determine whether sanctions should be imposed. Disclosure of such activity,

even if such activity is not subject to sanctions under applicable law, and any sanctions actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business.

Similar laws in non-U.S. jurisdictions, such as EU sanctions or the U.K. Bribery Act, as well as other applicable anti-bribery, anti-corruption, anti-money laundering, or sanction or other export control laws in the U.S. and abroad, may also impose stricter or more onerous requirements than the FCPA, OFAC, the U.S. Department of Commerce and the U.S. Department of State, and implementing them may disrupt our businesses or cause us to incur significantly more costs to comply with those laws. Different laws may also contain conflicting provisions, making compliance with all laws more difficult. If we fail to comply with these laws and regulations, we could be exposed to claims for damages, civil or criminal financial penalties, reputational harm, incarceration of our employees, restrictions on our operations and other liabilities, which could negatively affect our businesses, operating results and financial condition. In addition, we may be subject to successor liability for FCPA violations or other acts of bribery, or violations of applicable sanctions or other export control laws committed by companies in which we or our funds invest or which we or our funds acquire.

A portion of our revenues, earnings and cash flow is highly variable, which may make it difficult for us to achieve steady earnings growth on a quarterly basis, and we do not intend to regularly provide comprehensive earnings guidance, which may cause the price of our Class A shares to be volatile.

A portion of our revenues, earnings and cash flow is highly variable, primarily due to the fact that incentive income 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, incentive income 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 incentive income 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 earnings 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 in general.

The timing of incentive income generated by our funds is uncertain and will contribute to the volatility of our results. Incentive income 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 incentive income payments only upon disposition of an investment by the relevant fund, which contributes to the volatility of our cash flow. If our funds 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. The general partners of certain of our credit funds accrue incentive income when the fair value of investments exceeds the cost basis of the individual investor's investments in the fund, including any allocable share of expenses incurred in connection with such investment, which is referred to as a "high water mark." These high water marks are applied on an individual investor basis. 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 a portion of our revenue, earnings and cash flow can be highly variable from quarter to quarter and year to year, we do not plan to provide any comprehensive guidance regarding our expected quarterly and annual revenues, earnings and cash flow. The lack of comprehensive guidance on a regular and consistent basis may affect the expectations of public market investors 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.

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;
- the attractiveness of our funds relative to investments in other investment products could change depending on economic and market conditions;
- 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;
- 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, may result in increased competition;
- there are relatively few barriers to entry impeding other alternative investment management firms from 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; 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 and retain 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 incentive income as ordinary income rather than as capital gain for U.S. Federal income tax purposes. Furthermore, President Trump expressed support for such legislation during his electoral campaign as it relates to certain management activities. It is unclear, however, whether such a modification to the tax treatment of carried interest will ultimately be implemented as part of broader tax reform in the U.S. In addition, the U.K. implemented legislation effective from April 2015 that changed the scope and tax rate for carried interest, particularly for individuals who have immigrated to the U.K., so called "non-domiciled individuals". Further, from 2016, legislation that taxes carried interest as deemed trading income has come into force impacting partners of Apollo Management International LLP who have an interest in funds that have a weighted average holding period of fewer than 40 months. Because we compensate our investment professionals in large part by giving them an equity interest in our businesses or a right to receive incentive income, if such legislation were passed in the U.S., it 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 incentive income or incentive income, and fluctuations in the distributions generated from such sources could also impair our ability to attract and retain qualified personnel.

Furthermore, the SEC has proposed mandatory clawback rules which would require listed companies to adopt a clawback policy providing for recovery of incentive-based compensation awarded to executive officers if the company is required to prepare an accounting restatement resulting from material noncompliance with financial reporting requirements. However, legal requirements flowing out of these bodies continue to be updated and the specific long-term impact on us is not yet clear. There is the potential that new compensation rules will make it more difficult for us to attract and retain investment professionals by capping the amount of variable compensation compared to fixed pay, requiring the deferral of certain types of compensation over time, implementing "clawback" requirements, or other rules deemed onerous by such investment professionals.

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 and other personnel 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 businesses, 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 of 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. 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. Moreover, because the investment strategy of many of our funds often entails our having representation on public portfolio company boards of our funds, our funds may be restricted in their ability to affect such sales during certain time periods. Accordingly, our funds may be forced, under certain conditions, to sell securities at a loss.

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 fund 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 for an extended period. While the debt markets have recovered, volatility in these markets has recently increased, and the availability of debt facilities has been limited to some degree as a result of 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. In November 2015, in connection with the banking agencies' most recent review of large credits under the Shared National Credit review, the agencies noted high credit and weaknesses related to leveraged lending and for loans related to oil and gas exploration, production and energy services. In addition, in December 2015, the U.S. federal banking agencies issued a statement cautioning financial institutions on rising concentrations in commercial real estate and an easing of related underwriting standards. To the extent that such guidance limits the amount or cost of financing our funds are able to obtain, the returns on our funds' investments may suffer.

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. Additionally, if such limited availability of financing persists, our funds may also not be able to recoup their investments, as issuers of debt become unable to repay their borrowings.

Many of our funds, especially 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. Our 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 restricted in the (i) issuance of preferred shares to amounts such that their respective asset coverage (as defined in Section 18 of the Investment Company Act) equals at least 200% after issuance and (ii) incurrence of indebtedness, including through the issuance of debt securities, such that, immediately after issuance the fund will have an asset coverage (as defined in Section 18 of the Investment Company Act) of at least 300%. The ability of AFT and AIF to pay dividends on their common stock may be restricted if the asset coverage of their indebtedness falls below 300% and if the asset coverage on their preferred stock falls below 200%. AINV 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 shareholders. 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.

Certain of our investment funds may invest in high-yield, below investment grade or unrated debt, or securities of companies that are experiencing significant financial or business difficulties, including companies involved in bankruptcy or other reorganization and liquidation proceedings. Such investments are subject to a greater risk of poor performance or loss.

Certain of our investment funds, especially our credit funds, may invest in below investment grade or unrated debt, including corporate loans and bonds, each of which generally involves a higher degree of risk than investment grade rated debt, and may be less liquid. Issuers of high yield or unrated debt may be highly leveraged, and their relatively high debt-to-equity ratios create increased risks that their operations might not generate sufficient cash flow to service their debt obligations. As a result, high yield or unrated debt is often less liquid than investment grade rated debt. Also, investments may be made in loans and other forms of debt that are not marketable securities and therefore are not liquid. In the absence of hedging measures, changes in interest rates generally will also cause the value of debt investments to vary inversely to such changes. The obligor of a debt security or instrument may not be able or willing to pay interest or to repay principal when due in accordance with the terms of the associated agreement and collateral may not be available or sufficient to cover such liabilities. Commercial bank lenders and other creditors may be able to contest payments to the holders of other debt obligations of the same obligor in the event of default under their commercial bank loan agreements. Sub-participation interests in syndicated debt may be subject to certain risks as a result of having no direct contractual relationship with underlying borrowers. Debt securities and instruments may be rated below investment grade by recognized rating agencies or unrated and face ongoing uncertainties and exposure to adverse business, financial or economic conditions and the issuer's failure to make timely interest and principal payments.

Certain of our investment funds, especially our credit funds, may invest in business enterprises that are or may become involved in work-outs, liquidations, spin-offs, reorganizations, bankruptcies and similar transactions, and may purchase non-performing loans or other high-risk receivables. An investment in such a business enterprise entails the risk that the transaction in

which such business enterprise is involved either will be unsuccessful, will take considerable time or will result in a distribution of cash or a new security the value of which will be less than the purchase price to the fund of the security or other financial instrument in respect of which such distribution is received. In addition, if an anticipated transaction does not in fact occur, the fund may be required to sell its investment at a loss. Investments in troubled companies may also be adversely affected by U.S. federal and state laws relating to, among other things, fraudulent conveyances, voidable preferences, lender liability and a bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims. Investments in securities and private claims of troubled companies made in connection with an attempt to influence a restructuring proposal or plan of reorganization in a bankruptcy case may also involve substantial litigation. Because there is substantial uncertainty concerning the outcome of transactions involving financially troubled companies, there is a potential risk of loss by a fund of its entire investment in such company. Moreover, a major economic recession could have a materially adverse impact on the value of such securities.

Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the value and liquidity of securities rated below investment grade or otherwise adversely affect our reputation. For example, certain of our investment funds, especially our credit funds, may receive equity in exchange for debt securities of troubled companies in which they have invested, and thus become equity owners of business enterprises that have not been subject to the same level or kind of due diligence investigation that our funds would typically conduct in connection with an equity investment. This could result in adverse publicity, reputational harm, and possibly control person liability in certain circumstances depending on the size of the funds' equity stake and other factors.

We rely on technology and information systems to conduct our businesses, and any failures and interruptions of these systems could adversely affect our businesses and results of operations. Additionally, we face operational risks in the execution, confirmation or settlement of transactions and our dependence on our headquarters and third-party providers.

We rely on a host of computer software and hardware systems, all of which are vulnerable to an increasing number of cyber and security threats. We further rely on financial, accounting and other data processing systems to mitigate the risk of errors in the execution, confirmation or settlement of transactions. As we depend on our New York-based headquarters and third-party service providers for hosting solutions and technologies, a disaster or disruption in the related infrastructure could impair our operations and could impact our reputation, adversely affect our businesses and limit our ability to grow. The materialization of one or more of these risks is likely to have a material adverse effect on us.

Reliance on computer hardware and software systems. The efficient operation of our businesses is dependent on computer hardware and software systems. Information systems are vulnerable to security breaches by computer hackers and cyber terrorists. There has been an increase in the frequency and sophistication of the cyber and security threats we face, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target us because, as an alternative investment management firm, we hold confidential and other price sensitive information about, among other things, the portfolio companies of our funds and potential fund investments. As a result, we may face a heightened risk of a security breach or disruption with respect to sensitive information resulting from an attack by computer hackers, foreign governments, or 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 businesses and could result in decreased performance and increased operating costs, causing our businesses 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 businesses and results of operations. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, cyber security has become a top priority for regulators around the world. For example, the SEC announced that one of the 2016 examination priorities for the Office of Compliance Inspections and Examinations' (OCIE) was on investment firms' cyber security procedures and controls. 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.

Errors made in the execution, confirmation or settlement of transactions. 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 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. 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.

Dependence on our New York based headquarters and third-party vendors. We depend on our headquarters, which is located in New York City, for the operation of many of our businesses. We are also dependent on an increasingly concentrated group of third party vendors that we do not control for hosting solutions and technologies. We also 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. A disaster or a disruption in the infrastructure that supports our businesses, including a disruption involving electronic communications or other services used by us, our vendors 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. Our disaster recovery programs 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, if at all.

Failure to maintain the security of our information and technology networks, including personally identifiable and investor information, intellectual property and proprietary business information could have a material adverse effect on us.

We are subject to various risks and costs associated with the collection, handling, storage and transmission of sensitive information, including those related to compliance with U.S. and foreign data collection and privacy laws and other contractual obligations, as well as those associated with the compromise of our systems collecting such information. In the ordinary course of our business, we collect and store sensitive data, including our proprietary business information and intellectual property, and personally identifiable information of our employees and our investors, in our data centers and on our networks. The secure processing, maintenance and transmission of this information are critical to our operations. Although we take various measures and have made, and will continue to make, significant investments to ensure the integrity of our systems and to safeguard against such failures or security breaches, there can be no assurance that these measures and investments will provide protection. A significant actual or potential theft, loss, corruption, exposure, fraudulent use or misuse of investor, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation or regulatory actions against us by the U.S. federal and state governments, the EU or other jurisdictions or by various regulatory organizations or exchanges. Such an event could additionally disrupt our operations and the services we provide to investors, damage our reputation, result in a loss of a competitive advantage, impact our ability to provide timely and accurate financial data, and cause a loss of confidence in our services and financial reporting, which could adversely affect our businesses, revenues, competitive position and investor confidence.

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, the fund's board of directors or the third-party advisor 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 (i) such fund's board of directors or by the vote of a majority of the funds' shareholders and (ii) in each case, also by the majority of the independent members of such fund's board of directors. Each investment management agreement for such funds can also be terminated on not more than 60 days' notice by the funds' board of directors or by a vote of a majority of the outstanding shares. 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. We have also been engaged as a sub-advisor for funds that are subject to the Investment Company Act, and those sub-advisory agreements contain, among other things, renewal and termination provisions that are substantially similar to the investment management agreements for each of AFT, AIF and AINV. 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.

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 fund 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 described in note 11 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 from time to time 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. Fund 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. See "—Our failure to deal appropriately with conflicts of interest could damage our reputation and adversely affect our businesses." 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 could 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 situations 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 litigation brought against us were to result in a finding of substantial legal liability or culpability, the litigation 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 businesses 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 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. Conflicts of interest may also 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 portfolio companies of our funds. 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 with our manager, which is allowed under our organizational documents to manage our actions as it desires, without considering the interests of our shareholders.

Allocation of investment opportunities. Certain inherent conflicts of interest arise from the fact that (i) we provide investment management services to more than one fund, and (ii) our funds often have one or more overlapping investment strategies. Also, the investment strategies employed by us for current and future clients could conflict with each other, and may adversely affect the prices and availability of other securities or instruments held by, or potentially considered for, one or more clients. If participation in specific investment opportunities is appropriate for more than one of our funds, participation in such opportunities will be allocated pursuant to our allocation policies and procedures, which include the relevant partnership or investment management agreement as well as the decisions of our allocations committee. While we have established policies and procedures to guide the determination of such allocations, there can be no assurance that we will be successful in avoiding all conflicts of interest in allocating investment opportunities.

Restrictions on transactions due to other Apollo businesses. Our funds engage in a broad range of business activities and invest in portfolio companies whose operations may be substantially similar to and/or competitive with the portfolio companies in which our other funds have invested. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of our funds' portfolio companies, and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. In addition, we may give advice, or take action with respect to, the investments of one or more of our funds that may not be given or taken with respect to other of our funds with similar investment programs, objectives or strategies. Accordingly, some of our funds with similar strategies may not hold the same securities or instruments or achieve the same performance. We may also advise funds and clients with conflicting investment objectives or strategies. These activities also may adversely affect the prices and availability of other securities or instruments held by, or potentially considered for, one or more funds. We, our funds or our funds' portfolio companies may also have ongoing relationships with issuers whose securities have been acquired by, or are being considered for investment by us.

Investing throughout the corporate capital structure. Our funds invest in a broad range of asset classes throughout the corporate capital structure. These investments include investments in corporate loans and debt securities, preferred equity securities and common equity securities. In certain cases, we may manage separate funds that invest in different parts of the same company's capital structure. For example, our credit funds may invest in different classes of the same company's debt. In those cases, the interests of our funds may not always be aligned, which could create actual or potential conflicts of interest or the appearance of such conflicts. For example, one of our private equity funds could have an interest in pursuing an acquisition, divestiture or other transaction that, in its judgment, could enhance the value of the private equity investment, even though the proposed transaction would subject one of our credit fund's debt investments to additional or increased risks.

Information barriers. We currently operate without information barriers that some other investment management firms implement to separate business units and/or to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. 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. In an effort to manage possible risks arising from our decision not to implement such screens, we maintain a code of ethics and provide training to relevant personnel. In addition, our compliance department maintains a list of restricted securities with respect to which we may have access to material non-public information and in which our funds are not permitted to trade. In the event that any of our employees obtains such material non-public information, we may be restricted in acquiring or disposing of investments on behalf of our funds, which could impact the returns generated for such funds. Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in us, or one of our investment professionals, buying or selling a security while, 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 ability to provide our investment management services to our funds and clients. While we

currently operate without information barriers on an integrated basis, we could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, our ability to operate as an integrated platform could also be impaired, which would limit management's access to our personnel and impair its ability to manage our investments. The establishment of such information barriers may 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 may adversely affect our business.

Broker-dealer. AGS, an affiliate of ours, which is a broker-dealer registered with the SEC and a member of FINRA, is authorized to perform services relating to the placement of debt and securities. AGS also provides advisory services to portfolio companies and our funds in connection with corporate transactions. Additionally, certain of our affiliates and/or their portfolio companies are engaged in the loan origination and/or servicing businesses, and may originate, structure, arrange and/or place loans to our funds and portfolio companies. In connection with their services to our funds and portfolio companies, such affiliates may receive transaction and other fees from our funds and/or portfolio companies. Consequently, our relationship with these affiliates may give rise to conflicts of interest between us and portfolio companies of our funds.

Potential conflicts of interest with our Managing Partners or our directors. 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.

Our Managing Partners have established family offices to provide investment advisory, accounting, administrative and other services to their respective family accounts (including certain charitable accounts) in connection with their personal investment activities. The investment activities of the family offices, and the involvement of the Managing Partners in these activities, could give rise to potential conflicts between the personal financial interests of the Managing Partners and the interests of us, any of our subsidiaries or any shareholder other than a Managing Partner.

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 could 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. See "—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."

Potential conflicts of interest with our manager. 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 shall 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. Such 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 the conflicts committee of the Company's board of directors, 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.

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, businesses and distribution channels, including the retail channel. 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) the diversion of management's attention from our core businesses, (iv) assumption of liabilities of any acquired business, (v) the disruption of our ongoing businesses, (vi) combining or integrating operational and management systems and controls and (vii) 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. For example, our planned business initiatives include offering additional registered investment products and creating investment products open to retail investors. These products may have different economic structures than our traditional investment funds and may require a different marketing approach. In addition, to the extent we distribute products through new channels, including through unaffiliated firms, we may not be able to effectively monitor or control the manner of their distribution. These activities also will impose additional compliance burdens on us, subject us to enhanced regulatory scrutiny and expose us to greater reputation and litigation risk. Further, these activities may give rise to conflicts of interest, related party transaction risks and may lead to litigation or regulatory scrutiny. 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 funds' 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

funds' portfolio companies, or even unsubstantiated allegations, could result in a material adverse effect on our reputation and our businesses.

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 businesses 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.

AGS 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.

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 fund 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 companies with weak financial conditions, poor operating results, substantial financial needs, negative net worth and/or special competitive or regulatory problems. These funds also invest in companies that are or are anticipated to be 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 companies. 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, if at all.

Our distressed investment strategy depends in part on 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.

Risk management activities may adversely affect the return on our funds' investments.

When managing our exposure to market risks, we may (on our own behalf or on behalf of our funds) from time to time use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments

(OTC and otherwise) to limit our exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates, currency exchange rates and commodity prices. The scope of risk management activities undertaken by us varies based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the types of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price. The success of any hedging or other derivative transaction generally will depend on our ability to correctly predict market changes, the degree of correlation between price movements of a derivative instrument and the position being hedged, the creditworthiness of the counterparty and other factors. As a result, while we may enter into such a transaction in order to reduce our exposure to market risks, the transaction may result in poorer overall investment performance than if it had not been executed. Such transactions may also limit the opportunity for gain if the value of a hedged position increases.

While such hedging arrangements may reduce certain risks, such arrangements themselves may entail certain other risks. These arrangements may require the posting of cash collateral at a time when a fund has insufficient cash or illiquid assets such that the posting of the cash is either impossible or requires the sale of assets at prices that do not reflect their underlying value. Moreover, these hedging arrangements may generate significant transaction costs, including potential tax costs, that reduce the returns generated by a fund. Finally, the CFTC has made several public statements that it may soon issue a proposal for certain foreign exchange products to be subject to mandatory clearing, which could increase the cost of entering into currency hedges. Similar developments abroad may indirectly affect our funds as a result of their direct impact on our trading counterparties.

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 we believe may 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.

Funds we manage may invest in assets denominated in currencies that differ from the currency in which the fund is denominated.

When our investment funds invest in assets denominated in currencies that differ from the currency that the relevant fund is denominated in, fluctuations in currency rates could impact fund performance. We also have a number of investment funds which are denominated in U.S. Dollars but invest primarily or exclusively in assets denominated in foreign currencies and therefore whose performance can be negatively impacted by strengthening of the U.S. Dollar even if the underlying investments perform well in local currency.

Our funds may employ hedging techniques to minimize these risks, but we can offer no assurance that such strategies will be effective or tax-efficient. If our funds engage in hedging transactions, we may be exposed to additional risks associated with such transactions.

Certain of our funds make investments in companies that we do not control.

Investments by certain of our funds include debt instruments, equity securities, and other financial instruments of companies that our funds do not control. Such investments may be acquired by our funds through trading activities or through purchases of securities or other financial instruments 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 funds' 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 many of our funds, we cannot give assurance as to the degree of diversification that will actually be achieved in any fund investments. For example, we manage AAA, and Athene Holding is AAA's only investment. Because a significant portion or all 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 its performance, which could have a material adverse effect on our business, financial condition and results of operations.

We have a strategic relationship with Athene from which we derive a significant contribution to our revenue and that could give rise to real or apparent conflicts of interest.

We currently derive a significant contribution to our revenue across our business segments from our investment in and strategic relationship with Athene. AAM, an indirect subsidiary of Apollo Global Management, LLC, receives investment management fees from Athene in exchange for a suite of services for Athene's investment portfolio. Through its subsidiaries, Apollo managed or advised $70.8 billion of AUM in accounts owned by or related to Athene as of December 31, 2016. Our investment management agreements with Athene are terminable under certain circumstances. If such investment management agreements were terminated or fees lowered it could have a material adverse effect on our business, results of operations and financial condition. In addition, Apollo had an approximate 8.9% economic ownership interest in Athene Holding as of December 31, 2016, which comprises Apollo's direct 8.0% economic ownership interest in Athene Holding plus its proportionate 0.9% economic ownership interest through certain of its related parties which invest in Athene. Fluctuations in the value of Athene could have an adverse effect on our results and financial condition.

A number of Apollo entities receive incentive fees from Athene, have investments in Athene, and manage funds or accounts with investments in Athene from which incentive income may be earned. Pursuant to the management of Athene's investment portfolio by AAM, Athene also invests in various Apollo-managed funds and entities. The Chairman, Chief Executive Officer and Chief Investment Officer of Athene is also an employee of AAM and five of Athene's 16 directors are employees of, or consultants to, Apollo. These persons have fiduciary duties to Athene in addition to the duties that they have to Apollo. As a result, there may be real or apparent conflicts of interest with respect to matters affecting Apollo, Apollo-managed funds and their portfolio companies and Athene. In addition, conflicts of interest could arise with respect to transactions involving business dealings between Apollo and Athene and their respective affiliates.

While we expect our strategic relationship with Athene to continue for the foreseeable future, there can be no assurance that the benefit we receive from Athene will not decline due to a disruption or decline in Athene's business or a change in our relationship with Athene, including our investment management agreements with Athene. Moreover, Athene is subject to significant regulatory oversight, changes to which may adversely affect its performance. We may be unable to replace a decline in the revenue that we derive from our investment in, and strategic relationship with, Athene on a timely basis or at all if our relationship with Athene were to change or if Athene were to experience a material adverse impact to its business.

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 the U.K., Germany, China, India, Australia, Russia, Singapore, Spain, Portugal, Italy and France, as well as a number of jurisdictions commonly referred to as emerging markets. In addition to business uncertainties, such investments may be affected by changes in exchange rates 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 funds' 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 EU 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 targeted 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 jurisdictions such as Australia, Canada, China, India, Spain, Portugal, Italy, France, Nicaragua and Hong Kong, 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 jurisdictions. 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 jurisdictions 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 access treaty benefits.

For example, under the laws of Hong Kong, profits arising in or derived from Hong Kong from a trade, profession or business carried on by a person or an agent acting on the person's behalf in Hong Kong (excluding profits arising from the sale of capital assets) are subject to Hong Kong profits tax in general. The current profits tax rate is generally 16.5% for corporations and 15% for unincorporated businesses. Although Hong Kong provides a profits tax exemption for offshore funds on profits derived from certain transactions, under the current tax law, transactions in securities of a private company do not benefit from this exemption unless they satisfy certain conditions. Therefore, offshore funds that make use of services of a fund manager, investment advisor or any other person acting on their behalf in Hong Kong to derive profits from transactions in securities of private companies may be subject to Hong Kong profits tax, if the prescribed conditions are not satisfied. There is no assurance that any investments under our structures will be exempt from profits tax under Hong Kong's tax law. It should be noted that offshore fund structures have been subject to scrutiny in recent tax audits by Hong Kong's Inland Revenue Department.

With respect to India, in 2012 the Supreme Court of India held in favor of a taxpayer finding that the sale of shares of a foreign company that indirectly held Indian assets was not subject to Indian tax. However, the tax laws were amended in 2012 with retroactive effect to subject such gains to Indian tax if the shares in the foreign company derived their value, substantially, from assets located in India. The amendments are known as indirect transfer provisions. In 2015, the government made amendments to the indirect transfer provisions to clarify that shares or interest in an entity outside India would be deemed to derive its value substantially from assets located in India if, on the specified date, the value of Indian assets exceeds INR 100 million and the Indian assets represent at least 50% of the value of the assets owned by the entity. There is also a carve-out introduced for small shareholders whereby indirect transfer provisions do not apply to an investor (along with its associated enterprises) who neither holds the right of management or control of the foreign entity, nor holds more than 5% voting power or share capital or interest of such entity in the 12 month period preceding the date of transfer of shares or interest. Additionally, the government also issued rules around the valuation methodology and the specified date for the purpose of these thresholds.

Further, India had introduced General Anti-Avoidance Rule (GAAR) provisions in its tax law in 2012 though these have been deferred since then and are now slated to be implemented from April 1, 2017 onwards. The objective of GAAR is to deny tax benefit in an arrangement which has been entered into with the main purpose to obtain tax benefit and which lacks commercial substance or creates rights and obligations which are not at arm's length principle or results in misuse of tax law provisions or is carried out by means or in a manner which are not ordinarily employed for bona fide purposes. Such an arrangement is termed in the GAAR provisions as "impermissible avoidance agreement". As regards foreign investors, GAAR provisions would mainly impact those investors who claim treaty benefits to eliminate or minimize tax outlay in India. Acceding to the representations made by the foreign investors and other stakeholders, the Indian government has clarified that GAAR provisions would not apply in the following cases:

- an arrangement where tax benefit in a fiscal year in aggregate to all the concerned parties does not exceed INR 30 million;
- investments made by Foreign Portfolio Investors (FPIs) in India on which no treaty benefits have been claimed;
- investments made by non-resident investors in the FPIs by way of offshore derivative instruments or any other way; or
- investments made by any investor prior to April 2017.

Accordingly, Indian taxation of the capital gains of a foreign investor, upon a direct or indirect sale of an Indian company, remains uncertain.

The U.K. has also enacted legislation that may affect our funds' investments. The U.K. Diverted Profits Tax ("DPT") regime was introduced with effect from April 1, 2015 as a new tax separate from the U.K.'s existing Corporate Income Tax regime. DPT charges a rate of 25% on profits that, under the terms of the legislation, are considered to have been eroded from the U.K. tax base. The DPT legislation is intended to counteract and deter contrived arrangements used by multinational corporate groups which, it is argued, have resulted in the erosion of the U.K. tax base. DPT operates through two main rules: (i) the first rule aims to prevent U.K. tax resident companies ("U.K. PEs") from creating tax advantages through transacting with entities that lack economic substance; and (ii) the second rule aims to counteract arrangements by which foreign companies sell into the U.K. whilst avoiding the creation of a U.K. PE. The legislation is worded so that where it is "reasonable to assume" a U.K. company is party to an arrangement that lacks economic substance and which results in a tax advantage in the U.K., or where it is "reasonable to

assume" the activity of the involved parties is designed in such a way as to avoid a U.K. PE, DPT could apply. Further, the U.K. enacted hybrid and other mismatch legislation on September 15, 2016. The rules replace the existing U.K. arbitrage rules as from January 1, 2017. The U.K. tax authorities published draft guidance on the application of the rules in December 2016. The U.K. clauses broadly follow the recommendations of the OECD's BEPS Action 2 - Neutralizing the Effects of Hybrid Mismatch Arrangements. However, uncertainty remains around what, if anything, other countries outside the U.K. will do, and it may be necessary to consider various scenarios when applying the imported mismatch rules.

The U.K. has implemented Tax Transparency legislation that requires many large businesses to publish their U.K. tax strategies on their websites before the end of each financial year for accounting periods beginning on or after the date of Royal Assent to the Finance Act 2016. Apollo's U.K. entities must comply prior to December 31, 2017. As part of the requirement, organizations must publish information on risk management and governance, planning, risk appetite and their approach to HMRC. HMRC guidance recommends specific content under the four headings that expand beyond the base legislative requirements. During the course of 2017, the U.K. is expected to implement a new corporate criminal offense for the facilitation of tax evasion. Current draft law and guidance is extremely wide and covers offenses committed both in the U.K. and abroad and so is likely to have a global impact for Apollo's businesses. Criminal liability can be mitigated where a relevant business has appropriate policies and procedures in place to manage the risk.

Third-party investors in our funds 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 investors of those funds to, among other things, (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, EPF III 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 our funds at that time 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, poor investment performance, 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 shareholders, 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 fund investments, this could cause a substantial decrease in

the value of the equity holdings of our funds in such investments. The inaccuracy of financial projections could thus cause our funds' performance to fall short of our expectations.

Our 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.

Our performance and the performance of our private equity funds, as well as many of our credit and real estate funds, are 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 a variety of factors, including economic and market factors. The credit crisis caused significant fluctuations in the value of securities held by our funds, and the global economic recession had a significant impact on the performance of the portfolio companies owned by the funds we manage. Although the U.S. economy has improved, conditions in economies outside the U.S. have generally improved at a less rapid pace (and in some cases have deteriorated), and there remain many obstacles to continued growth in the economy such as global geopolitical events, risks of inflation and high deficit levels for governments in the U.S. and abroad. These factors and other general economic trends may 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, energy, chemical and refining industries, as well as travel and leisure, gaming, financial services 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. For example, the performance of certain of the portfolio companies of our funds in the packaging, manufacturing, energy, 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 funds' 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 have not recovered since their significant decrease in the latter part of 2014 and throughout 2015, and there can be no assurance that prices will recover. If prices remain at their current level for an extended period of time, there could be an adverse impact on the performance of certain of our funds, and this impact may be material. These prices are also 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 be employed by us or our funds' portfolio companies, and even when they are employed they may not protect our funds' investments.

Our funds' investments in companies in the financial services sector are subject to a variety of factors, such as market uncertainty, additional government regulations, disclosure requirements, limits on fees, increasing borrowing costs or limits on the terms or availability of credit to such portfolio companies, and other regulatory requirements each of which may impact the conduct of such portfolio companies. Compliance with changing regulatory requirements will likely impose staffing, legal, compliance and other costs and administrative burdens upon our funds' investments in financial services. Various sectors of the global financial markets have been experiencing an extended period of adverse conditions.

In respect of real estate, even though the U.S. residential real estate market remains stable after recovering 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, rising mortgage interest rates and a low level of consumer confidence in the economy and/or the residential real estate market.

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 may be few limitations on the execution of these funds' investment strategies, which are in many cases subject to the sole discretion of the management company or the general partner of such funds, or there may be numerous investment limitations or restrictions that require monitoring, compliance and maintenance.
- While we monitor the concentration of the portfolios of our credit funds, concentration in any one borrower or other issuer, product category, industry, region or country may arise from time to time.
- Given the flexibility and overlapping nature of the mandates and investment strategies of our credit funds, situations arise where certain of these funds hold (including outright positions in issuers and exposure to such issuers derived through any synthetic and/or derivative instrument) in multiple tranches of securities of an issuer (or other interests of an issuer) or multiple funds having interests in the same tranche of an issuer.
- Certain of 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 respective liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions.
- The efficacy of the investment and trading strategies of certain credit funds may depend largely on the ability to establish and maintain an overall market position in a combination of different financial instruments, which can be difficult to execute.
- These funds may make investments or hold trading positions in markets that are volatile and which are or may become illiquid.
- Certain of these funds may seek to originate loans, including, but not limited to, secured and unsecured notes, senior and second lien loans, mezzanine loans, and other similar investments.
- 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 and our 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 on fund performance and our performance. In addition, when discovered, financial fraud may contribute to reputational harm and 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 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 generally 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.

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. Further, if the value of its assets declines, it may be unable to satisfy this test and it may be limited in its ability to make distributions. 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 shareholder approval. AINV's shareholders 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 number of shares sold on any given date, 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 underwriting commissions and discounts. AINV may ask its shareholders 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 investment companies registered under the Investment Company Act, AFT and AIF may issue debt securities or preferred stock and borrow money from banks or other lenders, up to the maximum amount permitted by the Investment Company Act. Under the provisions of the Investment Company Act, AFT and AIF is restricted in the (i) issuance of preferred shares to amounts such that their respective asset coverage (as defined in Section 18 of the Investment Company Act) equals at least 200% after issuance and (ii) incurrence of indebtedness, including through the issuance of debt securities, such that immediately after issuance the fund will have an asset coverage (as defined in Section 18 of the Investment Company Act) of at least 300%. Lenders to the funds may demand higher asset coverage ratios. Further, if the value of a funds' assets declines, such fund may be unable to satisfy its asset coverage requirements. If that happens, such fund, in order to pay dividends or repurchase its stock or to satisfy the requirements of its lenders, 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, AFT and AIF may raise capital by issuing common shares, however, the offering price per common share generally must equal or exceed the net asset value per share, exclusive of any underwriting commissions or discounts, of the funds' 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. 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 investment management industry generally or individual scandals, specifically;
- the fact that we do not provide comprehensive guidance regarding our expected quarterly and annual revenues, earnings and cash flow; 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 realizations, 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, 2016, we had 185,460,294 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, 2016, 45,230,529 Class A shares remained available for future grant under our equity incentive plan. In addition, as of December 31, 2016, Holdings could at any time exchange its AOG Units for up to 215,457,239 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 53.7% of the AOG Units as of December 31, 2016. 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 applicable securities laws.

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 distribution, if any, will be at the sole discretion of our manager, who may change our 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 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 Class A 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 60.5% of the total combined voting power of our shares entitled to vote as of December 31, 2016. 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 give us the ability to 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 certain of our investment professionals and other personnel, both when hired and as a portion of the discretionary annual compensation they may receive. We 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), may increase personnel-related shareholder dilution. In addition, volatility in the price of our Class A shares could adversely affect our ability to attract and retain our investment professionals and other personnel. 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.

Purchases of our Class A shares pursuant to our share repurchase program may affect the value of our Class A shares, and there can be no assurance that our share repurchase program will enhance shareholder value.

Pursuant to our publicly announced share repurchase program, we are authorized to repurchase up to $250 million in the aggregate of our Class A shares, including up to $150 million in the aggregate of our outstanding Class A shares through a share repurchase program and up to $100 million through a reduction of Class A shares to be issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under the our equity incentive plan. The timing and amount of any share repurchases will be determined based on market conditions, share price and other factors. This activity could increase (or reduce the size of any decrease in) the market price of our Class A shares at that time. Additionally, repurchases under our share repurchase program have and will continue to diminish our cash reserves, which could impact our ability to pursue possible strategic opportunities and acquisitions and could result in lower overall returns on our cash balances. There can be no assurance that any share repurchases will enhance shareholder value because the market price of our Class A shares could decline. Although our share repurchase program is intended to enhance long-term shareholder value, short-term share price fluctuations could reduce the program's effectiveness.

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 incentive income 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 incentive income 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 (D-MI) introduced similar legislation that would have taxed incentive income at ordinary income rates (which would be higher than the proposed blended rate in the May 2010 House Bill). On June 25, 2015. Representative Levin introduced a slightly modified version of his 2012 bill (together with the 2012 bill, the "Levin Bills"). It is unclear whether or when the U.S. Congress will pass similar legislation or what provisions would be included in any legislation, if enacted.

The May 2010 House Bill and both Levin Bills 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%, but it is possible that the 35% statutory rate may be reduced as part of broader tax reform. 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 have taxed income and gain that was 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 then-current law, with an exception for certain qualified capital interests. The proposed legislation also would have characterized 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 followed several prior statements by the Obama administration in support of changing the taxation of incentive income. In its published revenue proposal for 2016, the Obama administration proposed that the current law regarding treatment of incentive income be changed to subject such income to ordinary income tax. The Obama administration's published revenue proposals for 2010, 2011, 2012, 2013, 2014 and 2015 contained similar proposals. According to publicly released statements, a top legislative priority of the Trump administration and the next Congress may be significant reform of the Internal Revenue Code, including significant changes to taxation of business entities. There is a substantial lack of clarity around the likelihood, timing and details of any such tax reform and the impact of any potential tax reform on us and our funds.

States and other jurisdictions have also considered legislation to increase taxes with respect to incentive income. 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 26, 2014, Representative Dave Camp, who at the time was chairman of the House Ways and Means Committee, unveiled a detailed comprehensive tax reform proposal that would, among other things significantly limit the ability of publicly traded partnerships (PTPs) to avoid taxation as corporations. Under Representative Camp's proposal, only mining and natural resource PTPs would continue to be taxed on a flow-through basis. Representative Camp's proposal also called for a formulary approach to the taxation of incentive income. Under the formula, a portion of the gain recognized by partners providing services to certain investment partnerships would have been recharacterized as ordinary income. Representative Camp's incentive income proposal was limited in scope. For instance, it would not have applied to partners engaged in a real property trade or business. Although relatively clear in concept, the proposed legislative text contained ambiguities that could have significantly impacted the reach of the chairman's proposal. Representative Camp has since retired from Congress and his proposal was never taken up on the House floor; however, it is nonetheless significant in that it could serve as a model for a future Congress and presidential administration as they attempt to move forward on comprehensive tax reform legislation. For additional discussion about the potential impact of tax reform on our businesses, see "—Federal tax reform efforts will continue, which may involve uncertainties and risks," below.

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 60.5% of the voting power of Apollo Global Management, LLC as of December 31, 2016. 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 60.5% of the combined voting power of our shares entitled to vote as of December 31, 2016. 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 beneficial ownership of partnership interests in Holdings, were entitled to 53.7% of Apollo Operating Group's economic returns through the AOG Units owned by Holdings as of December 31, 2016. 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 provided in the non-competition, non-solicitation and confidentiality obligations 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 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.

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 members of our manager may sell or transfer all or part of their membership 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, our funds could experience difficulty in making new investments, and the value of our funds' 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% beneficially 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 distributions at any time, in its discretion.

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 such assets, 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 correspondingly 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 Managing Partner or Contributing 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 (although other offsetting benefits would arise). 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., 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. 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, 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 incentive income 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 incentive income 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 incentive income 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 incentive income) 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 is 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 has undertaken 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 2019, 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. Other countries such as the U.K. and the Cayman Islands have implemented regimes similar to that of FATCA. Compliance with such regimes could result in increased administration and compliance costs and could subject our investment entities to increased non-U.S. withholding taxes.

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

It is anticipated that the Trump administration and 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 those rate reductions could be offset by tax changes intended to broaden the tax base, including eliminating or reducing the ability to deduct interest expense. As noted above in the discussion of "Risks Related to Our Organization and Structure," tax reform legislation could require many entities currently operating as partnerships to be taxed as corporations and could cause income from incentive income to be taxed as ordinary income.

In addition, tax reform could include other base-broadening provisions spanning a variety of industry sectors, which also could adversely affect our business. For example, proposals affecting financial institutions and products may include changing the tax treatment of executive compensation, including bonuses, as well as the tax treatment of derivatives and other financial instruments. Other changes could include limiting or eliminating certain tax benefits currently available to cash value life insurance and deferred annuity products. Enactment of these or similar changes could adversely affect new sales, and possibly funding, of existing cash value life insurance and deferred annuity products.

Other proposals likely to emerge in the context of fundamental tax reform include: changes to the accelerated cost recovery system, mandatory amortization of certain advertising expenditures, repeal of the domestic production deduction, reforms to the subpart F rules, repeal of the last-in/first-out accounting rules, repeal of incentives currently available to oil and natural gas exploration and production companies, and limitations on the net operating loss deduction. The tax reform debate also may encompass proposals to move the United States toward a territorial system for taxing foreign-source income of United States multinationals and the possibility of a one-time transition tax on previously untaxed foreign earnings. Many of these proposals were included in the tax reform discussion draft that then-House Ways and Means Committee Chairman Dave Camp released in 2014; others were included in various budget proposals President Obama has released during his presidency.

On June 24, 2016, Representative Kevin Brady, who is chairman of the House Ways and Means Committee, unveiled a "A Better Way for Tax Reform," which Representative Brady described as a bold blueprint for pro-growth, comprehensive tax reform. This blueprint contemplates, among other things, reducing statutory tax rates imposed on corporations and business income of pass-through entities such as partnerships, replacing deductions that favor special industries or sectors with full and immediate deductions for new investments in equipment and technology, eliminating or reducing the ability to deduct net interest expense, moving to a territorial tax system and introducing a destination-basis tax system through border adjustment taxes.

It is not possible to predict when tax reform will be enacted and what impact tax reform, if enacted, would have on our funds and our businesses, 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.

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 and APO (FC II), LLC are considered to be CFCs 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.

In addition, our taxable income and losses will be determined and apportioned among investors using conventions we regard as consistent with applicable law. As a result, if you transfer your Class A shares, you may be allocated income, gain, loss and deduction realized by us after the date of transfer. Similarly, a transferee may be allocated income, gain, loss and deduction realized by us prior to the date of the transferee's acquisition of our Class A shares. A transferee may also bear the cost of withholding tax imposed with respect to income allocated to a transferor through a reduction in the cash distributed to the transferee.

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., Apollo Principal Holdings X, L.P. and Apollo Principal Holding XI, 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.

Individuals, estates and trusts are currently 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.

We may be liable for adjustments to our tax returns as a result of recently enacted legislation.

Legislation was recently enacted that significantly changes the rules for U.S. Federal income tax audits of partnerships. Such audits will continue to be conducted at the partnership level, but with respect to tax returns for taxable years beginning after December 31, 2017, any adjustments to the amount of tax due (including interest and penalties) will be payable by the partnership rather than the partners of such partnership unless the partnership qualifies for and affirmatively elects an alternative procedure. In general, under the default procedures, taxes imposed on us would be assessed at the highest rate of tax applicable for the reviewed year and determined without regard to the character of the income or gain, the tax status of our shareholders or the benefit of any shareholder-level tax attributes (that could otherwise reduce any tax due).

Under the elective alternative procedure, we would issue information returns to persons who were shareholders in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and we would not be liable for the adjustments to the amount of tax due (including interest and penalties). The mechanics of the elective alternative procedure are not clear in a number of respects and are intended to be clarified by future guidance. On January 18, 2017, the IRS and the U.S. Department of the Treasury publicly released the text of proposed regulations (the "Proposed Regulations") regarding the centralized partnership audit legislation, which were scheduled to be formally published in the Federal Register on January 20, 2017. On January 20, 2017, however, the Trump administration released a memorandum that generally delayed all pending regulations from publication in the Federal Register pending review and approval, and the Proposed Regulations have not yet been published, so the impact of the Proposed Regulation on us and our funds remains unclear. Our manager has discretion whether or not to make use of this elective alternative procedure and has not determined whether or to what extent the election will be available or appropriate.

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, Chicago, Ballwin, Bethesda, Toronto, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai. 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

See note 15 to our consolidated financial statements for a summary of the Company's legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET 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 10, 2017 was 19. This does not include the number of shareholders that hold shares in "street name" through banks or broker-dealers. As of February 10, 2017, 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	
2016	High	Low
First Quarter	$ 17.48	$ 12.35
Second Quarter	17.77	14.26
Third Quarter	19.01	14.25
Fourth Quarter	21.17	17.38

	Sales Price	
2015	High	Low
First Quarter	$ 25.80	$ 20.96
Second Quarter	23.33	20.78
Third Quarter	22.61	15.35
Fourth Quarter	19.18	14.15

Cash Distribution Policy

The following table sets forth the cash distributions paid to our Class A shareholders for the fiscal years ended December 31, 2016 and 2015.

Distribution Payment Date	Distribution Per Class A Share Amount
February 27, 2015	$ 0.86
May 29, 2015	0.33
August 31, 2015	0.42
November 30, 2015	0.35
Total 2015 distribution	$ 1.96
February 29, 2016	$ 0.28
May 31, 2016	0.25
August 31, 2016	0.37
November 30, 2016	0.35
Total 2016 distribution	$ 1.25

We have declared an additional cash distribution of $0.45 per Class A share in respect of the fourth quarter of 2016 which will be paid on February 28, 2017 to holders of record of Class A shares at the close of business on February 21, 2017.

Distributable Earnings ("DE"), as well as DE After Taxes and Related Payables are derived from our segment reported results, and are supplemental non-U.S. GAAP 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 EI, 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 (x) compensation expense, excluding the expense related to equity-based awards, (y) realized profit sharing expense, and (z) 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, APO (FC II), LLC and APO UK (FC), Limited (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, APO (FC II), LLC and APO UK (FC), Limited (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 14 to our consolidated financial statements for information regarding the tax receivable agreement.

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 11 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, 2016, approximately 9.1 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 November 1, 2016 and November 8, 2016, we issued 376,692 and 1,852 Class A shares, respectively, net of taxes to Apollo Management Holdings, L.P., a subsidiary of Apollo Global Management, LLC, in connection with deliveries of shares to participants in the Company's 2007 Omnibus Equity Incentive Plan (the "2007 Equity Plan") for an aggregate purchase price of $6.9 million and $0.03 million, respectively. The issuance was 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.

Issuer Purchases of Equity Securities

The following table sets forth purchases of our Class A shares made by us or on our behalf during the fiscal quarter ended December 31, 2016.

Period	Total Number of Class A Shares Purchased[1]	Average Price Paid per Share
October 1, 2016 through October 31, 2016	—	$ —
November 1, 2016 through November 30, 2016	20,778	17.99
December 1, 2016 through December 31, 2016	—	—
Total	20,778	

(1) During the fiscal quarter ended December 31, 2016, we repurchased a number of our Class A shares equal to the number of Class A restricted shares issued under our equity incentive plan during the quarter. All such repurchases were made in open-market transactions not pursuant to a publicly-announced repurchase plan or program.

In February 2016, the Company announced its adoption of a program to repurchase up to $250 million in the aggregate of its Class A shares, including up to $150 million in the aggregate of its outstanding Class A shares through a share repurchase program and up to $100 million through a reduction of Class A shares to be issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under the 2007 Equity Plan, which we refer to as net share settlement. Under the share repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. The Company expects that the share repurchase program, which has no expiration date, will be in effect until the maximum approved dollar amount has been used to repurchase Class A shares. The share repurchase program does not require the Company to repurchase any specific number of Class A shares, and the share repurchase program may be suspended, extended, modified or discontinued at any time. Reductions of Class A shares issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under the 2007 Equity Plan are not included in the table. There were no share repurchases made as part of the share repurchase program during the three months ended December 31, 2016, and as of December 31, 2016, the approximate dollar value of Class A shares that may be purchased under the program is $137.1 million.

ITEM 6. SELECTED FINANCIAL DATA

The following selected historical consolidated 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, 2016, 2015 and 2014 and the selected historical consolidated statements of financial condition data as of December 31, 2016 and 2015 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, 2013 and 2012 and the selected consolidated statements of financial condition data as of December 31, 2014, 2013 and 2012 from our audited consolidated financial statements which are not included in this report.

	For the Years Ended December 31,				
	2016	2015[4]	2014	2013	2012
	(in thousands, except per share data)				
Statement of Operations Data					
Revenues:					
Management fees from related parties	$ 1,043,513	$ 930,194	$ 850,441	$ 674,634	$ 580,603
Advisory and transaction fees from related parties, net	146,665	14,186	315,587	196,562	149,544
Carried interest income from related parties	780,206	97,290	394,055	2,862,375	2,129,818
Total Revenues	1,970,384	1,041,670	1,560,083	3,733,571	2,859,965
Expenses:					
Compensation and benefits:					
Salary, bonus and benefits	389,130	354,524	338,049	294,753	274,574
Equity-based compensation	102,983	97,676	126,320	126,227	598,654
Profit sharing expense	357,074	85,229	276,190	1,173,255	872,133
Total Compensation and Benefits	849,187	537,429	740,559	1,594,235	1,745,361
Interest expense	43,482	30,071	22,393	29,260	37,116
General, administrative and other[1]	247,000	255,061	265,189	275,796	243,097
Placement fees	26,249	8,414	15,422	42,424	22,271
Total Expenses	1,165,918	830,975	1,043,563	1,941,715	2,047,845
Other Income:					
Net gains from investment activities	139,721	121,723	213,243	330,235	288,244
Net gains (losses) from investment activities of consolidated variable interest entities	5,015	19,050	22,564	199,742	(71,704)
Income from equity method investments	103,178	14,855	53,856	107,350	110,173
Interest income	4,072	3,232	10,392	12,266	9,693
Other income, net	4,562	7,673	60,592	40,114	1,964,679
Total Other Income	256,548	166,533	360,647	689,707	2,301,085
Income before income tax provision	1,061,014	377,228	877,167	2,481,563	3,113,205
Income tax provision	(90,707)	(26,733)	(147,245)	(107,569)	(65,410)
Net Income	970,307	350,495	729,922	2,373,994	3,047,795
Net income attributable to Non-Controlling Interests[2][3]	(567,457)	(215,998)	(561,693)	(1,714,603)	(2,736,838)
Net Income Attributable to Apollo Global Management, LLC	$ 402,850	$ 134,497	$ 168,229	$ 659,391	$ 310,957
Distributions Declared per Class A Share	$ 1.25	$ 1.96	$ 3.11	$ 3.95	$ 1.35
Net Income Available to Class A Share – Basic	$ 2.11	$ 0.61	$ 0.62	$ 4.06	$ 2.06
Net Income Available to Class A Share –Diluted	$ 2.11	$ 0.61	$ 0.62	$ 4.03	$ 2.06

	As of December 31,				
	2016	2015[4]	2014	2013	2012
	(in thousands)				
Statement of Financial Condition Data					
Total assets	$ 5,629,553	$ 4,559,808	$ 23,172,788	$ 22,474,674	$ 20,634,810
Debt (excluding obligations of consolidated variable interest entities)	1,352,447	1,025,255	1,027,965	746,693	735,771
Debt obligations of consolidated variable interest entities	786,545	801,270	14,123,100	12,423,962	11,834,955
Total shareholders' equity	1,867,528	1,388,981	5,943,461	6,688,722	5,703,383
Total Non-Controlling Interests	1,032,412	739,476	4,156,979	4,051,453	3,036,565

(1) Prior period amounts have been recast to conform to the current presentation. See note 2 to our consolidated financial statements for more detail on the change in presentation relating to general, administrative and other.

(2) Reflects Non-Controlling Interests attributable to AAA (for all periods prior to January 1, 2015), 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.

(3) 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.

(4) Apollo adopted new U.S. GAAP consolidation and collateralized financing entity ("CFE") guidance during the year ended December 31, 2015 which resulted in the deconsolidation of certain funds and VIEs as of January 1, 2015 and a measurement alternative of the financial assets and liabilities of the remaining consolidated CLOs. The adoption did not impact net income attributable to Apollo Global Management, LLC, but did impact various line items within the statements of operations and financial condition. See note 2 to the consolidated financial statements for details regarding the Company's adoption of the new consolidation and CFE guidance.

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, 2016 and 2015 and for the years ended December 31, 2016, 2015 and 2014. 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 30 years and lead a team of 986 employees, including 376 investment professionals, as of December 31, 2016.

Apollo conducts its business 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 including performing, stressed and distressed instruments across the capital structure; 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, 2016, we had total AUM of $191.7 billion across all of our businesses. More than 90% of our total AUM was in funds with a contractual life at inception of seven years or more, and 45% of such AUM was in permanent

capital vehicles. 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, 2016, Fund VIII had $8.3 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, 2016, Fund VII had $2.3 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, 2016. Apollo's private equity fund appreciation was 13.5% for the year ended December 31, 2016.

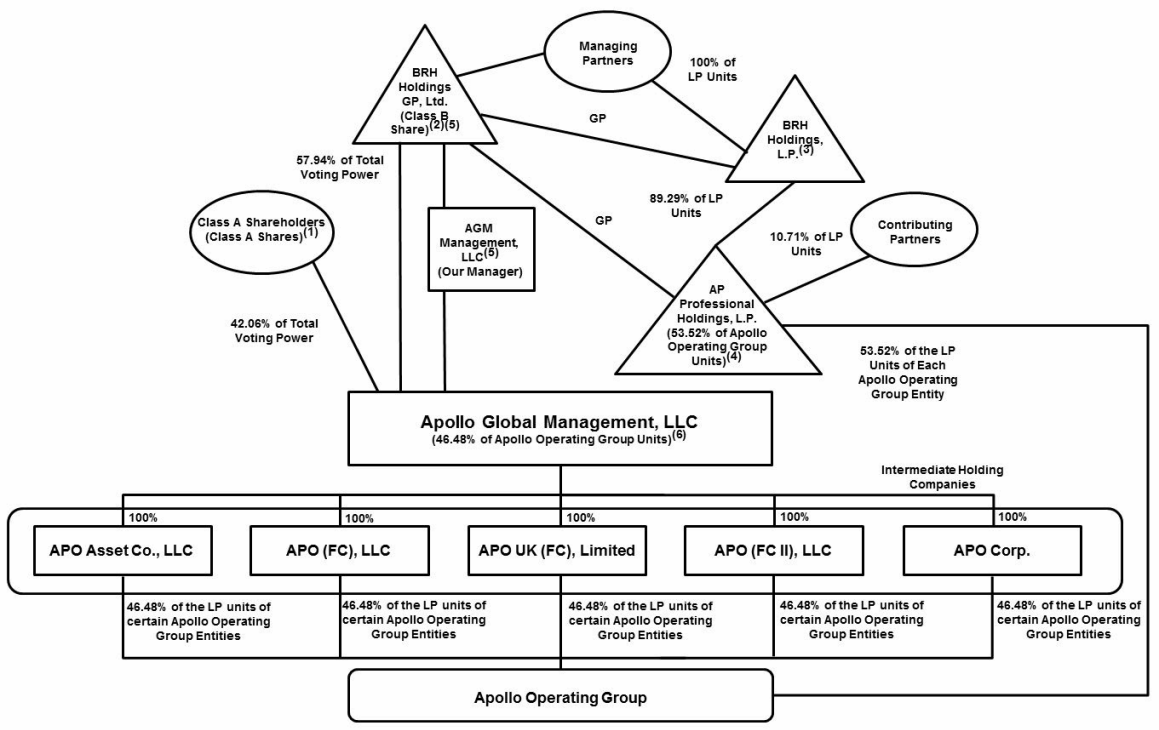
For our credit segment, total gross and net returns, excluding assets managed by Athene Asset Management that are not directly invested in Apollo funds and investment vehicles or sub-advised by Apollo, were 11.2% and 9.9%, respectively, for the year ended December 31, 2016.

For our real estate segment, total combined gross and net returns for U.S. RE Fund I and U.S. RE Fund II including co-investment capital were 16.1% and 12.8%, respectively, for the year ended December 31, 2016.

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 February 8, 2017.

(1) The Strategic Investors hold 16.43% of the Class A shares outstanding and 7.63% of the economic interests in the Apollo Operating Group. The Class A shares held by investors other than the Strategic Investors represent 42.06% of the total voting power of our shares entitled to vote and 38.85% 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 57.94% 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 47.79% 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 53.52% of the limited partner interests in each Apollo Operating Group entity. The AOG Units held by Holdings are exchangeable for Class A shares. Our Managing Partners, through their interests in BRH and Holdings, beneficially own 47.79% of the AOG Units. Our Contributing Partners, through their ownership interests in Holdings, beneficially own 5.73% 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 46.48% of the limited partner interests in each Apollo Operating Group entity, held through the 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, 2016 was a more positive year compared to the mixed backdrop in 2015. In the U.S., the S&P 500 Index increased 9.5% during 2016 following a slight decrease of 0.7% in 2015. Outside the U.S., global equity markets rose for the first time in three years as measured by the MSCI All Country World ex USA Index, which increased 3.6% during 2016 after falling 1.4% in 2015.

Conditions in the credit markets also have a significant impact on our business, and in 2016, many indices posted strong returns. The BofAML HY Master II Index rose 17.5% in 2016 following a decrease of 4.6% in 2015. In addition, the S&P/LSTA Leveraged Loan Index rose 10.2% in 2016 following a slight decrease of 0.7% in 2015. Benchmark interest rates finished the year on a slightly positive note as investors expect The Federal Reserve to raise short-term rates three times in 2017, after raising rates again in December. The U.S. 10-year Treasury yield rallied 85 basis points in the fourth quarter to finish the year up 18 basis points at 2.45%.

Foreign exchange rates can materially impact the valuations of our investments that are denominated in currencies other than the U.S. dollar. Relative to the U.S. dollar, the Euro depreciated 3.2% in 2016 after depreciating 10.2% in 2015, while the British pound depreciated 16.3% in 2016 largely due to the Brexit referendum, after depreciating 5.4% in 2015. Commodities generally saw price increases in both the fourth quarter and full year ended December 31, 2016. The price of crude oil appreciated by 11.4% during the fourth quarter and 45.0% for the full year.

In terms of economic conditions in the U.S., the Bureau of Economic Analysis reported real GDP increased at an annual rate of 1.6% in 2016, lower than the 2.6% growth experienced in 2015, primarily due to a decrease in investments and government spending. As of January 2017, The International Monetary Fund estimated that the U.S. economy will expand by 2.3% in 2017. Additionally, the U.S. unemployment rate continued to decline in 2016, ending the year at 4.7%, a decrease from 5.0% at the end of 2015.

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. As such, Apollo's global integrated investment platform deployed $3.5 billion and $15.9 billion of capital through the funds it manages during the fourth quarter of 2016 and full year ended December 31, 2016, respectively. This represented the highest level of capital deployment activity in a calendar period to date. We believe Apollo's expertise in credit and its focus on nine core industry sectors, combined with 26 years of investment experience, has allowed Apollo to respond quickly to changing environments. Apollo's core industry sectors include chemicals, manufacturing and industrial, natural resources, consumer and retail, consumer services, business services, financial services, leisure, and media and telecom and technology. 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.

In general, institutional investors continue to allocate capital towards alternative investment managers for more attractive risk-adjusted returns in a low interest rate environment, and we believe the business environment remains generally accommodative to launch new products and pursue attractive strategic growth opportunities. As such, Apollo had $6.6 billion and $34.8 billion of capital inflows during the fourth quarter of 2016 and full year ended December 31, 2016, respectively. While Apollo continues to attract capital inflows, it also continues to generate realizations for fund investors. Apollo returned $1.7 billion and $5.4 billion of capital and realized gains to the investors in the funds it manages during the fourth quarter of 2016 full year ended December 31, 2016, respectively.

Managing Business Performance

We believe that the presentation of Economic Income, or EI, supplements a reader's understanding of the economic operating performance of each of our segments.

Economic Income

EI has certain limitations in that it does not take into account certain items included under U.S. GAAP. EI represents segment income before income tax provision excluding transaction-related charges arising from the 2007 private placement and any acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, segment data excludes non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, compensation and administrative related expense reimbursements from unconsolidated related parties, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements. 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.

Economic Net Income represents EI adjusted to reflect income tax provision on EI that has been calculated assuming that all income is allocated to Apollo Global Management, LLC, which would occur following an exchange of all AOG Units for Class A shares of Apollo Global Management, LLC. The economic assumptions and methodologies that impact the implied income tax provision are similar to those methodologies and certain assumptions used in calculating the income tax provision for Apollo's consolidated statements of operations under U.S. GAAP.

We believe that EI 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. See note 16 to the consolidated financial statements for more details regarding management's consideration of EI.

EI 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 EI as a measure of operating performance, not as a measure of liquidity. EI should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with U.S. GAAP. The use of EI without consideration of related U.S. GAAP measures is not adequate due to the adjustments described above. Management compensates for these limitations by using EI 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 EI to its most directly comparable U.S. GAAP measure of income before income tax provision can be found in the notes to our consolidated financial statements.

Economic Income for the years ended December 31, 2015 and 2014 includes a recast of salary, bonus and benefits due to management's change in allocation methodology among the segments during the year ended December 31, 2016. All prior periods have been recast to conform to the current presentation. The impact to the combined segments total Economic Income for all periods presented was zero. The impact of this change to EI for each segment for the years ended December 31, 2015 and 2014 is reflected in note 16 to the consolidated financial statements.

Fee Related Earnings

Fee Related Earnings ("FRE") is derived from our segment reported results and refers to a component of EI that is used as a supplemental measure to assess whether revenues that we believe are generally more stable and predictable in nature, primarily consisting of management fees, are sufficient to cover associated operating expenses and generate profits. FRE is the sum across all segments of (i) management fees, (ii) advisory and transaction fees, (iii) carried interest income earned from a publicly traded business development company we manage and (iv) other income, net excluding gains (losses) arising from the reversal of a portion of the tax receivable agreement liability, less (y) salary, bonus and benefits, excluding equity-based compensation and (z) other associated operating expenses.

Distributable Earnings

Distributable Earnings ("DE"), as well as DE After Taxes and Related Payables are derived from our segment reported results, and are supplemental non-U.S. GAAP measures to assess performance and the amount of earnings 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 related funds. DE, which is a component of EI, 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 (x) compensation expense, excluding the expense related to equity-based awards, (y) realized profit sharing expense, and (z) 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. A reconciliation of DE and EI to their most directly comparable U.S. GAAP measure of income before income tax provision can be found in "—Summary of Non-U.S. GAAP Measures".

Fee Related EBITDA

Fee related EBITDA is a non-U.S. GAAP measure derived from our segment reported results and is used to assess the performance of our operations as well as our ability to service current and future borrowings. Fee related EBITDA represents FRE plus amounts for depreciation and amortization. "Fee related EBITDA +100% of net realized carried interest" represents fee-related EBITDA plus realized carried interest less realized profit sharing.

We use FRE, DE and Fee related EBITDA as measures of operating performance, not as measures of liquidity. These measures should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with U.S. GAAP. The use of these measures without consideration of their related U.S. GAAP measures is not adequate due to the adjustments described above.

Operating Metrics

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

Assets Under Management

The tables below present Fee-Generating and Non-Fee-Generating AUM by segment as of December 31, 2016 and 2015:

	As of December 31, 2016				As of December 31, 2015			
	Private Equity	Credit	Real Estate	Total	Private Equity	Credit	Real Estate	Total
	(in millions)				(in millions)			
Fee-Generating AUM	$ 30,722	$ 111,781	$ 8,295	$ 150,798	$ 29,258	$ 101,522	$ 7,317	$ 138,097
Non-Fee-Generating AUM	12,906	24,826	3,158	40,890	8,244	19,839	3,943	32,026
Total AUM	$ 43,628	$ 136,607	$ 11,453	$ 191,688	$ 37,502	$ 121,361	$ 11,260	$ 170,123

The table below presents AUM with Future Management Fee Potential, which is a component of Non-Fee-Generating AUM, for each of Apollo's three segments as of December 31, 2016 and 2015.

	As of December 31, 2016	As of December 31, 2015
	(in millions)	
Private Equity	$ 1,977	$ 2,093
Credit	6,533	5,763
Real Estate	639	986
Total AUM with Future Management Fee Potential	$ 9,149	$ 8,842

The following tables present the components of Carry-Eligible AUM for each of Apollo's three segments as of December 31, 2016 and 2015:

	As of December 31, 2016				As of December 31, 2015			
	Private Equity	Credit	Real Estate	Total	Private Equity	Credit	Real Estate	Total
	(in millions)				(in millions)			
Carry-Generating AUM	$ 21,521	$ 33,306	$ 776	$ 55,603	$ 9,461	$ 16,923	$ 516	$ 26,900
AUM Not Currently Generating Carry	487	7,219	365	8,071	6,793	21,583	865	29,241
Uninvested Carry-Eligible AUM	13,136	11,119	976	25,231	16,528	8,701	1,059	26,288
Total Carry-Eligible AUM	$ 35,144	$ 51,644	$ 2,117	$ 88,905	$ 32,782	$ 47,207	$ 2,440	$ 82,429

The following table presents AUM Not Currently Generating Carry for funds that have commenced investing capital for more than 24 months as of December 31, 2016 and the corresponding appreciation required to reach the preferred return or high watermark in order to generate carried interest:

Category / Fund	Invested AUM Not Currently Generating Carry	Investment Period Active > 24 Months	Appreciation Required to Achieve Carry[1]
	(in millions)		
Private Equity:			
Total Private Equity	$ 487	$ 342	32%
Credit:			
Drawdown	3,752	3,738	30%
Liquid/Performing	3,467	1,935	< 250bps
		—	250-500bps
		813	> 500bps
Total Credit	7,219	6,486	20%
Real Estate:			
Total Real Estate	365	294	> 500bps
Total	$ 8,071	$ 7,122	

(1) All investors in a given fund are considered in aggregate when calculating the appreciation required to achieve carry presented above. Appreciation required to achieve carry may vary by individual investor.

The components of Fee-Generating AUM by segment as of December 31, 2016 and 2015 are presented below:

	As of December 31, 2016			
	Private Equity	Credit	Real Estate	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 21,782	$ 8,072	$ 724	$ 30,578
Fee-Generating AUM based on invested capital	8,058	4,212	4,374	16,644
Fee-Generating AUM based on gross/adjusted assets	882	88,196	3,131	92,209
Fee-Generating AUM based on NAV	—	11,301	66	11,367
Total Fee-Generating AUM	$ 30,722 (1)	$ 111,781	$ 8,295	$ 150,798

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2016 was 66 months.

	As of December 31, 2015			
	Private Equity	Credit	Real Estate	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 20,315	$ 5,787	$ 376	$ 26,478
Fee-Generating AUM based on invested capital	8,094	3,860	4,180	16,134
Fee-Generating AUM based on gross/adjusted assets	506	83,728	2,671	86,905
Fee-Generating AUM based on NAV	343	8,147	90	8,580
Total Fee-Generating AUM	$ 29,258 (1)	$ 101,522	$ 7,317	$ 138,097

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2015 was 73 months.

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

	Total AUM		Fee-Generating AUM	
	As of December 31,		As of December 31,	
	2016	2015	2016	2015
	(in millions)			
Traditional Private Equity Funds	$ 30,490	$ 30,665	$ 24,457	$ 24,826
Natural Resources	5,223	2,909	4,181	2,436
Other[1]	7,915	3,928	2,084	1,996
Total	$ 43,628	$ 37,502	$ 30,722	$ 29,258

(1) Includes co-investments contributed to Athene by AAA through its investment in AAA Investments as discussed in note 14 of the consolidated financial statements.

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

	Total AUM		Fee-Generating AUM	
	As of December 31,		As of December 31,	
	2016	2015	2016	2015
	(in millions)			
Liquid/Performing	$ 35,684	$ 37,242	$ 31,562	$ 30,603
Drawdown	23,852	19,112	13,645	11,130
Permanent capital vehicles ex Athene Non-Sub-Advised[1]	12,330	15,058	11,460	9,840
Athene Non-Sub-Advised[1]	55,114	49,949	55,114	49,949
Advisory[2]	9,627	—	—	—
Total	$ 136,607	$ 121,361	$ 111,781	$ 101,522

(1) Athene Non-Sub-Advised reflects total Athene-related AUM of $70.8 billion less $15.7 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo. Athene Non-Sub-Advised includes $4.4 billion of Athene AUM for which AAME provides investment advisory services.

(2) Advisory refers to certain assets advised by AAME.

The following table presents the Athene assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo:

	Total AUM	
	As of December 31,	
	2016	2015
	(in millions)	
Private Equity	$ 1,099	$ 956
Credit		
Liquid/Performing	9,407	8,998
Drawdown	1,075	863
Total Credit	10,482	9,861
Real Estate		
Debt	3,698	3,426
Equity	439	340
Total Real Estate	4,137	3,766
Total	$ 15,718	$ 14,583

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

	Total AUM		Fee-Generating AUM	
	As of December 31,		As of December 31,	
	2016	2015	2016	2015
	(in millions)			
Debt	$ 8,604	$ 7,737	$ 6,577	$ 5,477
Equity	2,849	3,523	1,718	1,840
Total	$ 11,453	$ 11,260	$ 8,295	$ 7,317

The following tables summarize changes in total AUM for each of Apollo's three segments for the years ended December 31, 2016 and 2015:

	For the Years Ended December 31,							
	2016				2015			
	Private Equity	Credit	Real Estate	Total	Private Equity	Credit	Real Estate	Total
	(in millions)							
Change in Total AUM[1]:								
Beginning of Period	$ 37,502	$ 121,361	$ 11,260	$ 170,123	$ 41,299	$ 108,960	$ 9,538	$ 159,797
Inflows	5,727	26,170	2,870	34,767	2,299	18,201	3,188	23,688
Outflows[2]	(1,148)	(11,405)	(505)	(13,058)	(812)	(3,769)	(71)	(4,652)
Net Flows	4,579	14,765	2,365	21,709	1,487	14,432	3,117	19,036
Realizations	(1,121)	(1,827)	(2,472)	(5,420)	(4,711)	(2,182)	(1,656)	(8,549)
Market Activity[3][4]	2,668	2,308	300	5,276	(573)	151	261	(161)
End of Period	$ 43,628	$ 136,607	$ 11,453	$ 191,688	$ 37,502	$ 121,361	$ 11,260	$ 170,123

(1) At the individual segment level, inflows include new subscriptions, commitments, capital raised, other increases in available capital, purchases, acquisitions and portfolio company appreciation. Outflows represent redemptions, other decreases in available capital and portfolio company depreciation. Realizations represent fund distributions of realized proceeds. Market activity represents gains (losses), the impact of foreign exchange rate fluctuations and other income.

(2) Outflows for Total AUM include redemptions of $1,832.1 million and $626.8 million during the years ended December 31, 2016 and 2015, respectively.

(3) Includes foreign exchange impacts of $(102.5) million, $(911.0) million and $(160.4) million for private equity, credit and real estate, respectively, during the year ended December 31, 2016.

(4) Includes foreign exchange impacts of $(162.4) million, $(403.7) million and $(136.1) million for private equity, credit and real estate, respectively, during the year ended December 31, 2015.

Assets Under Management

Total AUM was $191.7 billion at December 31, 2016, an increase of $21.6 billion, or 12.7%, compared to $170.1 billion at December 31, 2015. The net increase was primarily due to:

Net flows of $21.7 billion primarily related to:

- a $14.8 billion increase related to funds we manage in the credit segment primarily consisting of advisory mandates related to AAME of $9.3 billion, subscriptions of $8.1 billion, a net increase in AUM relating to Athene of $6.1 billion and originations at MidCap of $1.5 billion, offset by a decrease in leverage of $6.7 billion, redemptions of $1.8 billion and net segment transfers of $1.7 billion;
- a $4.6 billion increase related to funds we manage in the private equity segment consisting of subscriptions attributable to co-investments for Fund VIII transactions of $3.3 billion and ANRP II of $1.5 billion; and
- a $2.4 billion increase related to funds we manage in the real estate segment primarily consisting of subscriptions of $1.0 billion primarily related to AGRE Debt Fund I, L.P. ("AGRE Debt Fund I") and net segment transfers of $1.4 billion.

Market activity of $5.3 billion primarily related to $2.7 billion and $2.3 billion of appreciation in the funds we manage in the private equity and credit segments, respectively.

Offsetting these increases were:

Realizations of $5.4 billion primarily related to:

- $2.5 billion related to funds we manage in the real estate segment primarily consisting of distributions of $1.5 billion from our real estate debt funds and $1.0 billion from our real estate equity funds;
- $1.8 billion related to funds we manage in the credit segment primarily consisting of distributions of $0.9 billion and $0.6 billion in drawdown funds and liquid/performing funds, respectively; and
- $1.1 billion related to funds we manage in the private equity segment primarily consisting of distributions of $1.0 billion and $0.1 billion in our traditional private equity funds and co-investment vehicles, respectively.

Total AUM was $170.1 billion at December 31, 2015, an increase of $10.3 billion, or 6.5%, compared to $159.8 billion at December 31, 2014. The net increase was primarily due to:

Net inflows of $19.0 billion primarily related to:

- a $14.4 billion increase related to funds we manage in the credit segment primarily consisting of subscriptions of $6.0 billion, acquisitions of $7.4 billion primarily attributable to the acquisition of Delta Lloyd Deutschland by Athene Holding of $5.1 billion, and a net change in leverage of $2.0 billion;
- a $1.5 billion increase related to funds we manage in the private equity segment consisting of subscriptions of $1.9 billion, driven by subscriptions attributable to ANRP II of $1.5 billion, offset by net segment transfers of $0.2 billion and a change in leverage of $0.3 billion; and
- a $3.1 billion increase related to funds we manage in the real estate segment primarily consisting of subscriptions of $1.2 billion, net segment transfers of $1.0 billion and a change in leverage of $0.4 billion.

Offsetting these increases were:

Realizations of $8.5 billion primarily related to:

- $4.7 billion related to funds we manage in the private equity segment primarily consisting of distributions of $4.1 billion attributable to certain traditional private equity funds;
- $2.2 billion related to funds we manage in the credit segment primarily consisting of distributions of $1.1 billion and $0.8 billion in liquid/performing and drawdown funds, respectively; and
- $1.7 billion related to funds we manage in the real estate segment primarily consisting of distributions of $0.9 billion from our real estate debt funds and $0.3 billion related to the CPI funds.

Market activity of $0.2 billion related to:

- $0.6 billion of depreciation in the funds we manage in the private equity segment;
- $0.3 billion of appreciation in the funds we manage in the real estate segment; and
- $0.2 billion of appreciation in the funds we manage in the credit segment.

The following tables summarize changes in Fee-Generating AUM for each of Apollo's three segments for the years ended December 31, 2016 and 2015:

	For the Years Ended December 31,							
	2016				2015			
	Private Equity	Credit	Real Estate	Total	Private Equity	Credit	Real Estate	Total
	(in millions)							
Change in Fee-Generating AUM[1]:								
Beginning of Period	$ 29,258	$ 101,522	$ 7,317	$ 138,097	$ 30,285	$ 92,192	$ 6,237	$ 128,714
Inflows	2,298	18,327	2,609	23,234	2,610	14,702	2,639	19,951
Outflows[2]	(416)	(8,013)	(51)	(8,480)	(794)	(4,328)	(249)	(5,371)
Net Flows	1,882	10,314	2,558	14,754	1,816	10,374	2,390	14,580
Realizations	(404)	(1,071)	(1,611)	(3,086)	(2,839)	(1,664)	(1,328)	(5,831)
Market Activity[3]	(14)	1,016	31	1,033	(4)	620	18	634
End of Period	$ 30,722	$ 111,781	$ 8,295	$ 150,798	$ 29,258	$ 101,522	$ 7,317	$ 138,097

(1) At the individual segment level, inflows include new subscriptions, commitments, capital raised, other increases in available capital, purchases, acquisitions and portfolio company appreciation. Outflows represent redemptions, other decreases in available capital and portfolio company depreciation. Realizations represent fund distributions of realized proceeds. Market activity represents gains (losses), the impact of foreign exchange rate fluctuations and other income.

(2) Outflows for Fee-Generating AUM include redemptions of $1,497.6 million and $594.6 million during the years ended December 31, 2016 and 2015, respectively.

(3) Includes foreign exchange impacts of $(407.2) million and $(48.7) million for credit and real estate, respectively, during the year ended December 31, 2016, and foreign exchange impacts of $(324.2) million and $(71.6) million for credit and real estate, respectively, during the year ended December 31, 2015.

Total Fee-Generating AUM was $150.8 billion at December 31, 2016, an increase of $12.7 billion or 9.2%, compared to $138.1 billion at December 31, 2015. The net increase was primarily due to:

Net flows of $14.8 billion primarily related to:

- a $10.3 billion increase related to funds we manage in the credit segment primarily consisting of a net increase in AUM relating to Athene Holding of $6.1 billion, subscriptions of $5.2 billion, an increase in capital deployment of $2.4 billion, and $1.5 billion in originations at MidCap. This was partially offset by a decrease in leverage of $2.1 billion, redemptions of $1.5 billion and net segment transfers of $1.4 billion; and
- a $2.6 billion increase related to funds we manage in the real estate segment primarily consisting of net segment transfers of $1.5 billion and subscriptions of $0.6 billion; and
- a $1.9 billion increase related to funds we manage in the private equity segment primarily consisting of subscriptions attributable to ANRP II of $1.4 billion.

Market activity of $1.0 billion primarily related to appreciation in the funds we manage in the credit segment.

Offsetting these increases were:

Realizations of $3.1 billion primarily related to:

- $1.6 billion related to funds we manage in the real estate segment primarily driven by distributions of $1.2 billion from our real estate debt funds and $0.4 billion from our real estate equity funds; and
- $1.1 billion related to funds we manage in the credit segment primarily driven by certain of our liquid/performing funds, including returns to CLO investors, and distributions of $0.3 billion from permanent capital vehicles.

Total Fee-Generating AUM was $138.1 billion at December 31, 2015, an increase of $9.4 billion or 7.3%, compared to $128.7 billion at December 31, 2014. The net increase was primarily due to:

Net inflows of $14.6 billion primarily related to:

- a $10.4 billion increase related to funds we manage in the credit segment primarily consisting of fee-generating capital deployment of $5.1 billion, an increase of $5.1 billion attributable to the acquisition of Delta Lloyd Deutschland by Athene Holding and subscriptions of $1.7 billion. This was partially offset by $0.6 billion of redemptions and $1.1 billion of net segment transfers;

- a $1.8 billion increase related to funds we manage in the private equity segment consisting of $1.4 billion of subscriptions attributable to ANRP II and $0.5 billion of fee-generating capital deployment. Offsetting these increases was a change in leverage of $0.1 billion; and
- a $2.4 billion increase related to funds we manage in the real estate segment consisting of $1.1 billion of fee-generating capital commitments from the Athene Accounts, $0.6 billion of acquisitions and $0.3 billion of subscriptions.

Market activity of $0.6 billion primarily related to appreciation in the funds we manage in the credit segment.

Offsetting these increases were:

Realizations of $5.8 billion primarily related to:

- $2.8 billion related to funds we manage in the private equity segment primarily driven by distributions of $2.6 billion from certain traditional private equity funds;
- $1.7 billion related to funds we manage in the credit segment primarily driven by certain of our liquid/performing funds, including returns to CLO investors, and distributions of $0.3 billion from permanent capital vehicles; and
- $1.3 billion related to funds we manage in the real estate segment primarily driven by distributions in the CPI funds and Athene Accounts of $0.3 billion and $0.4 billion, respectively.

Capital Deployed and Uncalled Commitments

Capital deployed is the aggregate amount of capital that has been invested during a given period by our drawdown funds, SIAs that have a defined maturity date and 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 fund investments and expenses.

Capital deployed 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 management fees, transaction fees and incentive income to the extent they are fee-generating. Capital deployed 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 capital deployed and uncalled commitments as key operating metrics since we believe the results measure our fund's investment activities.

Capital Deployed

The following table summarizes by segment the capital deployed 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 Years Ended December 31,		
	2016	2015	2014
	(in millions)		
Private Equity	$ 9,582	$ 5,144	$ 2,163
Credit	3,713	5,531	5,174
Real Estate[1]	2,638	2,458	2,686
Total capital deployed	$ 15,933	$ 13,133	$ 10,023

(1) Included in capital deployed is $2,467 million, $2,140 million, and $2,320 million for the years ended December 31, 2016, 2015 and 2014, respectively, related to 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,	
	2016	2015
	(in millions)	
Private Equity	$ 16,079	$ 19,487
Credit	11,816	8,557
Real Estate	1,414	984
Total uncalled commitments[1]	$ 29,309	$ 29,028

(1) As of December 31, 2016 and December 31, 2015, $25.9 billion and $26.1 billion, respectively, represented the amount of capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements or other governing agreements of our funds.

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.

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. There can be no assurance that any Apollo fund will continue to achieve the same results in the future.

Finally, our private equity IRRs have historically varied greatly from fund to fund. For example, Fund IV generated a 12% gross IRR and a 9% net IRR since its inception through December 31, 2016, while Fund V generated a 61% gross IRR and a 44% net IRR since its inception through December 31, 2016. 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.”

Investment Record

The following table summarizes the investment record by segment of Apollo's significant drawdown 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. The funds included in the investment record table below have greater than $500 million of AUM and/or form part of a flagship series of funds. The SIAs included in the investment record table below have greater than $200 million of AUM and did not predominantly invest in other Apollo funds or SIAs.

All amounts are as of December 31, 2016, unless otherwise noted:

($ in millions)	Vintage Year	Total AUM	Committed Capital	Total Invested Capital(1)	Realized Value(1)	Remaining Cost(1)	Unrealized Value(1)	Total Value(1)	As of December 31, 2016 Gross IRR(1)	As of December 31, 2016 Net IRR(1)
Private Equity:										
Fund VIII	2013	$ 20,336	$ 18,377	$ 10,017	$ 895	$ 9,281	$ 11,628	$ 12,523	25 %	13 %
Fund VII	2008	6,439	14,677	16,033	29,377	3,668	3,945	33,322	35	26
Fund VI	2006	3,349	10,136	12,457	18,001	3,505	2,727	20,728	12	9
Fund V	2001	337	3,742	5,192	12,697	138	80	12,777	61	44
Fund I, II, III, IV and MIA(3)	Various	29	7,320	8,753	17,400	—	14	17,414	39	26
Traditional Private Equity Funds(4)		$ 30,490	$ 54,252	$ 52,452	$ 78,370	$ 16,592	$ 18,394	$ 96,764	39 %	25 %
ANRP II	2016	3,673	3,454	581	144	505	788	932	NM (2)	NM (2)
ANRP I	2012	1,550	1,323	1,018	236	855	1,191	1,427	15	9
AION	2013	706	826	326	127	236	210	337	3 %	(11)%
Total Private Equity(9)		$ 36,419	$ 59,855	$ 54,377	$ 78,877	$ 18,188	$ 20,583	$ 99,460		
Credit:										
Credit Opportunity Funds										
COF III	2014	$ 3,124	$ 3,426	$ 4,182	$ 1,751	$ 2,566	$ 2,127	$ 3,878	(3)%	(4)%
COF I and II	2008	445	3,068	3,787	7,389	127	158	7,547	23	20
European Principal Finance Funds										
EPF II(5)	2012	4,099	3,379	3,443	1,393	2,051	3,206	4,599	20	11
EPF I(5)	2007	269	1,362	1,790	2,960	—	46	3,006	23	17
Structured Credit Funds										
FCI II	2013	2,507	1,555	1,953	559	1,682	2,056	2,615	17	13
FCI I	2012	1,044	559	1,230	852	793	818	1,670	16	12
SCRF III (12)	2015	986	1,238	1,611	671	739	1,165	1,836	18	14
SCRF I and II12)	Various	12	222	707	872	7	12	884	27	21
Other Drawdown Funds & SIAs(6)	Various	6,601	8,792	7,250	7,387	1,941	1,743	9,130	9	6
Total Credit(10)		$ 19,087	$ 23,601	$ 25,953	$ 23,834	$ 9,906	$ 11,331	$ 35,165		
Real Estate:										
U.S. RE Fund II(7)	2016	$ 687	$ 651	$ 409	$ 69	$ 384	$ 425	$ 494	17 %	17 %
U.S. RE Fund I(7)	2012	512	648	623	574	271	339	913	17	13
AGRE Debt Fund I(13)	2011	917	1,913	1,850	1,148	923	849	1,997	7	6
CPI Funds(8)	Various	605	4,768	2,475	2,529	311	102	2,631	15	12
Total Real Estate(11)		$ 2,721	$ 7,980	$ 5,357	$ 4,320	$ 1,889	$ 1,715	$ 6,035		

(1) Refer to the definitions of Vintage Year, Total Invested Capital, Realized Value, Remaining Cost, Unrealized Value, Total Value, Gross IRR and Net IRR described elsewhere in this report.

(2) 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.

(3) 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 did not receive the economics associated with these entities. The investment performance of these funds, combined with Fund IV, is presented to illustrate fund performance associated with Apollo's Managing Partners and other investment professionals.

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

(5) Funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.05 as of December 31, 2016.

(6) Amounts presented have been aggregated for (i) drawdown funds with AUM greater than $500 million that do not form part of a flagship series of funds and (ii) SIAs with AUM greater than $200 million that do not predominantly invest in other Apollo funds or SIAs. Certain SIAs' historical figures are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.05 as of December 31, 2016. Additionally, certain SIAs totaling $1.8 billion of AUM have been excluded from Total Invested Capital, Realized Value, Remaining Cost, Unrealized Value and Total Value. These SIAs have an open ended life and a significant turnover in their portfolio assets due to the ability to recycle capital. These SIAs had $9.1 billion of Total Invested Capital through December 31, 2016.

(7) U.S. RE Fund I and U.S. RE Fund II had $150 million and $178 million of co-investment commitments as of December 31, 2016, respectively, which are included in the figures in the table. A co-invest entity within U.S. RE Fund I is denominated in GBP and translated into U.S. dollars at an exchange rate of £1.00 to $1.23 as of December 31, 2016.

(8) As part of the acquisition of Citi Property Investors ("CPI"), Apollo acquired general partner interests in fully invested funds. CPI Funds refers to CPI Capital Partners North America, CPI Capital Partners Asia Pacific, CPI Capital Partners Europe and other CPI 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. For CPI Capital Partners North America, CPI Capital Partners Asia Pacific and CPI Capital Partners Europe, the gross and net IRRs are presented in the investment record table since acquisition on November 12, 2010. The aggregate net IRR for these funds from their inception to December 31, 2016 was (1)%. This net IRR was 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.

(9) Certain private equity co-investment vehicles and funds with AUM less than $500 million have been excluded. These co-investment vehicles and funds had $7.2 billion of aggregate AUM as of December 31, 2016.

(10) Certain credit funds and SIAs with AUM less than $500 million and $200 million, respectively, have been excluded. These funds and SIAs had $4.8 billion of aggregate AUM as of December 31, 2016.

(11) Certain accounts owned by or related to Athene, certain co-investment vehicles and certain funds with AUM less than $500 million have been excluded. These accounts, co-investment vehicles and funds had $4.8 billion of aggregate AUM as of December 31, 2016.

(12) Remaining cost for certain of our credit funds may include physical cash called, invested or reserved for certain levered investments.

(13) The investor in this U.S. Dollar denominated fund have chosen to make contributions and receive distributions in the local currency of each underlying investment. As a result, Apollo has not entered into foreign currency hedges for this fund and the returns presented include the impact of foreign currency gains or losses. The investor's gross and net IRR, before the impact of foreign currency gains or losses, from the fund's inception to December 31, 2016 was 10% and 9%, respectively.

Private Equity

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, 2016:

	Total Invested Capital	Total Value	Gross IRR
	(in millions)		
Distressed for Control	$ 7,795	$ 18,535	29%
Non-Control Distressed	5,490	8,475	71
Total	13,285	27,010	49
Corporate Carve-outs, Opportunistic Buyouts and Other Credit[1]	39,167	69,754	22
Total	$ 52,452	$ 96,764	39%

(1) 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 the Fund VIII, Fund VII, Fund VI and Fund V private equity portfolios based on investment strategy. Amounts for Fund I, II, III and IV are included in the table above but not presented below as their remaining value is less than $100 million or the fund has been liquidated. All amounts are as of December 31, 2016:

Fund VIII[1]

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 2,318	$ 3,410
Opportunistic Buyouts	7,200	8,429
Distressed	499	684
Total	$ 10,017	$ 12,523

Fund VII[1]

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 2,159	$ 4,530
Opportunistic Buyouts	4,291	10,424
Distressed/Other Credit[2]	9,583	18,368
Total	$ 16,033	$ 33,322

Fund VI

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 3,397	$ 5,808
Opportunistic Buyouts	6,374	9,958
Distressed/Other Credit[2]	2,686	4,962
Total	$ 12,457	$ 20,728

Fund V

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 1,605	$ 4,947
Opportunistic Buyouts	2,165	5,333
Distressed	1,422	2,497
Total	$ 5,192	$ 12,777

(1) Committed capital less unfunded capital commitments for Fund VIII and Fund VII was $10.0 billion and $13.9 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) The distressed investment strategy includes distressed for control, non-control distressed and other credit.

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 $13.7 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, 2016), our private equity funds have invested $42.4 billion, of which $18.8 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 5.5x, 6.1x, 7.7x and 6.6x, respectively, as of December 31, 2016. Our average entry multiple for a private equity fund is the average of the total enterprise value over an applicable adjusted earnings before interest, taxes, depreciation and amortization which may incorporate certain adjustments based

on the investment team's estimate and we believe captures the true economics of our funds' investments in portfolio companies. The average entry multiple of actively investing funds may include committed investments not yet closed.

Credit

The following table presents the AUM and gross and net returns information for Apollo's credit segment by category type:

Category	As of December 31, 2016				Gross Returns	Net Returns
	AUM	Fee-Generating AUM	Carry-Eligible AUM	Carry-Generating AUM	For the Year Ended December 31, 2016(1)	For the Year Ended December 31, 2016(1)
	(in millions)					
Liquid/Performing	$ 35,684	$ 31,562	$ 19,841	$ 15,524	9.6%	9.0%
Drawdown(2)	23,852	13,645	21,819	8,284	16.5	14.1
Permanent capital vehicles ex Athene Non-Sub-Advised(3)	12,330	11,460	9,984	9,498	9.6	5.9
Athene Non-Sub-Advised(3)	55,114	55,114	—	—	N/A	N/A
Advisory(4)	9,627	—	—	—	N/A	N/A
Total Credit	$ 136,607	$ 111,781	$ 51,644	$ 33,306	11.2%	9.9%

(1) The gross and net returns for the year ended December 31, 2016 for total credit excludes assets managed by AAM that are not directly invested in Apollo funds and investment vehicles or sub-advised by Apollo.

(2) As of December 31, 2016, significant drawdown funds and SIAs had inception-to-date gross and net IRRs of 16.3% and 12.6%, respectively. Significant drawdown funds and SIAs include funds and SIAs with AUM greater than $200 million that do not predominantly invest in other Apollo funds or SIAs.

(3) Athene Non-Sub-Advised reflects total Athene-related AUM of $70.8 billion less $15.7 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo. Athene Non-Sub-Advised includes $4.4 billion of Athene AUM for which AAME provides investment advisory services.

(4) Advisory refers to certain assets advised by AAME.

Liquid/Performing

The following table summarizes the investment record for funds in the liquid/performing category within Apollo's credit segment. The significant funds included in the investment record table below have greater than $200 million of AUM and do not predominantly invest in other Apollo funds or SIAs.

	Vintage Year	Total AUM	Net Returns	
		As of December 31, 2016	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
Credit:		(in millions)		
Hedge Funds(1)	Various	$ 6,035	11%	—%
CLOs(2)	Various	12,208	9	2
SIAs / Other	Various	17,441	9	1
Total		$ 35,684		

(1) Hedge Funds primarily includes Apollo Credit Strategies Master Fund Ltd., Apollo Credit Master Fund Ltd. and Apollo Credit Short Opportunities Fund.

(2) CLO returns are calculated based on gross return on invested assets, which excludes cash.

Permanent Capital

The following table summarizes the investment record for our permanent capital vehicles by segment, excluding Athene-related assets managed or advised by Athene Asset Management and AAME:

		Total AUM	Total Returns [1]	
	IPO Year[2]	As of December 31, 2016	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
Credit:		(in millions)		
MidCap[3]	N/A	$ 7,181	NM [4]	NM [4]
AIF	2013	386	23 %	(4) %
AFT	2011	431	24	(2)
AINV[5]	2004	4,386	26	(20)
Real Estate:				
ARI[6]	2009	3,434	8 %	17 %
Total		$ 15,818		

(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 commission.
(2) An IPO year represents the year in which the vehicle commenced trading on a national securities exchange.
(3) MidCap is not a publicly traded vehicle and therefore IPO year is not applicable.
(4) Returns have not been presented as the permanent capital vehicle commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.
(5) All amounts are as of September 30, 2016, except for total returns. Refer to www.apolloic.com for the most recent financial information on AINV. The information contained on AINV's website is not part of this report. Includes $1.5 billion of AUM related to a non-traded business development company sub-advised by Apollo. Total returns exclude performance of the non-traded business development company.
(6) Amounts are as of September 30, 2016. 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 presentation.

Athene and SIAs

As of December 31, 2016, Apollo managed or advised $70.8 billion of total AUM in accounts owned by or related to Athene, of which approximately $15.7 billion was either sub-advised by Apollo or invested in Apollo funds and investment vehicles managed by Apollo. Of the approximately $15.7 billion of AUM, the vast majority were in sub-advisory managed accounts that manage high grade credit asset classes, such as CLO debt, commercial mortgage backed securities, and insurance-linked securities.

As of December 31, 2016, Apollo managed approximately $20 billion of total AUM in 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.

Overview of Results of Operations

Revenues

Advisory and Transaction Fees from Related Parties, 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 advisory fees 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 related parties, net, in the consolidated statements of operations. See note 2 to our consolidated financial statements for more detail on advisory and transaction fees from related parties, net.

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.

Management Fees from Related Parties. 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 Related Parties. 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 related parties 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 related parties 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, 2016, approximately 55% 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 45% 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, 2016 was 21%, 73% and 45%, respectively. See "Item 1A. Risk Factors—Risks Related to Our Businesses—Our 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. The 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 as of December 31, 2016 and 2015, and for the years ended December 31, 2016, 2015 and 2014:

	As of December 31,		For the Year Ended December 31, 2016			For the Year Ended December 31, 2015			For the Year Ended December 31, 2014		
	2016	2015	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income (Loss)	Total Carried Interest Income (Loss)	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income (Loss)	Total Carried Interest Income (Loss)	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income (Loss)	Total Carried Interest Income (Loss)
	Carried Interest Receivable on an Unconsolidated Basis										
					(in thousands)						
Private Equity Funds:											
Fund VIII(1)	$ 333,881	$ —	$ 323,228	$ 10,653	$ 333,881	$ (427)	$ —	$ (427)	$ 427	$ —	$ 427
Fund VII(1)	74,655	68,733	5,922	9,844	15,766	(219,449)	229,679	10,230	(602,615)	902,421	299,806
Fund VI(1)	— (3)	52,561 (3)	(94,798)	—	(94,798)	(130,861)	78,812	(52,049)	(514,122)	401,449	(112,673)
Fund IV and V	2,767 (3)	6,196 (3)	(6,442)	266	(6,176)	(13,387)	640	(12,747)	(41,973)	44,850	2,877
ANRP I and II	80,809	—	80,924	13,326	94,250	(18,914)	—	(18,914)	15,077	6,093	21,170
AAA/Other(2)(5)	306,354 (3)	246,381 (3)	59,973	48,203	108,176	68,877	30,691	99,568	(52,887)	73,263	20,376
Total Private Equity Funds	798,466	373,871	368,807	82,292	451,099	(314,161)	339,822	25,661	(1,196,093)	1,428,076	231,983
Total Private Equity Funds, net of profit share	530,275	254,888	254,163	38,399	292,562	(184,903)	163,992	(20,911)	(693,146)	746,756	53,610
Credit Category:											
Drawdown	295,492 (3)	163,863 (3)	119,925	65,047	184,972	(69,127)	70,970	1,843	(93,140)	216,044	122,904
Liquid/Performing	90,035	48,933	(3,197)	92,041	88,844	(21,808)	27,557	5,749	(63,504)	64,990	1,486
Permanent capital vehicles ex AAM	42,369	28,048	20,546	22,941	43,487	10,401	40,625	51,026	—	—	—
Total Credit Funds	427,896	240,844	137,274	180,029	317,303	(80,534)	139,152	58,618	(156,644)	281,034	124,390
Total Credit Funds, net of profit share	159,061	75,472	74,261	95,315	169,576	(70,171)	94,405	24,234	(141,285)	181,887	40,602
Real Estate Funds:											
CPI Funds	368	1,379	(1,026)	1,388	362	(240)	2,496	2,256	(3,809)	640	(3,169)
U.S. RE Fund I & II	20,263	20,728	1,268	8,160	9,428	7,547	1,981	9,528	5,817	2,663	8,480
Other(5)	11,894	7,085	4,676	3,018	7,694	(153)	1,380	1,227	2,943	696	3,639
Total Real Estate Funds	32,525	29,192	4,918	12,566	17,484	7,154	5,857	13,011	4,951	3,999	8,950
Total Real Estate Funds, net of profit share	19,403	17,873	2,717	4,382	7,099	4,186	3,750	7,936	3,953	2,250	6,203
Total	$ 1,258,887	$ 643,907	$ 510,999	$ 274,887	$ 785,886	$ (387,541)	$ 484,831	$ 97,290	$ (1,347,786)	$ 1,713,109	$ 365,323
Total, net of profit share	$ 708,739 (4)	$ 348,233 (4)	$ 331,141	$ 138,096	$ 469,237	$ (250,888)	$ 262,147	$ 11,259	$ (830,478)	$ 930,893	$ 100,415

(1) As of December 31, 2016, the remaining investments and escrow cash of Fund VII and Fund VI were valued at 103% and 82% of the fund's unreturned capital, respectively, which were below the required escrow ratio of 115%. As a result, these funds are 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. As of December 31, 2016, Fund VI had $167.6 million of gross carried interest income, or $110.7 million net of profit sharing, in escrow. As of December 31, 2016, Fund VII had $58.6 million of gross carried interest income, or $32.6 million net of profit sharing, in escrow. With respect to Fund VII and Fund VI, realized carried interest income currently distributed to the general partner is limited to potential tax distributions pursuant to the fund's partnership agreement. As of December 31, 2015, the remaining investments and escrow cash of Fund VII and Fund VI were valued at 106% and 95% of the fund's unreturned capital, respectively, which were below the required escrow ratio of 115%. As a result, these funds are 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. As of December 31, 2015, Fund VI had $167.6 million of gross carried interest income, or $110.7 million net of profit sharing, in escrow. With respect to Fund VII and Fund VI, realized carried interest income currently distributed to the general partner is limited to tax distributions pursuant to the fund's partnership agreement.

(2) As of December 31, 2016, AAA includes $229.8 million of carried interest receivable, or $149.2 million net of profit sharing, from AAA Investments, L.P., and as of December 31, 2015, AAA includes $185.5 million of carried interest receivable, or $122.6 million net of profit sharing, from AAA Investments, L.P. which Apollo may elect to receive in cash or in common shares of Athene Holding (valued at the then fair market value); and if Apollo elects to receive payment of such carried interest in cash, then common shares of Athene Holding shall be distributed to Apollo and immediately sold by Apollo to pay for such carried interest in cash.

(3) As of December 31, 2016, certain credit funds and certain private equity funds had $60.6 million and $56.0 million, respectively, in general partner obligations to return previously distributed carried interest income. The fair value gain on investments and income at the fund level needed to reverse the general partner obligations for certain credit funds and certain private equity funds was $332.4 million and $406.6 million, respectively, as of December 31, 2016. As of December 31, 2015, certain credit funds and certain private equity funds had $57.8 million and $14.2 million, respectively, in general partner obligations to return previously distributed carried interest income. The fair value gain on investments and income at the fund level needed to reverse the general partner obligations for certain credit funds and certain private equity funds was $273.4 million and $289.2 million, respectively, as of December 31, 2015.

(4) There was a corresponding profit sharing payable of $550.1 million and $295.7 million as of December 31, 2016 and December 31, 2015, respectively, including profit sharing payable related to amounts in escrow and contingent consideration obligations of $106.3 million and $79.6 million, respectively.

(5) Other includes certain SIAs.

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, 2016. The investment manager of AINV accrues carried interest in the management company

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 is 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 related parties on the consolidated statements of financial condition. As of December 31, 2016 and 2015, there was $116.6 million and $72.0 million, respectively, of such general partner obligations related to our funds. 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, 2016:

	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, 2016[3]	Maximum Carried Interest Income Subject to Potential Reversal[4]
	(in millions)				
Private Equity Funds:					
Fund VIII	$ 333.9	$ —	$ 333.9	$ —	$ 333.9
Fund VII	74.7	3,101.6	3,176.3	—	538.8
Fund VI	—	1,658.9	1,658.9	42.2	1,070.4
Fund IV and V	2.8	2,053.1	2,055.9	13.8	15.5
ANRP I and II	80.8	16.1	96.9	—	89.1
AAA/Other	306.3	213.0	519.3	—	306.3
Total Private Equity Funds	798.5	7,042.7	7,841.2	56.0	2,354.0
Credit Category[5]:					
Drawdown	295.5	962.4	1,257.9	60.6	358.5
Liquid/Performing	90.0	448.3	538.3	—	75.9
Permanent capital vehicles ex AAM	31.0	—	31.0	—	31.0
Total Credit Funds	416.5	1,410.7	1,827.2	60.6	465.4
Real Estate Funds:					
CPI Funds	0.4	9.7	10.1	—	0.4
U.S. RE Fund I & II	20.3	12.8	33.1	—	27.1
Other[6]	11.9	4.1	16.0	—	12.3
Total Real Estate Funds	32.6	26.6	59.2	—	39.8
Total	$ 1,247.6	$ 8,480.0	$ 9,727.6	$ 116.6	$ 2,859.2

(1) Certain funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.05 as of December 31, 2016.

(2) Amounts in "Distributed by Fund and Recognized" for the CPI, Gulf Stream Asset Management, LLC ("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, 2016. 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, 2016. 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.

(4) Represents the amount of carried interest income that would be reversed if remaining fund investments became worthless on December 31, 2016. 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' governing documents.

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

(6) Other includes certain SIAs.

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.

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 14 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, which vested over a period of five to six years and certain employees were granted RSUs, which vested over a period of typically six years. In addition, AHL Awards (as defined in note 13 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, restricted Class A shares 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 13 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, placement fees, and general, administrative and other operating expenses. Interest expense consists primarily of interest related to the 2013 AMH Credit Facilities, the 2024 Senior Notes and the 2026 Senior Notes as discussed in note 11 to our consolidated financial statements. Placement fees are incurred in connection with our capital raising activities. General, administrative and other expenses includes occupancy expense, depreciation and amortization, professional fees and costs related to travel, information technology and administration. 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 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. 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.

Other Income (Losses), Net. Other income (losses), net includes gains (losses) arising from the remeasurement of foreign currency denominated assets and liabilities, reversal of a portion of the tax receivable agreement liability (see note 14 to our consolidated financial statements), gains (losses) arising from the remeasurement of derivative instruments associated with fees from certain of the Company's related parties 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, certain consolidated entities are, or are treated as, corporations for U.S. and non-U.S. tax purposes and therefore 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. 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 53.7% and 54.4% 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, 2016 and 2015, respectively. Non-Controlling Interests also include limited partner interests in certain consolidated funds and 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, 2016, 2015 and 2014. For additional analysis of the factors that affected our results at the segment level, see "—Segment Analysis" below:

	For the Years Ended December 31,		Amount Change	Percentage Change	For the Years Ended December 31,		Amount Change	Percentage Change
	2016	2015			2015	2014		
Revenues:	(in thousands)				(in thousands)			
Management fees from related parties	$ 1,043,513	$ 930,194	$ 113,319	12.2 %	$ 930,194	$ 850,441	$ 79,753	9.4 %
Advisory and transaction fees from related parties, net	146,665	14,186	132,479	NM	14,186	315,587	(301,401)	(95.5)
Carried interest income from related parties	780,206	97,290	682,916	NM	97,290	394,055	(296,765)	(75.3)
Total Revenues	1,970,384	1,041,670	928,714	89.2	1,041,670	1,560,083	(518,413)	(33.2)
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	389,130	354,524	34,606	9.8	354,524	338,049	16,475	4.9
Equity-based compensation	102,983	97,676	5,307	5.4	97,676	126,320	(28,644)	(22.7)
Profit sharing expense	357,074	85,229	271,845	319.0	85,229	276,190	(190,961)	(69.1)
Total compensation and benefits	849,187	537,429	311,758	58.0	537,429	740,559	(203,130)	(27.4)
Interest expense	43,482	30,071	13,411	44.6	30,071	22,393	7,678	34.3
General, administrative and other	247,000	255,061	(8,061)	(3.2)	255,061	265,189	(10,128)	(3.8)
Placement fees	26,249	8,414	17,835	212.0	8,414	15,422	(7,008)	(45.4)
Total Expenses	1,165,918	830,975	334,943	40.3	830,975	1,043,563	(212,588)	(20.4)
Other Income:								
Net gains from investment activities	139,721	121,723	17,998	14.8	121,723	213,243	(91,520)	(42.9)
Net gains from investment activities of consolidated variable interest entities	5,015	19,050	(14,035)	(73.7)	19,050	22,564	(3,514)	(15.6)
Income from equity method investments	103,178	14,855	88,323	NM	14,855	53,856	(39,001)	(72.4)
Interest income	4,072	3,232	840	26.0	3,232	10,392	(7,160)	(68.9)
Other income, net	4,562	7,673	(3,111)	(40.5)	7,673	60,592	(52,919)	(87.3)
Total Other Income	256,548	166,533	90,015	54.1	166,533	360,647	(194,114)	(53.8)
Income before income tax provision	1,061,014	377,228	683,786	181.3	377,228	877,167	(499,939)	(57.0)
Income tax provision	(90,707)	(26,733)	(63,974)	239.3	(26,733)	(147,245)	120,512	(81.8)
Net Income	970,307	350,495	619,812	176.8	350,495	729,922	(379,427)	(52.0)
Net income attributable to Non-Controlling Interests	(567,457)	(215,998)	(351,459)	162.7	(215,998)	(561,693)	345,695	(61.5)
Net Income Attributable to Apollo Global Management, LLC	$ 402,850	$ 134,497	$ 268,353	199.5 %	$ 134,497	$ 168,229	$ (33,732)	(20.1)%

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

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.

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Management fees from related parties increased by $113.3 million for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This change was primarily attributable to increased management fees earned with respect to ANRP II, MidCap, Athene, assets advised by AAME, COF III and ARI of $46.0 million, $12.5 million, $10.8 million, $10.6 million, $8.0 million and $6.6 million, respectively, partially offset by decreases in management fees earned with respect to AINV and Fund VI of $13.6 million and $6.5 million, respectively, during the year ended December 31, 2016 as compared to the same period during 2015. The increase in management fees from related parties was partially driven by an increase in reimbursable expenses during the year ended December 31, 2016 as compared to the same period during 2015.

Advisory and transaction fees from related parties, net, increased by $132.5 million for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of $113.1 million during the year ended December 31,

2016, as compared to the same period during 2015, as well as a legal reserve in connection with an SEC regulatory matter recorded during the year ended December 31, 2015.

Carried interest income from related parties increased by $682.9 million for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This change was primarily attributable to increased carried interest income earned from our private equity and credit funds of $425.4 million and $258.7 million, respectively, during the year ended December 31, 2016 as compared to the same period in 2015. For additional details regarding changes in carried interest income in each segment, see "—Segment Analysis" below.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Management fees from related parties increased by $79.8 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to the adoption of new consolidation guidance which led to the deconsolidation of certain funds and CLOs as of January 1, 2015 as described in note 2 to the consolidated financial statements. As a result of the adoption of new consolidation guidance, eliminations of management fees of consolidated CLOs decreased by $59.2 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The change in management fees from related parties was also driven by an increase in management fees in relation to the AHL Awards (as defined in note 13 to our consolidated financial statements) of $7.0 million granted to the Company's employees, which are liability awards that are marked-to-market based on the valuation of Athene (see note 13 to the consolidated financial statements).

Advisory and transaction fees from affiliates, net, decreased by $301.4 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to a decrease in monitoring fees from Athene of $224.5 million as a result of the termination of a transaction advisory services agreement with Athene (the "Athene Services Agreement") as of December 31, 2014, a decrease in net advisory and transaction fees earned with respect to Fund VII of $26.6 million and a legal reserve in connection with an SEC regulatory matter recorded during the year ended December 31, 2015.

Carried interest income from related parties decreased by $296.8 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to decreases in carried interest income from the private equity and credit segments of $206.3 million and $107.0 million, respectively, offset by an increase in carried interest income from the real estate segment of $4.1 million during the year ended December 31, 2015 as compared to the same period in 2014. For additional details regarding changes in carried interest income in each segment, see "—Segment Analysis" below.

Expenses

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Compensation and benefits increased by $311.8 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in profit sharing expense of $271.8 million due to increased carried interest income during the year ended December 31, 2016, as compared to the same period in 2015. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period. In addition, this change was attributable to an increase in salary, bonus and benefits of $34.6 million during the year ended December 31, 2016 as compared to the same period in 2015 as a result of an increase in reimbursable expenses during the year ended December 31, 2016 as compared to the same period during 2015 and an increase in headcount during the year ended December 31, 2016.

Included in profit sharing expense is $62.1 million and $62.1 million for the year ended December 31, 2016 and 2015, respectively, related to 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 (referred to herein as the "Incentive Pool"). Allocations to participants in the Incentive Pool contain both a fixed component and a discretionary component, each of which may vary year to year. The fixed component of the Incentive Pool was $0.6 million and $1.6 million for the year ended December 31, 2016 and 2015, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period. See "—Critical Accounting Policies—Profit Sharing Expense" for an overview of the Incentive Pool.

Interest expense increased $13.4 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 11 to our consolidated financial statements.

General, administrative and other expense decreased by $8.1 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015 as a result of a decrease in depreciation and amortization related to certain intangibles in connection with the Company's acquisition of Stone Tower Capital LLC and its related management companies ("Stone Tower") being fully amortized at December 31, 2015. This decrease was offset by an increase related to certain expenses where the Company is considered the principal under the relevant agreements and is required to record the expense and related reimbursement on a gross basis.

Placement fees increased by $17.8 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015 as a result of placement fees related to the launch of Apollo European Principal Finance Fund III, L.P. ("EPF III") of $19.4 million during the year ended December 31, 2016. Placement fees are incurred in connection with raising 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.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Compensation and benefits decreased by $203.1 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to a decrease in profit sharing expense of $191.0 million due to lower carried interest income during the year ended December 31, 2015 as compared to the same period in 2014. 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. Equity-based compensation decreased $28.6 million during the year ended December 31, 2015 as compared to the same period in 2014 primarily due to non-cash expense of $45.6 million incurred in connection with the departure of an executive officer during the year ended December 31, 2014. This decrease was offset by additional expense incurred in relation to the AHL Awards granted to the Company's employees, which are liability awards that are marked to market based on the valuation of Athene (see note 13 to the consolidated financial statements) during the year ended December 31, 2015. The decreases in profit sharing expense and equity-based compensation were offset by an increase in salary, bonus and benefits of $16.5 million during the year ended December 31, 2015 as a result of an increase in headcount after December 31, 2014.

Included within profit sharing expense was $62.1 million and $62.0 million related to the Incentive Pool for the years ended December 31, 2015 and 2014, respectively. The fixed component of the Incentive Pool was $1.6 million and $6.5 million for the years ended December 31, 2015 and 2014, respectively.

Interest expense increased by $7.7 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014 as a result of the issuance of the 2024 Senior Notes in May, 2014, as described in note 11 to our consolidated financial statements.

General, administrative and other expense decreased by $10.1 million for the year ended December 31, 2015, as compared to the year ended December 31, 2014. This change was primarily attributable to a decrease in professional fees related to lower consulting fees and lower technology expenses incurred during the year ended December 31, 2015 as compared to the same period in 2014. These decreases were offset by an increase in expense incurred primarily due to a legal reserve in connection with an SEC regulatory matter recorded during the year ended December 31, 2015.

Placement fees decreased by $7.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to placement fees with respect to COF III of $6.3 million during the year ended December 31, 2014 that did not recur during the year ended December 31, 2015.

Other Income (Loss)

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Net gains from investment activities increased by $18.0 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. The increase was primarily attributable to an increase in unrealized gains on the Company's investment in Athene during the year ended December 31, 2016. See note 6 to the consolidated financial statements for further information regarding the Company's investment in Athene.

Income from equity method investments increased by $88.3 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily driven by increases in the value of investments held by certain Apollo funds and other entities in which the Company has a direct interest, mainly with respect to Fund VIII, Apollo Energy Opportunity Fund, L.P. ("AEOF"), Apollo European Principal Finance Fund II, L.P. ("EPF II"), ANRP II, Credit Opportunity Fund

III, L.P. (“COF III”), ANRP I, an SIA and MidCap of $45.2 million, $7.9 million, $6.0 million, $5.7 million, $4.9 million, $4.5 million, $3.2 million and $2.7 million, respectively, as well as modest increases across most of our other equity method investments during the year ended December 31, 2016, as compared to the same period in 2015.

Other income, net decreased by $3.1 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily driven by foreign exchange losses during the year ended December 31, 2016, compared to foreign exchange gains during the year ended December 31, 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Net gains from investment activities decreased by $91.5 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to net gains from investment activities with respect to AAA of $204.6 million during the year ended December 31, 2014 that did not recur during the year ended December 31, 2015 as a result of the deconsolidation of AAA effective January 1, 2015. (See note 2 to the consolidated financial statements for details regarding the Company’s adoption of the new consolidation guidance.) This was offset by an unrealized gain on the Company’s investment in Athene of $122.4 million during the year ended December 31, 2015.

Income from equity method investments decreased by $39.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily driven by decreases in the values of investments held by certain Apollo funds and other entities in which the Company has a direct interest, mainly with respect to Fund VII, AINV, AION, EPF I, ARI and Apollo Credit Liquidity Fund, L.P. (“ACLF”) which resulted in decreases in income from equity method investments of $12.4 million, $9.3 million, $5.9 million, $3.4 million, $2.7 million and $2.0 million, respectively. These decreases were offset by an increase in the value of Apollo’s ownership interest in AAA of $10.0 million.

Interest income decreased by $7.2 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014 primarily due to payment-in-kind interest income earned during the year ended December 31, 2014 that did not recur in 2015 as a result of the sale of the Company’s investment in HFA Holdings Limited ("HFA") during the year ended December 31, 2014.

Other income, net decreased by $52.9 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily due to (i) a gain from the reduction of the tax receivable agreement liability of $32.2 million resulting from changes in projected income estimates and in estimated tax rates (see note 14 to our consolidated financial statements), (ii) a $14.0 million unrealized gain on Athene-related derivative contracts as a result of the settlement of these derivative contracts during 2014 and (iii) a gain on extinguishment of a portion of the contingent consideration obligation related to the acquisition of Stone Tower of $13.4 million, each of which occurred during the year ended December 31, 2014 and did not recur in 2015.

Income Tax Provision

The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. federal income tax purposes. As a result, only a portion of the income we earn is subject to corporate-level tax 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.

Years Ended December 31, 2016 Compared to Years Ended December 31, 2015

The income tax provision increased by $64.0 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015 primarily due to a change in the mix of earnings which are subject to corporate-level taxation, as well as an increase in Fee Related Earnings subject to corporate-level taxation. 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 8.5% and 7.1% for the years ended December 31, 2016 and 2015, 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; and (iii) state and local income taxes including NYC UBT (see note 10 to the consolidated financial statements for further details regarding the Company’s income tax provision).

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

The income tax provision decreased by $120.5 million primarily due to a change in the mix of earnings which are subject to corporate-level tax, as well as a decrease in Fee Related Earnings subject to corporate-level taxation. 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 7.1% and 16.8% for the years ended December 31, 2015 and 2014, 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; and (iii) state and local income taxes including NYC UBT (see note 10 to the consolidated financial statements for further details regarding the Company's income tax provision).

Non-Controlling Interests

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

	For the Years Ended December 31,		
	2016	2015	2014
	(in thousands)		
Net income	$ 970,307	$ 350,495	$ 729,922
Net income attributable to Non-Controlling Interests in consolidated entities	(5,789)	(21,364)	(157,011)
Net income after Non-Controlling Interests in consolidated entities	964,518	329,131	572,911
Adjustments:			
Income tax provision[1]	90,707	26,733	147,245
NYC UBT and foreign tax benefit[2]	(9,899)	(10,975)	(10,995)
Net (income) loss in non-Apollo Operating Group entities	(3,156)	449	(31,150)
Total adjustments	77,652	16,207	105,100
Net income after adjustments	1,042,170	345,338	678,011
Approximate weighted average ownership percentage of Apollo Operating Group	54.0%	55.9%	57.8%
Net income attributable to Non-Controlling Interests in Apollo Operating Group	$ 561,668	$ 194,634	$ 404,682

(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 and the level of control over the investment. Segment results represent segment income (loss) before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets and contingent consideration and certain other charges associated with acquisitions. In addition, segment results exclude non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements.

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 table sets forth our segment statement of operations information and our supplemental performance measure, EI, within our private equity segment for the years ended December 31, 2016, 2015 and 2014.

	For the Years Ended December 31,				For the Years Ended December 31,			
	2016	2015	Total Change	Percentage Change	2015	2014	Total Change	Percentage Change
	(in thousands)				(in thousands)			
Private Equity(1):								
Revenues:								
Management fees from related parties	$ 321,995	$ 295,836	$ 26,159	8.8 %	$ 295,836	$ 315,069	$ (19,233)	(6.1)%
Advisory and transaction fees from related parties, net	128,675	(7,485)	136,160	NM	(7,485)	58,241	(65,726)	NM
Carried interest income (loss) from related parties:								
Unrealized(2)	368,807	(314,161)	682,968	NM	(314,161)	(1,196,093)	881,932	(73.7)
Realized	82,292	339,822	(257,530)	(75.8)	339,822	1,428,076	(1,088,254)	(76.2)
Total carried interest income from related parties	451,099	25,661	425,438	NM	25,661	231,983	(206,322)	(88.9)
Total Revenues	**901,769**	**314,012**	**587,757**	**187.2**	**314,012**	**605,293**	**(291,281)**	**(48.1)**
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	124,463	123,653	810	0.7	123,653	129,547	(5,894)	(4.5)
Equity-based compensation	27,549	31,324	(3,775)	(12.1)	31,324	49,526	(18,202)	(36.8)
Profit sharing expense	158,536	46,572	111,964	240.4	46,572	178,373	(131,801)	(73.9)
Total compensation and benefits	310,548	201,549	108,999	54.1	201,549	357,446	(155,897)	(43.6)
Non-compensation expenses:								
General, administrative and other	71,323	75,559	(4,236)	(5.6)	75,559	68,092	7,467	11.0
Placement fees	2,297	4,550	(2,253)	(49.5)	4,550	2,194	2,356	107.4
Total non-compensation expenses	73,620	80,109	(6,489)	(8.1)	80,109	70,286	9,823	14.0
Total Expenses	**384,168**	**281,658**	**102,510**	**36.4**	**281,658**	**427,732**	**(146,074)**	**(34.2)**
Other Income:								
Income from equity method investments	66,281	19,125	47,156	246.6	19,125	30,418	(11,293)	(37.1)
Net gains from investment activities	11,379	6,933	4,446	64.1	6,933	—	6,933	NM
Net interest loss	(14,187)	(9,878)	(4,309)	43.6	(9,878)	(7,883)	(1,995)	25.3
Other income, net	1,650	3,148	(1,498)	(47.6)	3,148	14,027	(10,879)	(77.6)
Total Other Income	**65,123**	**19,328**	**45,795**	**236.9**	**19,328**	**36,562**	**(17,234)**	**(47.1)**
Economic Income	**$ 582,724**	**$ 51,682**	**$ 531,042**	**NM**	**$ 51,682**	**$ 214,123**	**$ (162,441)**	**(75.9)%**

(1) Prior period amounts have been recast to conform to the current presentation. See note 16 to our consolidated financial statements for more detail on the reclassification within our three segments.

(2) Included in unrealized carried interest income from related parties for the years ended December 31, 2016, 2015 and 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 14 to our consolidated financial statements for further detail regarding the general partner obligation.

Revenues

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Management fees from related parties increased by $26.2 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to management fees earned with respect to ANRP II of $46.0 million during the year ended December 31, 2016 in connection with capital raises for the fund during 2016, partially offset by decreases in management fees earned with respect to Fund VI, ANRP I and Fund VII of $6.5 million, $4.9 million and $3.9 million, respectively, during the year ended December 31, 2016 as compared to the year ended December 31, 2015.

Advisory and transaction fees from related parties, net increased by $136.2 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of $113.1 million during the year ended December 31, 2016 as compared to the year ended December 31, 2015, as well as a legal reserve in connection with an SEC regulatory matter recorded during the year ended December 31, 2015.

Carried interest income from related parties increased by $425.4 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to increases in carried interest income earned from Fund VIII, ANRP I and ANRP II of $334.3 million, $64.8 million and $50.4 million, respectively, during the year ended December 31, 2016. The increase in carried interest income earned from Fund VIII was primarily driven by appreciation in the value of their privately held energy related portfolio companies. The increases in carried interest income from ANRP I and

ANRP II were driven by appreciation in the value of their privately held portfolio companies in the energy sector. This was partially offset by a decrease in carried interest income earned from Fund VI of $42.7 million. The decrease in carried interest income earned from Fund VI was primarily driven by its public portfolio company holdings.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Management fees from related parties decreased by $19.2 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to decreases in management fees earned with respect to Fund VI and Fund VII of $10.6 million and $10.6 million, respectively, as a result of lower invested capital. In addition, this change was attributable to a decrease in management fees earned with respect to ANRP I of $3.3 million resulting from a step down in fee basis from committed capital to invested capital during the year ended December 31, 2015 compared to the same period in 2014. These decreases were partially offset by an increase related to ANRP II of $7.9 million which launched during 2015.

Advisory and transaction fees from related parties, net decreased by $65.7 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to a change in the fee structure with respect to Fund VIII as a greater portion of the advisory and transaction fees were shared with limited partners of the fund in 2015. In addition, there were decreases in net advisory and transaction fees earned with respect to Fund VII and ANRP I of $26.6 million and $4.3 million, respectively, as well as a legal reserve in connection with an SEC regulatory matter recorded during the year ended December 31, 2015.

Carried interest income from related parties decreased by $206.3 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to decreases in carried interest income earned from Fund VII and ANRP I of $289.6 million and $40.1 million, respectively, partially offset by increased carried interest income earned from AAA/Other and Fund VI of $76.2 million and $60.6 million, respectively. The decreases in carried interest income earned from Fund VII and ANRP I were primarily driven by depreciation in their energy-related portfolio holdings during the year ended December 31, 2015. Additionally, the decrease in carried interest income earned from Fund VII was attributable to the non-recurrence of carried interest income of approximately $299.8 million with respect to certain of the fund's investments that were sold subsequent to December 31, 2014. The increase in carried interest income earned from AAA/Other as compared to the year ended December 31, 2014 was primarily driven by the appreciation on the investment in Athene. The increase in carried interest income earned from Fund VI for the year ended December 31, 2015 as compared to the same period in 2014 was primarily a result of $112.7 million of carried interest loss relating to one of the fund's public portfolio companies during the year ended December 31, 2014 that did not recur during the year ended December 31, 2015 and an increase in carried interest income earned with respect to the fund's public portfolio company holdings during the year ended December 31, 2015.

Expenses

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Compensation and benefits expense increased by $109.0 million for the year ended December 31, 2016 as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in profit sharing expense of $112.0 million as a result of a corresponding increase in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period.

Included in profit sharing expense is $20.6 million and $46.6 million related to the Incentive Pool for the years ended December 31, 2016 and 2015, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other decreased by $4.2 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. The change was primarily driven by an expense relating to a legal reserve in connection with an SEC regulatory matter being recorded during the year ended December 31, 2015.

Placement fees decreased by $2.3 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily driven by a decrease in placement fees of $2.1 million related to the launch of ANRP II during the year ended December 31, 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Compensation and benefits expense decreased by $155.9 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to a decrease in profit sharing expense of $131.8

million as a result of a corresponding decrease in carried interest income earned from Fund VII, ANRP I and Fund V as discussed above, and a decrease in equity-based compensation of $18.2 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. 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. Equity-based compensation was higher during the year ended December 31, 2014 as a result of a non-cash expense of $17.9 million in connection with the departure of an executive officer during the year ended December 31, 2014. These decreases were offset by an increase in salary, bonus and benefits of $7.7 million due to an increase in headcount after December 31, 2014.

Included in profit sharing expense is $46.6 million and $55.5 million related to the Incentive Pool for the years ended December 31, 2015 and 2014, respectively.

General, administrative and other increased by $7.5 million during the year ended December 31, 2015, as compared to the year ended December 31, 2014. The change was primarily driven by a legal reserve in connection with an SEC regulatory matter recorded during the year ended December 31, 2015.

Placement fees increased by $2.4 million during the year ended December 31, 2015, as compared to the year ended December 31, 2014. This change was primarily driven by placement fees of $4.2 million related to the launch of ANRP II incurred during the year ended December 31, 2015, offset by a decrease in placement fees of $1.8 million related to the launch of Fund VIII during the year ended December 31, 2015, as compared to the year ended December 31, 2014.

Other Income (Loss)

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Income from equity method investments increased by $47.2 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in the income from Apollo's equity ownership interest in Fund VIII, ANRP II and ANRP I of $45.2 million, $5.7 million and $4.5 million, respectively, during the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Net gains from investment activities increased by $4.4 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015, due to higher unrealized gains on the Company's investment in Athene during the year ended December 31, 2016, as compared to the year ended December 31, 2015. See note 6 to the consolidated financial statements for further information regarding the Company's investment in Athene.

Net interest loss increased by $4.3 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015, primarily due to additional interest expense incurred during the year ended December 31, 2016 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 11 to our consolidated financial statements.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Income from equity method investments decreased by $11.3 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was driven by decreases in the income from Apollo's equity ownership interest in Fund VII and AION of $12.4 million and $5.9 million, respectively, offset by an increase in the value of Apollo's equity ownership interest in AAA of $10.0 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Net gains from investment activities increased by $6.9 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014 due to an increase in unrealized gain on our investment in Athene Holding.

Net interest loss increased by $2.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014 as a result of the issuance of the 2024 Senior Notes in May, 2014, as described in note 11 to our consolidated financial statements.

Other income, net decreased by $10.9 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily due to a gain of $11.8 million resulting from the reduction of the tax receivable agreement liability during the year ended December 31, 2014 that did not recur in 2015.

Credit

The following table sets forth segment statement of operations information and EI within our credit segment for the years ended December 31, 2016, 2015 and 2014.

	For the Years Ended December 31,				For the Years Ended December 31,			
	2016	2015	Total Change	Percentage Change	2015	2014	Total Change	Percentage Change
	(in thousands)				(in thousands)			
Credit(1):								
Revenues:								
Management fees from related parties	$ 596,709	$ 565,241	$ 31,468	5.6 %	$ 565,241	$ 538,742	$ 26,499	4.9 %
Advisory and transaction fees from related parties, net	12,533	17,246	(4,713)	(27.3)	17,246	255,186	(237,940)	(93.2)
Carried interest income (loss) from related parties:								
Unrealized(2)	137,274	(80,534)	217,808	NM	(80,534)	(156,644)	76,110	(48.6)
Realized	180,029	139,152	40,877	29.4	139,152	322,233	(183,081)	(56.8)
Total carried interest income from related parties	317,303	58,618	258,685	441.3	58,618	165,589	(106,971)	(64.6)
Total Revenues	**926,545**	**641,105**	**285,440**	**44.5**	**641,105**	**959,517**	**(318,412)**	**(33.2)**
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	209,256	200,032	9,224	4.6	200,032	184,497	15,535	8.4
Equity-based compensation	34,185	26,683	7,502	28.1	26,683	47,120	(20,437)	(43.4)
Profit sharing expense	147,727	34,384	113,343	329.6	34,384	83,788	(49,404)	(59.0)
Total compensation and benefits	391,168	261,099	130,069	49.8	261,099	315,405	(54,306)	(17.2)
Non-compensation expenses								
General, administrative and other	125,639	123,378	2,261	1.8	123,378	138,024	(14,646)	(10.6)
Placement fees	22,047	4,389	17,658	402.3	4,389	13,228	(8,839)	(66.8)
Total non-compensation expenses	147,686	127,767	19,919	15.6	127,767	151,252	(23,485)	(15.5)
Total Expenses	**538,854**	**388,866**	**149,988**	**38.6**	**388,866**	**466,657**	**(77,791)**	**(16.7)**
Other Income:								
Income (loss) from equity method investments	33,290	(6,025)	39,315	NM	(6,025)	18,812	(24,837)	NM
Net gains from investment activities	127,229	114,199	13,030	11.4	114,199	9,062	105,137	NM
Net interest loss	(20,669)	(13,740)	(6,929)	50.4	(13,740)	(9,274)	(4,466)	48.2
Other income (loss), net	(4,500)	3,574	(8,074)	NM	3,574	35,263	(31,689)	(89.9)
Total Other Income	**135,350**	**98,008**	**37,342**	**38.1**	**98,008**	**53,863**	**44,145**	**82.0**
Non-Controlling Interest	(7,464)	(11,684)	4,220	(36.1)	(11,684)	(12,688)	1,004	(7.9)
Economic Income	**$ 515,577**	**$ 338,563**	**$ 177,014**	**52.3 %**	**$ 338,563**	**$ 534,035**	**$ (195,472)**	**(36.6)%**

(1) Prior period amounts have been recast to conform to the current presentation. See note 16 to our consolidated financial statements for more detail on the reclassification within our three segments.

(2) Included in unrealized carried interest gains (losses) from related parties for the years ended December 31, 2016, 2015 and 2014 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 14 to our consolidated financial statements for further detail regarding the general partner obligation.

Revenues

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Management fees from related parties increased by $31.5 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to increases in management fees earned from MidCap, Athene, assets advised by AAME, COF III and Apollo Total Return Fund L.P. of $12.5 million, $10.8 million, $10.6 million, $8.0 million and $3.4 million, respectively, offset by a decrease in management fees earned from AINV of $13.6 million during the year ended December 31, 2016, as compared to the same period during 2015.

Advisory and transaction fees from related parties, net, decreased by $4.7 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. The decrease was primarily driven by a decrease in net advisory and transaction fees from FCI II, CLOs, Apollo Credit Master Fund Ltd. and SCRF III of $1.7 million, $0.7 million, $0.7 million and $0.6 million, respectively during the year ended December 31, 2016, as compared to the same period during 2015.

Carried interest income from related parties increased by $258.7 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to increases in carried interest income earned from EPF II, an SIA, SCRF III, Apollo Credit Master Fund Ltd., ACLF and CLOs of $64.4 million, $30.1 million, $29.4 million, $29.2 million, $26.2 million and $20.2 million, respectively, during the year ended December 31, 2016, as compared to the same period in 2015.

The increase in carried interest income earned from EPF II was primarily attributable to appreciation of European and UK hotel assets and German commercial real estate investments in the fund's portfolio offset by the depreciation of certain shipping investments in the fund's portfolio for the year ended December 31, 2016, compared to the appreciation of European direct real estate investments in the fund's portfolio offset by depreciation of a Spanish consumer bank investment in the fund's portfolio during the year ended December 31, 2015. The increase in carried interest income from the SIA was attributable to the depreciation of investments in energy and natural resources during the year ended December 31, 2015 that did not recur during the year ended December 31, 2016. The increase in carried interest income from SCRF III was attributable to stronger positive performance of the fund's structured credit portfolio during the year ended December 31, 2016 compared to the year ended December 31, 2015. The increase in carried interest income from Apollo Credit Master Fund Ltd. was primarily attributable to gains from the leveraged loan market, as well as narrowing spreads in fixed-income instruments during the year ended December 31, 2016 as compared to the year ended December 31, 2015. Appreciation in consumer services and energy investments contributed to an increase in carried interest income earned from ACLF during the year ended December 31, 2016, compared to depreciation in energy investments during the year ended December 31, 2015. Gains from the broad leveraged loan market contributed to an increase in carried interest income earned from CLOs as assets appreciated and income remained steady during the year ended December 31, 2016.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Management fees from related parties increased by $26.5 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to increases in management fees earned with respect to COF III and MidCap of $12.3 million and $8.7 million, respectively, during the year ended December 31, 2015 as compared to the same period during 2014.

Advisory and transaction fees from related parties, net, decreased by $237.9 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The decrease was primarily driven by a decrease in monitoring fees from Athene of $224.5 million as a result of the termination of the Athene Services Agreement as of December 31, 2014.

Carried interest income from related parties decreased by $107.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to a decrease in carried interest income earned from EPF I, EPF II, an SIA and ACLF of $57.0 million, $35.8 million, $30.2 million and $19.2 million, respectively, partially offset by increased carried interest income earned from FCI II and FCI I of $26.3 million and $9.7 million, respectively, during the year ended December 31, 2015 as compared to the same period in 2014.

The decrease in carried interest income from EPF I was attributable to the non-recurrence of appreciation of investments in the consumer finance sector during the year ended December 31, 2015. Carried interest income from EPF II decreased as a result of market value declines in the fund's investments in the financial and shipping sectors during the year ended December 31, 2015. Carried interest income from one of the SIAs the Company manages and ACLF decreased during the year ended December 31, 2015 compared to the same period in 2014 primarily due to market value declines in energy and natural resources. These decreases were offset by an increase in carried interest income from FCI II and FCI I during the year ended December 31, 2015 as compared to the year ended December 31, 2014. The portfolios of FCI II and FCI I had unrealized market value increases in their life settlements investments, as a result of an increase in the value of the fund's investments based on observed market transactions. During the year ended December 31, 2014, FCI II was early in its life, and had sizable purchases during the year ended December 31, 2015, therefore similar appreciation did not occur.

Expenses

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Compensation and benefits expense increased by $130.1 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily due to an increase in profit sharing expense of $113.3 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. Profit sharing expense increased as a result of a corresponding increase in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period.

Included in profit sharing expense is $38.0 million and $15.2 million related to the Incentive Pool for the years ended December 31, 2016 and 2015, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other increased by $2.3 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. The change was primarily driven by higher technology expenses during the year ended December 31, 2016 compared to the same period in 2015.

Placement fees increased by $17.7 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to placement fees of $19.4 million related to the launch of EPF III during the year ended December 31, 2016.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Compensation and benefits expense decreased by $54.3 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily due to decreases in profit sharing expense and equity-based compensation of $49.4 million and $20.4 million, respectively, during the year ended December 31, 2015 as compared to the year ended December 31, 2014. Profit sharing expense decreased as a result of a corresponding decrease in carried interest income as described above. 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. Equity-based compensation was higher during the year ended December 31, 2014 as compared to the same period in 2015 as a result of a non-cash expense of $23.2 million in connection with the departure of an executive officer during the year ended December 31, 2014.

Included in profit sharing expense is $15.2 million and $6.3 million related to the Incentive Pool for the years ended December 31, 2015 and 2014, respectively.

General, administrative and other expenses decreased by $14.6 million during the year ended December 31, 2015, as compared to the year ended December 31, 2014. The change was primarily driven by a decrease in professional fees of $7.7 million primarily attributable to lower consulting fees, and a decrease in general and administrative expense of $7.5 million driven by lower technology expenses during the year ended December 31, 2015 compared to the same period in 2014.

Placement fees decreased by $8.8 million during the year ended December 31, 2015, as compared to the year ended December 31, 2014 primarily driven by decreased fees related to COF III of $6.3 million during the year ended December 31, 2015, as compared to the year ended December 31, 2014.

Other Income

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Income from equity method investments was $33.3 million for the year ended December 31, 2016, as compared to a loss from equity method investments of $6.0 million for the year ended December 31, 2015. The increase of $39.3 million was driven by increases in income from Apollo's equity ownership interest in AEOF, EPF II, COF III, an SIA and MidCap of $7.9 million, $6.0 million, $4.9 million, $3.2 million and $2.7 million, respectively, as well as modest increases across most of our other equity method investments during the year ended December 31, 2016, as compared to the same period in 2015.

Net gains from investment activities increased by $13.0 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. The increase was primarily attributable to an increase in gains of $13.6 million on the Company's direct investment in Athene during the year ended December 31, 2016 as compared to the same period in 2015. See note 6 to the consolidated financial statements for further information regarding the Company's investment in Athene.

Net interest loss increased by $6.9 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015, primarily due to additional interest expense incurred during the year ended December 31, 2016 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 11 to our consolidated financial statements.

Other loss, net was $4.5 million for the year ended December 31, 2016, as compared to other income, net of $3.6 million for the year ended December 31, 2015. The decrease of $8.1 million was primarily driven by a write-off of certain receivables during the year ended December 31, 2016 and foreign exchange losses during the year ended December 31, 2016 as compared to foreign exchange gains during the year ended December 31, 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Income from equity method investments decreased by $24.8 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was driven by decreases in the values of investments in certain of our credit funds, primarily from Apollo's ownership interests in AINV, certain SIAs, EPF I, and EPF II of $9.3 million, $3.8 million, $3.4 million and $1.5 million, respectively, during the year ended December 31, 2015 as compared to the same period in 2014. The change was also driven by a decrease in the value of our investment in AEOF, a fund which launched during 2015, of $2.0 million.

Net gains from investment activities increased by $105.1 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to an increase in unrealized gains on the Company's investment in Athene of $100.1 million during the year ended December 31, 2015 compared to the same period in 2014.

Other income decreased by $31.7 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily due to a gain of $17.3 million resulting from the reduction of the tax receivable agreement liability during the year ended December 31, 2014 that did not recur in 2015 and a $12.4 million unrealized gain on Athene-related derivative contracts during the year ended December 31, 2014 that did not recur in 2015 as a result of settlement of these derivative contracts during 2014.

Real Estate

The following table sets forth our segment statement of operations information and EI within our real estate segment for the years ended December 31, 2016, 2015 and 2014.

	For the Years Ended December 31,				For the Years Ended December 31,			
	2016	2015	Total Change	Percentage Change	2015	2014	Total Change	Percentage Change
	(in thousands)				(in thousands)			
Real Estate(1):								
Revenues:								
Management fees from related parties	$ 58,945	$ 50,816	$ 8,129	16.0 %	$ 50,816	$ 47,213	$ 3,603	7.6 %
Advisory and transaction fees from related parties, net	5,907	4,425	1,482	33.5	4,425	2,655	1,770	66.7
Carried interest income from related parties:								
Unrealized	4,918	7,154	(2,236)	(31.3)	7,154	4,951	2,203	44.5
Realized	12,566	5,857	6,709	114.5	5,857	3,998	1,859	46.5
Total carried interest income from related parties	17,484	13,011	4,473	34.4	13,011	8,949	4,062	45.4
Total Revenues	**82,336**	**68,252**	**14,084**	**20.6**	**68,252**	**58,817**	**9,435**	**16.0**
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	33,171	32,237	934	2.9	32,237	25,802	6,435	24.9
Equity-based compensation	2,734	4,177	(1,443)	(34.5)	4,177	8,849	(4,672)	(52.8)
Profit sharing expense	10,387	5,075	5,312	104.7	5,075	2,747	2,328	84.7
Total compensation and benefits	46,292	41,489	4,803	11.6	41,489	37,398	4,091	10.9
Non-compensation expenses:								
General, administrative and other	21,528	22,869	(1,341)	(5.9)	22,869	21,669	1,200	5.5
Placement fees	89	—	89	NM	—	—	—	NM
Total non-compensation expenses	21,617	22,869	(1,252)	(5.5)	22,869	21,669	1,200	5.5
Total Expenses	**67,909**	**64,358**	**3,551**	**5.5**	**64,358**	**59,067**	**5,291**	**9.0**
Other Income (Loss):								
Income from equity method investments	3,010	2,978	32	1.1	2,978	5,675	(2,697)	(47.5)
Net interest loss	(4,163)	(2,915)	(1,248)	42.8	(2,915)	(1,941)	(974)	50.2
Other income, net	692	1,455	(763)	(52.4)	1,455	3,409	(1,954)	(57.3)
Total Other Income (Loss)	**(461)**	**1,518**	**(1,979)**	**NM**	**1,518**	**7,143**	**(5,625)**	**(78.7)**
Economic Income	**$ 13,966**	**$ 5,412**	**$ 8,554**	**158.1 %**	**$ 5,412**	**$ 6,893**	**$ (1,481)**	**(21.5)%**

(1) Prior period amounts have been recast to conform to the current presentation. See note 16 to our consolidated financial statements for more detail on the reclassification within our three segments.

Revenues

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Management fees from related parties increased by $8.1 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to increases in management fees earned with respect to ARI and U.S. RE Fund II of $6.6 million and $2.9 million, respectively during the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Advisory and transaction fees from related parties, net, increased by $1.5 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in net advisory and transaction fees earned with respect to AGRE Debt Fund I of $1.4 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Carried interest income from related parties increased by $4.5 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in carried interest income earned from U.S. RE Fund II of $8.7 million during the year ended December 31, 2016, as compared to the same period in 2015. This was offset by decreases in carried interest income earned from London Prime Apartments Guernsey Holdings Limited ("London Prime Apartments") and CPI funds in Europe of $2.9 million and $2.2 million, respectively, during the year ended December 31, 2016, as compared to the same period during 2015. Carried interest income earned from certain funds, including U.S. Real Estate Fund I and II, includes an allocation of carried interest income from a strategic investment account that invests in the funds. The increase in carried interest income earned from U.S. Real Estate Fund II is primarily the result of strong operating performance across many of the funds' underlying properties and appreciation of several real estate investments during the year ended December 31, 2016. The decrease in carried interest income earned from London Prime Apartments is primarily due to depreciation of the British Pound against the U.S. Dollar and lower appreciation or values for some of the underlying properties for the year ended December 31, 2016. The decrease in carried interest income earned from the CPI funds in Europe was primarily attributable to a publicly traded security that was sold in the first quarter of 2015 and generated carried interest during that period.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Management fees from related parties increased by $3.6 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to increases in management fees earned with respect to ARI, a China-based investment fund we manage as a result of the Venator acquisition and U.S. RE Fund II of $4.5 million, $2.6 million and $1.7 million, respectively, which were partially offset by a decrease in management fees earned related to our CPI funds of $6.1 million.

Advisory and transaction fees from related parties, net, increased by $1.8 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to an increase in net advisory and transaction fees earned with respect to AGRE Debt Fund I of $1.5 million.

Carried interest income from related parties increased by $4.1 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to an increase in carried interest income earned from our CPI funds in Europe and U.S. RE Fund I of $5.5 million and $0.9 million, respectively, partially offset by a decrease related to London Prime Apartments of $2.3 million. The increase in carried interest income in U.S. RE Fund I was a result of improved performance across many of the fund's underlying investments and higher global real estate values during the year ended December 31, 2015 as compared to the same period in 2014. The increase in carried interest income from our CPI funds in Europe was attributable to an increase in the value of a publicly traded security sold subsequent to December 31, 2014. The decrease in carried interest income in London Prime Apartments was a result of a decrease in the values of the underlying properties as compared to the same period in 2014.

Expenses

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Compensation and benefits increased by $4.8 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to an increase in profit sharing expense of $5.3 million during the year ended December 31, 2016 as compared to the year ended December 31, 2015 as a result of a corresponding increase in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period.

Included in profit sharing expense is $3.5 million and $0.3 million related to the Incentive Pool for the year ended December 31, 2016 and 2015, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other decreased by $1.3 million during the year ended December 31, 2016, as compared to the year ended December 31, 2015. This change was primarily attributable to a decrease in professional fees of $1.8 million as a result of a decrease in legal fees during the year ended December 31, 2016, as compared to the year ended December 31, 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Compensation and benefits increased by $4.1 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily attributable to an increase in salary, bonus and benefits of $6.4 million as a result of a higher headcount in 2015, and an increase in profit sharing expense of $2.3 million due to a corresponding increase in carried interest income earned during the year ended December 31, 2015 as discussed above. These increases were offset by a

decrease in equity-based compensation of $4.7 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Included in profit sharing expense is $0.3 million and $0.2 million related to the Incentive Pool for the year ended December 31, 2015 and 2014, respectively.

General, administrative and other increased by $1.2 million during the year ended December 31, 2015 as compared to the year ended December 31, 2014, primarily attributable to an increase in legal fees during the year ended December 31, 2015 as compared to the year ended December 31, 2014.

Other Income (Loss)

Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

Net interest loss increased by $1.2 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015, primarily due to additional interest expense incurred during the year ended December 31, 2016 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 11 to our consolidated financial statements.

Other income, net decreased by $0.8 million for the year ended December 31, 2016, as compared to the year ended December 31, 2015. The change was primarily driven by a bargain purchase gain in connection with the Venator acquisition during the year ended December 31, 2015.

Year Ended December 31, 2015 Compared to Year Ended December 31, 2014

Income from equity method investments decreased by $2.7 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This decrease is primarily attributable to a $2.7 million decrease in the income from Apollo's ownership interest in ARI during the year ended December 31, 2015.

Net interest loss increased by $1.0 million for the year ended December 31, 2015, as compared to the year ended December 31, 2014 as a result of the issuance of the 2024 Senior Notes in May, 2014, as described in note 11 to our consolidated financial statements.

Other income decreased by $2.0 million for the year ended December 31, 2015 as compared to the year ended December 31, 2014. This change was primarily due to a gain of $3.1 million resulting from the reduction of the tax receivable agreement liability during the year ended December 31, 2014 that did not recur in 2015.

Summary of Combined Results

The following table is a summary of our combined segments EI for the years ended December 31, 2016, 2015 and 2014.

	For the Years Ended December 31,		
	2016	**2015**	**2014**
	(in thousands)		
Revenues:			
Management fees from related parties	$ 977,649	$ 911,893	$ 901,024
Advisory and transaction fees from related parties, net	147,115	14,186	316,082
Carried interest income (loss) from related parties:			
Unrealized[1]	510,999	(387,541)	(1,347,786)
Realized	274,887	484,831	1,754,307
Total carried interest income from related parties	785,886	97,290	406,521
Total Revenues	**1,910,650**	**1,023,369**	**1,623,627**
Expenses:			
Compensation and benefits:			
Salary, bonus and benefits	366,890	355,922	339,846
Equity-based compensation	64,468	62,184	105,495
Profit sharing expense	316,650	86,031	264,908
Total compensation and benefits	748,008	504,137	710,249
Non-compensation expenses:			
General, administrative and other	218,490	221,806	227,785
Placement fees	24,433	8,939	15,422
Total non-compensation expenses	242,923	230,745	243,207
Total Expenses	**990,931**	**734,882**	**953,456**
Other Income:			
Income from equity method investments	102,581	16,078	54,905
Net gains from investment activities	138,608	121,132	9,062
Net interest loss	(39,019)	(26,533)	(19,098)
Other income (loss), net	(2,158)	8,177	52,699
Total Other Income	**200,012**	**118,854**	**97,568**
Non-Controlling Interests	(7,464)	(11,684)	(12,688)
Economic Income	**$ 1,112,267**	**$ 395,657**	**$ 755,051**
Income Tax Provision	(165,522)	(10,518)	(185,587)
Economic Net Income	**$ 946,745**	**$ 385,139**	**$ 569,464**

(1) Included in unrealized carried interest income (losses) from related parties for the years ended December 31, 2016, and 2015 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 14 to our consolidated financial statements for further detail regarding the general partner obligation.

Summary of Fee Related Earnings

The following table is a summary of Fee Related Earnings for the years ended December 31, 2016, 2015 and 2014.

	For the Years Ended December 31,		
	2016	2015	2014
	(in thousands, except per share data)		
Management Fees	$ 977,649	$ 911,893	$ 901,024
Advisory and Transaction Fees from Related Parties, net	147,115	48,186	316,082
Carried Interest Income from Related Parties[1]	22,941	40,625	41,199
Salary, Bonus and Benefits	(366,890)	(355,922)	(339,846)
Non-compensation Expenses	(242,923)	(218,745)	(243,207)
Other Loss	(8,018)	(3,990)	(3,067)
Fee Related Earnings[2]	$ 529,874	$ 422,047	$ 672,185

(1) Represents carried interest income earned from a publicly traded business development company we manage.
(2) Excludes a reserve of $45 million accrued during the year ended December 31, 2015 in connection with an SEC regulatory matter principally concerning the acceleration of fees from fund portfolio companies.

Summary of Distributable Earnings

The following table is a reconciliation of Distributable Earnings per share of common and equivalents[1] to net distribution per share of common and equivalent for the years ended December 31, 2016, 2015 and 2014.

	For the Years Ended December 31,		
	2016	2015	2014
	(in thousands, except per share data)		
Distributable Earnings	$ 647,932	$ 622,821	$ 1,429,780
Taxes and related payables[2]	(9,635)	(9,715)	(73,565)
Distributable Earnings After Taxes and Related Payables	638,297	613,106	1,356,215
Add back: Tax and related payables attributable to common and equivalents	110	12	66,429
Distributable Earnings before certain payables[3]	638,407	613,118	1,422,644
Percent to common and equivalents	47%	47%	45%
Distributable Earnings before other payables attributable to common and equivalents	302,899	290,420	633,380
Less: Tax and related payables attributable to common and equivalents	(110)	(12)	(66,429)
Distributable Earnings attributable to common and equivalents	$ 302,789	$ 290,408	$ 566,951
Distributable Earnings per share of common and equivalent[4]	$ 1.56	$ 1.50	$ 3.13
Retained capital per share of common and equivalent[4][5]	(0.14)	(0.12)	(0.24)
Net distribution per share of common and equivalent[4]	$ 1.42	$ 1.38	$ 2.89

(1) Common and equivalents refers to Class A shares outstanding and RSUs that participate in distributions.
(2) Represents the estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.
(3) 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.
(4) Per share calculations are based on end of period Distributable Earnings Shares Outstanding, which consist of total Class A shares outstanding and RSUs that participate in distributions (collectively referred to as "common & equivalents").
(5) Retained capital is withheld pro-rata from common and equivalent holders and AOG unitholders.

Summary of Non-U.S. GAAP Measures

The table below sets forth a reconciliation of net income attributable Apollo Global Management, LLC to our non-U.S. GAAP performance measures for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
		(in thousands)	
Net Income Attributable to Apollo Global Management, LLC	**$ 402,850**	**$ 134,497**	**$ 168,229**
Net income attributable to Non-Controlling Interests in consolidated entities and Appropriated Partners' Capital	5,789	21,364	157,011
Net income attributable to Non-Controlling Interests in the Apollo Operating Group	561,668	194,634	404,682
Net Income	**$ 970,307**	**$ 350,495**	**$ 729,922**
Income tax provision	90,707	26,733	147,245
Income Before Income Tax Provision	**$ 1,061,014**	**$ 377,228**	**$ 877,167**
Transaction-related charges and equity-based compensation	57,042	39,793	34,895
Net income attributable to Non-Controlling Interests in consolidated entities	(5,789)	(21,364)	(157,011)
Economic Income	**$ 1,112,267**	**$ 395,657**	**$ 755,051**
Income tax provision on Economic Income	(165,522)	(10,518)	(185,587)
Economic Net Income	**$ 946,745**	**$ 385,139**	**$ 569,464**
Income tax provision on Economic Income	165,522	10,518	185,587
Carried interest income from related parties[1]	(762,945)	(56,665)	(365,322)
Profit sharing expense	316,650	86,031	264,908
Equity-based compensation[2]	64,468	62,184	105,495
Investment income and other	(239,585)	(91,693)	(107,045)
Net interest loss	39,019	26,533	19,098
Fee Related Earnings	**$ 529,874**	**$ 422,047**	**$ 672,185**
Gain from reversal of tax receivable agreement liability	3,208	—	32,182
Depreciation, amortization and other, net[3]	9,928	(34,524)	10,182
Fee Related EBITDA	**$ 543,010**	**$ 387,523**	**$ 714,549**
Net realized carried interest income[1]	115,153	221,522	930,892
Fee Related EBITDA + 100% of Net Realized Carried Interest	**$ 658,163**	**$ 609,045**	**$ 1,645,441**
Realized investment and other loss	35,365	30,520	96,132
Net interest loss	(39,019)	(26,533)	(19,098)
Non-cash revenues	(3,369)	(35,211)	(260,513)
Gain from reversal of tax receivable agreement liability	(3,208)	—	(32,182)
Other[3]	—	45,000	—
Distributable Earnings	**$ 647,932**	**$ 622,821**	**$ 1,429,780**
Taxes and related payables	(9,635)	(9,715)	(73,565)
Distributable Earnings After Taxes and Related Payables	**$ 638,297**	**$ 613,106**	**$ 1,356,215**

(1) Excludes carried interest income from a publicly traded business development company we manage.
(2) Includes equity-based compensation related to RSUs (excluding RSUs granted in connection with the 2007 private placement), share options and restricted share awards.
(3) Includes a reserve of $45 million accrued during the year ended December 31, 2015 in connection with an SEC regulatory matter principally concerning the acceleration of fees from fund portfolio companies.

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 reflect 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 described in note 11 to the consolidated financial statements.

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, 2016, 2015 and 2014 are summarized and discussed within the table and corresponding commentary below:

	For the Years Ended December 31,		
	2016	**2015**	**2014**
	(in thousands)		
Operating Activities	$ 615,260	$ 582,673	$ (372,917)
Investing Activities	(182,761)	(202,936)	13,432
Financing Activities	(236,157)	(968,078)	485,611
Net Increase (Decrease) in Cash and Cash Equivalents	$ 196,342	$ (588,341)	$ 126,126

Operating Activities

Our net cash provided by (used in) operating activities was $615.3 million, $582.7 million and $(372.9) million during the years ended December 31, 2016, 2015 and 2014, respectively. These amounts were primarily driven by:

- net income of $970.3 million, $350.5 million and $729.9 million during the years ended December 31, 2016, 2015 and 2014, respectively, as well as non-cash adjustments, net of $3.6 million, $12.0 million and $214.0 million, respectively;
- a net (increase) decrease in our carried interest receivable of $(613.2) million, $303.3 million and $1.4 billion during the years ended December 31, 2016, 2015 and 2014, respectively, due to a change in the fair value of our funds that generate carried interest of $829.0 million, $181.5 million and $397.4 million during the years ended December 30, 2016, 2015 and 2014, respectively, offset by fund distributions to the Company of $215.8 million, $449.3 million and $1.8 billion during years ended December 31, 2016, 2015 and 2014, respectively;

- purchases of investments held by consolidated VIEs in the amount of $581.2 million, $521.2 million and $10.3 billion, offset by proceeds from sales of investments held by consolidated VIEs in the amount of $592.9 million, $409.2 million and $8.5 billion during the years ended December 31, 2016, 2015 and 2014, respectively;
- a net (decrease) increase in changes to other assets and other liabilities of consolidated VIEs in the amount of $(3.7) million, $(135.8) million and $126.2 million during the years ended December 31, 2016, 2015 and 2014, respectively;
- a net increase (decrease) in due from and due to related parties in the amount of $37.0 million, $14.0 million and $(349.9) million during the years ended December 31, 2016, 2015 and 2014, respectively;
- a net (decrease) increase in accrued compensation and benefits in the amount of $(1.7) million, $(9.9) million and $16.2 million during the years ended December 31, 2016, 2015 and 2014, respectively;
- a net increase (decrease) in our profit sharing payable of $227.8 million, $(122.6) million and $(518.0) million during the years ended December 31, 2016, 2015 and 2014, respectively, due to profit sharing expense of $381.6 million, $100.1 million and $276.2 million during the years ended December 31, 2016, 2015 and 2014, respectively, offset by payments of $127.1 million, $239.2 million and $833.6 million during the years ended December 31, 2016, 2015 and 2014, respectively; and
- an increase (decrease) in cash held at consolidated VIEs of $16.7 million, $256.6 million and $(13.8) million during the years ended December 31, 2016, 2015 and 2014, respectively.

Investing Activities

Our net cash (used in) provided by investing activities was $(182.8) million, $(202.9) million and $13.4 million during the years ended December 31, 2016, 2015 and 2014, respectively. These amounts were primarily driven by:

- net cash contributions to our equity method investments of $122.2 million, $172.8 million and $33.6 million during the years ended December 31, 2016, 2015 and 2014, respectively;
- issuance of related party loans of $8.6 million and $25.0 million during years ended December 31, 2016 and 2015, respectively;
- proceeds from sales of investments in the amount of $25.0 million and $50.0 million during years ended December 31, 2015 and 2014, respectively; and
- purchases of investments in the amount of $46.9 million and $25.0 million during years ended December 31, 2016 and 2015, respectively.

Financing Activities

Our net cash (used in) provided by financing activities was $(236.2) million, $(968.1) million and $485.6 million during the during the years ended December 31, 2016, 2015 and 2014, respectively. These amounts were primarily driven by:

- cash distributions paid to our Class A shareholders of $239.1 million, $354.4 million, and $506.0 million during the years ended December 31, 2016, 2015 and 2014, respectively;
- cash distributions paid to the Non-Controlling Interest holders in the Apollo Operating Group of $269.8 million, $453.3 million and $816.4 million during the years ended December 31, 2016, 2015 and 2014, respectively;
- payments made towards the satisfaction of our tax receivable agreement liability of $48.4 million and $32.0 million during the years ended December 31, 2015 and 2014, respectively;
- purchases of Class A shares of $13.4 million and $3.1 million during the years ended December 31, 2016 and 2015, respectively;
- net distributions related to deliveries of Class A shares in settlement of RSUs of $40.7 million, $78.9 million and $0.4 million during the years ended December 31, 2016, 2015 and 2014, respectively;
- issuance of debt (net of repayments of principal) held by consolidated VIEs in the amount of $1.9 billion during the year ended December 31, 2014; and
- issuance of debt of $532.7 million and $534.0 million during the years ended December 31, 2016 and 2014, respectively, offset by repayments of debt of $200.0 million and $250.0 million during the years ended December 31, 2016 and 2014, respectively.

Distributions

In addition to other distributions such as payments pursuant to the tax receivable agreement, see note 14 to the consolidated financial statements for information regarding the quarterly distributions which were made at the sole discretion of the Company's manager during 2016, 2015 and 2014.

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, our access to credit facilities, our 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, 2016, Fund VII's and Fund VI's remaining investments and escrow cash were valued at 103% and 82% of the fund's unreturned capital, respectively, which was below the required escrow ratio of 115%. As a result, these funds are 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.

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, 2016, the Company had reduced fees charged to CalPERS on the funds it manages by approximately $103.8 million.

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.

In February 2016, Apollo adopted a plan to repurchase up to $250 million in the aggregate of its Class A shares, including up to $150 million in the aggregate of its outstanding Class A shares through a share repurchase program and up to $100 million through a reduction of Class A shares to be issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under the Company's 2007 Omnibus Equity Incentive Plan (the "2007 Equity Plan"), which we refer to as net share settlement. Under the share repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. During the year ended December 31, 2016, the Company repurchased and canceled 1.0 million Class A shares for $12.9 million and, in connection with net share settlements, reduced Class A shares to be issued to employees under the 2007 Equity Plan by 2.7 million Class A shares resulting in a payment by the Company of $40.7 million to satisfy the applicable withholding obligation. See note 12 to the consolidated financial statements for further information regarding the Company's net share settlement during the year ended December 31, 2016.

On March 11, 2016, it was announced that Apollo intended to embark on a program to purchase $50 million of AINV's common stock, subject to certain regulatory approvals. Under the program, shares may be purchased from time to time in open market transactions and in accordance with applicable law. As of December 31, 2016, Apollo had purchased approximately 871 thousand shares, or approximately $4.9 million of AINV's common stock.

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, as amended (the "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 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 March 11, 2016, the maturity date of both the Term Facility and the Revolver Facility (each as defined in note 11 to our consolidated financial statements) were extended by two years and as a result, the maturity date is now January 18, 2021. The extension was determined to be a modification of the 2013 AMH Credit Facilities in accordance with U.S. GAAP.

On May 27, 2016, AMH issued $500 million in aggregate principal amount of its 4.400% Senior Notes due 2026 (the "2026 Senior Notes"). The 2026 Senior Notes will mature on May 27, 2026. In connection with the issuance of the 2026 Senior Notes, $200 million of the proceeds were used to repay a portion of the Term Facility outstanding with third party lenders at par. See note 11 to the consolidated financial statements for further information regarding the Company's debt arrangements.

On February 3, 2017, the Company declared a cash distribution of $0.45 per Class A share, which will be paid on February 28, 2017 to holders of record on February 21, 2017.

Athene

Athene Holding was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene Holding, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements. Athene Holding became an effective registrant on December 9, 2016 under the U.S. Securities Exchange Act of 1934, as amended, and trades on the New York Stock Exchange (NYSE) under the symbol "ATH". Apollo, through its subsidiaries, managed or advised $70.8 billion of AUM in accounts owned by or related to Athene (the "Athene Accounts") as of December 31, 2016.

Investment Management Agreements - Athene Asset Management

Apollo, through its consolidated subsidiary, AAM, provides asset management services to Athene, including asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions asset diligence hedging and other asset management services and receives management fees for providing these services.

As of December 31, 2016, AAM managed $66.1 billion of AUM in the Athene Accounts on which the Company earns a gross management fee of 0.40% per annum with certain limited exceptions.

AAM discounts certain fees due from Athene. For the total dollar amount of all liabilities sourced through Athene's organic distribution channels during 2016 in excess of $5.1 billion (subject to certain exceptions, "Excess Liabilities"), AAM agreed to discount fees as follows:

- During 2016, a discount of 0.40% per annum multiplied by such Excess Liabilities. The 2016 discount relating to such Excess Liabilities was intended to reasonably approximate a full discount of the AAM fee on the assets relating to such Excess Liabilities during the remainder of the 2016 calendar year.
- For 2017, a discount of 0.20% per annum multiplied by such Excess Liabilities, resulting in a reasonable approximation of a 0.20% fee on the assets relating to such Excess Liabilities during the 2017 calendar year.
- For 2018 and thereafter, a discount of 0.075% per annum, resulting in a reasonable approximation of a 0.325% fee on the assets relating to such Excess Liabilities during the 2018 calendar year and thereafter.

Investment Advisory Agreement - AAME

Apollo, through AAME, provides investment advisory services to Athene and receives a gross fee of 0.10% per annum on the Athene assets it advises. As of December 31, 2016, AAME provided investment advisory services with respect to $4.7 billion of AUM in the Athene Accounts, of which $0.3 billion is sub-advised by the Company.

Sub-Advisory Agreement and Fund Investments

Apollo provides sub-advisory services with respect to a portion of the assets in the Athene Accounts, pursuant to a master sub-advisory agreement among AAM and certain other Apollo subsidiaries. In addition from time to time, Athene also

invests in funds and investment vehicles that Apollo manages. The Company broadly refers to "Athene Sub-Advised" AUM as those assets in the Athene Accounts which the Company explicitly sub-advises as well as those assets in the Athene Accounts which are invested directly in funds and investment vehicles Apollo manages ("Athene Assets Directly Invested"). As of December 31, 2016, the Athene Sub-Advised AUM totaled $15.7 billion, of which $2.7 billion was Athene Assets Directly Invested.

With respect to assets in the Athene Accounts which the Company explicitly sub-advises, the Company earns up to 0.40% per annum on assets up to $10 billion and 0.35% per annum on all such assets in excess of $10 billion, with certain limited exceptions. These fees are in addition to the gross management fee of 0.40% per annum paid to AAM on the portion of these assets that it manages and the gross fee of 0.10% per annum paid to AAME on the portion of these assets that it advises. A majority of the assets in the Athene Accounts which the Company explicitly sub-advises are in accounts that invest in high-grade credit asset classes, such as CLO debt, commercial mortgage backed securities and insurance-linked securities.

With respect to Athene Assets Directly Invested, Apollo receives management fees and carried interest, if applicable, directly from the relevant funds under the investment management agreements and other governing documents of such funds. Fees paid to the Company related to such fund investments vary from 0% per annum to 1.75% per annum with respect to management fees and 0% to 20% with respect to carried interest. These fees are in addition to the gross management fee of 0.40% per annum paid to AAM on the portion of these assets that it manages and the gross fee of 0.10% per annum paid to AAME on the portion of these assets that it advises.

The Company refers to the portion of the AUM in the Athene Accounts that is not Athene Sub-Advised AUM as "Athene Non-Sub-Advised" AUM. Accordingly, as of December 31, 2016, Athene Non-Sub-Advised AUM totaled $55.1 billion, which includes $4.4 billion of Athene AUM for which AAME provides investment advisory services. Apollo incurs all expenses associated with its provision of services to Athene.

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"). 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 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 Athene Private Placement offering was concluded in the first quarter of 2015 with a final closing of $60 million of additional commitments from affiliates of Athene.

In connection with the Athene Private Placement, the AAA limited partnership agreement was amended to provide that AAA will distribute to its shareholders their pro rata portion of the common shares of Athene Holding (or proceeds thereof) as such shares are released from their contractual lock-up over a period beginning 7.5 months after Athene's IPO and ending 15 months following Athene's IPO pursuant to the Athene registration rights agreement. On November 8, 2016, AAA announced a conditional distribution of 10,766,297 shares of Athene to its unitholders. This distribution was conditioned on pricing the initial public offering of shares of Athene Holding. AAA unitholders entitled to receive shares of Athene Holding on the record date were given the opportunity by Athene to sell into the initial public offering subject to certain lock-up restrictions applicable to Apollo and others. On December 8, 2016, Athene announced its IPO of 27,000,000 shares of Athene Holding, which was increased to 31,050,000 shares of Athene Holding after the underwriter's exercise of its over-allotment option, at a price to the public of $40 per share. The shares of Athene Holding began trading on the New York Stock Exchange on December 9, 2016 under the symbol "ATH." In total 10,766,297 Athene shares were distributed to AAA unitholders, or 0.14105129 shares of Athene Holding per AAA unit. In addition to the distribution to AAA unitholders, AAA Investments, L.P. distributed 771,653 shares of Athene Holding to Apollo in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders and 6,073 shares of Athene Holding in respect of Apollo's approximate 0.06% equity ownership interest in AAA Investments, L.P.

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 (other than shares distributed to AAA in payment of carried interest to be sold for cash) 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. Apollo may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the then fair market value); and if the General Partner elects to receive payment of such carried interest

in cash, then common shares of Athene Holding shall be distributed to the General Partner and immediately sold by the General Partner to pay for such carried interest in cash.

Distributions to Managing Partners and Contributing Partners

The three Managing Partners who became employees of Apollo on July 13, 2007 each receive 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, as a result of the tax receivable agreement, 85% of any tax savings APO Corp. recognizes 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.

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
- As a result of the tax receivable agreement, 85% of any tax savings APO Corp. recognizes 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 Company assesses all entities with which it is involved for consolidation on a case by case basis depending on the specific facts and circumstances surrounding each entity. Pursuant to the consolidation guidance, the Company first evaluates whether it holds a variable interest in an entity. Apollo factors in all economic interests including proportionate interests through related parties, to determine if such interests are to be considered a variable interest. As Apollo's interest in many of these entities is solely through market rate performance fees and/or insignificant indirect interests through related parties, Apollo is generally not considered to have a variable interest in many of these entities under the guidance and no further consolidation analysis is performed. For entities where the Company has determined that it does hold a variable interest, the Company performs an assessment to determine whether each of those entities qualify as a VIE.

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 under the variable interest model whereas others may qualify as VOEs under the voting interest model. The granting of substantive kick-out rights is a key consideration in determining whether a limited partnership or similar entity is a VIE and whether or not that entity should be consolidated.

Under the voting interest model, Apollo consolidates those entities it controls through a majority voting interest. Apollo does not consolidate those voting interest entities ("VOEs") in which substantive kick-out rights have been granted to the unaffiliated investors to either dissolve the fund or remove the general partner.

Under the variable interest model, Apollo consolidates those entities where it is determined that the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary if it holds a controlling financial interest in the VIE defined as possessing both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) 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. If Apollo alone is not considered to have a controlling financial interest in the VIE but Apollo and its related parties under common control in the aggregate have a controlling financial interest in the VIE, Apollo will still be deemed to be the primary beneficiary if it is the party within the related party group that is most closely associated with the VIE. If Apollo and its related parties not under common control in the aggregate have a controlling financial interest in a VIE, then Apollo is deemed to be the primary beneficiary if substantially all the activities of the entity are performed on behalf of Apollo. 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, related parties 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 judgment by our management. 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 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 (iv) evaluating the nature of the relationship and activities of those related parties with shared power or under common control for purposes of determining which party within the related-party group is most closely associated with the VIE. 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 VIE's economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE. This analysis considers all relevant economic interests including proportionate interests held through related parties.

Revenue Recognition

Carried Interest Income (Loss) from Related Parties. 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 Related Parties. 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

On a quarterly basis, Apollo utilizes valuation committees consisting of members from senior management, to review and approve the valuation results related to the investments of the funds it manages. For certain publicly traded vehicles managed by Apollo, 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, the 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.

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. Enterprise value as a multiple of EBITDA is common and relevant for most companies and industries, however, other industry specific multiples are employed where available and appropriate. 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 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, the determination of a terminal value 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.

Credit Investments. The majority of investments in Apollo's credit funds are valued based on quoted market prices and valuation models.

Quoted market prices are valued based on the average of the "bid" and the "ask" quotes provided by multiple brokers wherever possible without any adjustments. Apollo designates certain brokers to value specific securities. In order to determine the designated brokers, Apollo considers the following: (i) brokers with which Apollo has previously transacted, (ii) the underwriter of the security and (iii) active brokers indicating executable quotes. In addition, when valuing a security based on broker quotes wherever possible Apollo tests the standard deviation amongst the quotes received and the variance between the concluded fair

value and the value provided by a pricing service. When broker quotes are not available, we use pricing service quotes or other sources to mark a position. When relying on a pricing service as a primary source, (i) Apollo analyzes how the price has moved over the measurement period, (ii) reviews the number of brokers included in the pricing service's population and (iii) validates the valuation levels with Apollo's pricing team and traders.

Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value utilizing a model based approach to determine fair value. 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.

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 loans in Apollo's real estate funds are evaluated for possible impairment on a quarterly basis. For Apollo's 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.

Certain of our funds may 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. Derivative contracts such as total return swaps and credit default swaps 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.

The fair values of the investments in our 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 valuation approaches utilized during the periods that our financial results are presented in this report.

Fair Value of Financial Instruments

Except for the Company's debt obligations (each as defined in note 11 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.

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. When applicable, the accrual for potential clawback of previously distributed profit sharing amounts, which is a component of due from related parties on the consolidated statements of financial condition, represents all amounts previously distributed to employees, former employees and Contributing Partners that would need to be returned to the general partner if the Apollo 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 receivable, however, would not become realized until the end of a fund's life.

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.

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.

Fair Value Option. Apollo has elected the fair value option for the Company's investment in Athene Holding, the assets and liabilities of certain consolidated VIEs (including CLOs) and the Company's investments in certain CLOs. 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. See notes 4, 5, and 6 for further disclosure on the investments in Athene Holding and financial instruments of the consolidated VIEs for which the fair value option has been elected.

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, restricted shares, AHL Awards and other equity-based compensation awards. For more information regarding Apollo's equity-based compensation awards, see note 13 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.

A 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, 2016, 2015 and 2014 are presented in the table below for Plan Grants:

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Distribution Yield[1]	6.6%	11.0%	14.3%
Cost of Equity Capital Rate[2]	11.3%	9.1%	12.3%

(1) Calculated based on the historical distributions paid during the twelve months ended December 31, 2016 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

(2) Assumes a discount rate that was equivalent to the opportunity cost of foregoing distributions on unvested Plan Grant RSUs as of the valuation date, based on the Capital Asset Pricing Model ("CAPM"). CAPM is a commonly used mathematical model for developing expected returns.

The following table summarizes the weighted average discounts for Plan Grants for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Plan Grants:			
Discount for the lack of distributions until vested[1]	14.0%	26.0%	32.5%

(1) Based on the present value of a growing annuity calculation.

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 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 inputs utilized in the Finnerty Model are (i) length of holding period, (ii) volatility and (iii) distribution yield. The weighted average for the inputs utilized for the shares granted during the years ended December 31, 2016, 2015 and 2014 are presented in the table below for Plan Grants and Bonus Grants:

	For the Years Ended December 31,		
	2016	2015	2014
Plan Grants			
Holding Period Restriction (in years)	0.5	0.6	0.6
Volatility[1]	24.7%	25.7%	31.4%
Distribution Yield[2]	6.6%	11.0%	14.3%
Bonus Grants			
Holding Period Restriction (in years)	0.2	0.2	0.2
Volatility[1]	20.6%	22.2%	32.1%
Distribution Yield[2]	6.5%	10.8%	13.7%

(1) The Company determined the expected volatility based on the volatility of the Company's Class A share price as of the grant date with consideration to comparable companies.

(2) Calculated based on the historical distributions paid during the twelve months ended December 31, 2016, 2015 and 2014 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

The following table summarizes the weighted average marketability discounts for Plan Grants and Bonus Grants for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Plan Grants:			
Marketability discount for transfer restrictions[1]	3.8%	4.2%	5.1%
Bonus Grants:			
Marketability discount for transfer restrictions[1]	2.1%	2.2%	3.2%

(1) Based on the Finnerty Model calculation.

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 4.0% 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 RSUs vested at the reporting date in accordance with U.S. GAAP.

Bonus Grants constitute a component of the discretionary annual compensation awarded to certain of our professionals. For 2016, the Company has increased the default portion of annual compensation by approximately $11.0 million to be awarded as a discretionary Bonus Grant relative to the portion awarded in previous years. The increase in the proportion of discretionary annual compensation awarded as a Bonus Grant will be offset by a decrease in discretionary annual cash bonuses. These changes are intended to further align the interests of Apollo's employees and stakeholders and strengthen the long-term commitment of our partners and employees.

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 15 to our consolidated financial statements for a discussion of guarantees and contingent obligations and note 2 for a discussion of derivatives.

Contractual Obligations, Commitments and Contingencies

As of December 31, 2016, 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:

	2017	2018	2019	2020	2021	Thereafter	Total
				(in thousands)			
Operating lease obligations[1]	$ 34,705	$ 30,969	$ 30,198	$ 13,473	$ 4,572	$ 6,853	$ 120,770
Other long-term obligations[2]	19,229	6,398	3,694	1,365	1,365	1,365	33,416
2013 AMH Credit Facilities - Term Facility[3]	6,355	6,355	6,355	6,355	300,318	—	325,738
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	548,333	648,333
2026 Senior Notes [6]	22,000	22,000	22,000	22,000	22,000	596,984	706,984
2014 AMI Term Facility I	289	289	289	289	14,682	—	15,838
2014 AMI Term Facility II	285	285	16,575	—	—	—	17,145
2016 AMI Term Facility I	312	312	312	312	17,865	—	19,113
2016 AMI Term Facility II	278	278	278	278	14,058	—	15,170
Obligations as of December 31, 2016	$ 104,078	$ 87,511	$ 100,326	$ 64,697	$ 394,868	$ 1,153,535	$ 1,905,015

(1) The Company has entered into sublease agreements and is expected to contractually receive approximately $1.1 million over the life of the agreements.
(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) $300 million of the outstanding Term Facility matures in January 2021. The interest rate on the $300 million Term Facility as of December 31, 2016 was 2.12%. See note 11 of the consolidated financial statements for further discussion of the 2013 AMH Credit Facilities.
(4) The commitment fee as of December 31, 2016 on the $500 million undrawn Revolver Facility was 0.125%. See note 11 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, 2016 was 4.00%. See note 11 of the consolidated financial statements for further discussion of the 2024 Senior Notes.
(6) $500 million of the 2026 Senior Notes matures in May 2026. The interest rate on the 2026 Senior Notes as of December 31, 2016 was 4.40%. See note 11 of the consolidated financial statements for further discussion of the 2026 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.
(iii) In connection with the Stone Tower acquisition, 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 is remeasured to fair value at each reporting period until the obligations are satisfied. See note 15 to the consolidated financial statements for further information regarding the contingent consideration liability.
(iv) Commitments from certain of our management companies and general partners to contribute to the funds we manage and certain related parties.

Commitments

Certain of our management companies and general partners are committed to contribute to the funds we manage and certain related parties. While a small percentage of these amounts are funded by us, the majority of these amounts have historically been funded by our related parties, including certain of our employees and certain Apollo funds. The table below presents the commitment and remaining commitment amounts of Apollo and its related parties, the percentage of total fund commitments of Apollo and its related parties, the commitment and remaining commitment amounts of Apollo only (excluding related parties), and the percentage of total fund commitments of Apollo only (excluding related parties) for each private equity, credit and real estate fund as of December 31, 2016 as follows ($ in millions):

Fund	Apollo and Related Party Commitments	% of Total Fund Commitments	Apollo Only (Excluding Related Party) Commitments	Apollo Only (Excluding Related Party) % of Total Fund Commitments	Apollo and Related Party Remaining Commitments	Apollo Only (Excluding Related Party) Remaining Commitments
Private Equity:						
Fund VIII	$ 1,543.5	8.40%	$ 396.5	2.16%	$ 708.6	$ 184.2
Fund VII	467.2	3.18	178.1	1.21	76.5	28.0
Fund VI	246.3	2.43	6.1	0.06	9.7	0.2
Fund V	100.0	2.67	0.5	0.01	6.2	—
Fund IV	100.0	2.78	0.2	0.01	0.5	—
AION	151.5	18.34	50.0	6.05	86.9	28.4
ANRP I	426.1	32.21	10.1	0.76	108.5	2.6
ANRP II	581.2	16.83	48.0	1.39	499.3	40.4
A.A. Mortgage Opportunities, L.P.	425.0	84.46	—	—	20.8	—
Apollo Rose, L.P.	299.1	100.00	—	—	134.8	—
Champ, L.P.	108.6	100.00	17.4	16.01	36.8	1.9
Apollo Royalties Management, LLC	105.6	100.00	—	—	—	—
Other Private Equity	7.5	Various	7.5	Various	3.1	3.1
Credit:						
Credit Opportunity Fund III, L.P. (“COF III”)	358.1	10.45	83.1	2.43	69.9	16.6
Apollo Credit Opportunity Fund II, L.P. (“COF II”)	30.5	1.93	23.4	1.48	0.8	0.6
Credit Opportunity Fund, L.P. (“COF I”)	449.2	30.26	29.7	2.00	237.1	4.2
Apollo European Principal Finance Fund III, L.P. (“EPF III”)(2)	488.6	18.59	63.6	2.42	488.6	63.6
Apollo European Principal Finance Fund II, L.P. (“EPF II”)(2)	409.3	12.12	63.4	1.88	114.0	20.8
Apollo European Principal Finance Fund, L.P. (“EPF I”)(2)	282.6	20.74	18.6	1.37	46.3	4.3
Financial Credit Investment II, L.P. (“FCI II”)	244.6	15.72	—	—	65.0	—
Financial Credit Investment I, L.P. (“FCI I”)	95.3	17.05	—	—	58.8	—
Apollo Structured Credit Recovery Master Fund III, L.P. (“SCRF III”)	230.2	18.59	3.6	0.29	91.4	1.4
Apollo Structured Credit Recovery Master Fund II, Ltd. (“SCRF II”)	7.8	7.47	—	—	—	—
MidCap	1,672.6	80.23	110.9	5.32	229.0	31.0
Apollo Moultrie Credit Fund, L.P.	400.0	100.00	—	—	275.0	—
Apollo/Palmetto Short-Maturity Loan Portfolio, L.P.	300.0	100.00	—	—	—	—
Apollo Asia Private Credit Fund, L.P. (“APC”)	158.5	69.06	0.1	0.04	—	—
AEOF	125.5	12.01	25.5	2.44	89.2	18.1
Other Credit	375.8	Various	207.9	Various	274.5	119.7
Real Estate:						
U.S. RE Fund II	352.5	54.21	7.6	1.17	154.0	3.6
U.S. RE Fund I	434.0 (1)	66.94	16.4	2.53	127.1	3.1
CPI Capital Partners North America, L.P.	7.6	1.27	2.1	0.35	0.6	0.2
CPI Capital Partners Europe, L.P.(2)	5.8	0.47	—	—	0.4	—
CPI Capital Partners Asia Pacific, L.P.	6.9	0.53	0.5	0.04	0.1	—
Apollo Asia Real Estate Fund, L.P.	206.9	73.39	6.9	2.44	205.9	6.9
Other Real Estate	264.1	Various	1.7	Various	11.1	0.4
Other:						
Apollo SPN Investments I, L.P.	28.9	0.72	28.9	0.72	24.6	24.6
Total	$ 11,496.9		$ 1,408.3		$ 4,255.1	$ 607.9

(1) Figures for U.S. RE Fund I include base, additional, and co-investment commitments. A co-investment vehicle within U.S. RE Fund I is denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.23 as of December 31, 2016.

(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 $1.05 as of December 31, 2016.

On April 30, 2015, Apollo entered into a revolving credit agreement with AAA Investments (“the AAA Investments Credit Agreement”). Under the terms of the AAA Investments Credit Agreement, the Company shall make available to AAA Investments one or more advances at the discretion of AAA Investments in the aggregate amount not to exceed a balance of $10.0

million at an applicable rate of LIBOR plus 1.5%. The Company receives an annual commitment fee of 0.125% on the unused portion of the loan. As of December 31, 2016, $4.0 million had been advanced by the Company and remained outstanding on the AAA Investments Credit Agreement.

The 2013 AMH Credit Facilities, 2024 Senior Notes and 2026 Senior Notes will have future impacts on our cash uses. See note 11 of our consolidated financial statements for information regarding the Company's debt arrangements.

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 recognized by Apollo through December 31, 2016 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 or other governing document of the fund. As of December 31, 2016, the Company recorded a general partner obligation to return previously distributed carried interest income of $116.6 million. See note 14 to the consolidated financial statements for further information regarding the general partner obligation.

As of December 31, 2016, one of the Company's subsidiaries had unfunded contingent commitments of $22.1 million, to facilitate fundings at closing by lead arrangers for syndicated term loans issued by portfolio companies of a fund managed by Apollo. The commitments expire by March 15, 2017. As of February 13, 2017, the unfunded commitment was approximately $1.0 million.

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 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 quarterly basis and reports to senior management 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 senior management 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, if applicable, are reflected as a reduction to advisory and transaction fees from related parties. 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 distributions are 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. 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 fund investments and 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 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 and our funds 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 having our funds take 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.

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 funds 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 our funds enter into contracts to banks and investment banks who meet established credit and capital guidelines. As of December 31, 2016, 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 our funds have to changes in the values of current fund 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 our funds against losses that may arise due to volatile movements in foreign exchange rates and/or interest rates.

In our capacity as investment manager of the funds we manage, we continuously monitor a variety of markets for attractive opportunities for managing risk. For example, certain of the funds we manage may put in place foreign exchange hedges or borrowings with respect to certain foreign currency denominated investments to provide a hedge against foreign exchange exposure.

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, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai 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

Interest Rate Risk—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, 2016 and 2015, 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 $3.6 million and $5.3 million, respectively.

In addition to our debt obligations, we are also subject to interest rate risk through the investments of our funds. For funds that pay management fees based on NAV or other bases that are sensitive to market value fluctuations, we anticipate our management fees would change consistent with the increase or decrease experienced by the underlying funds' portfolios. In the event that interest rates were to increase by one percentage point, we estimate that management fees earned on a segment basis

that were dependent upon estimated fair value would decrease by approximately $15.4 million and $10.9 million during the years ended December 31, 2016 and 2015, respectively.

Credit Risk—Similar to interest rate risk, we are also subject to credit risk through the investments of our funds. In the event that credit spreads were to increase by one percentage point, we estimate that management fees earned on a segment basis that were dependent upon estimated fair value would decrease by approximately $22.1 million and $18.3 million during the years ended December 31, 2016 and 2015, respectively.

Foreign Exchange Risk—We estimate for the years ended December 31, 2016 and 2015, a 10% decline in the rate of exchange of all foreign currencies against the U.S. dollar would result in the following declines in management fees, carried interest income and income from equity method investments:

	For the Years Ended December 31,	
	2016	**2015**
Management fees	$ 4,956	$ 2,717
Carried interest income	3,236	1,953
Income from equity method investments	156	22

Net Gains From Investment Activities and Income From Equity Method Investments—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, 2016 and 2015:

Management Fees—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, 2016 and 2015 would decrease by approximately $46.0 million and $50.5 million, respectively, if the fair values of the investments held by such funds were 10% lower during the same respective periods.

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.

Carried Interest Income—Carried interest income from most of our credit, private equity and real estate funds generally is earned based on achieving specified performance criteria and is impacted directly by changes in the fair value of the funds' investments. We anticipate that a 10% decline in the fair values of investments held by all of the credit, private equity and real estate funds at December 31, 2016 and 2015 would decrease carried interest income on a segment basis for the years ended December 31, 2016 and 2015 as presented in the table below:

	For the Years Ended December 31,	
	2016	**2015**
10% Decline in Fair Value of Investments Held		
Credit	$ 174,439	$ 140,461
Private Equity	578,021	202,171
Real Estate	21,684	10,865

Net Gains From Investment Activities—Net gains from investment activities related to the Company's investment in Athene Holding would decrease by approximately $65.8 million and $51.0 million for the years ended December 31, 2016 and

2015, respectively, if the fair value of the Company's investment in Athene Holding decreased by 10% during the same respective periods.

Income From Equity Method Investments—For select Apollo funds, our share of income from equity method investments as a general 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 consolidated, our share of investment income is limited to our direct investments in the funds.

We anticipate that a 10% decline in the fair value of investments at December 31, 2016 and 2015 would result in an approximate $88.2 million and $63.1 million decrease in investment income in our consolidated financial statements, 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, 2016 and 2015, 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, 2016. We also have audited the Company's internal control over financial reporting as of December 31, 2016, 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, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, 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, 2016, 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 13, 2017

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2016 AND DECEMBER 31, 2015
(dollars in thousands, except share data)

	As of December 31,	
	2016	**2015**
Assets:		
Cash and cash equivalents	$ 806,329	$ 612,505
Cash and cash equivalents held at consolidated funds	7,335	4,817
Restricted cash	4,680	5,700
Investments	1,494,744	1,154,749
Assets of consolidated variable interest entities:		
Cash and cash equivalents	41,318	56,793
Investments, at fair value	913,827	910,566
Other assets	46,666	63,413
Carried interest receivable	1,257,105	643,907
Due from related parties	254,853	247,835
Deferred tax assets	572,263	646,207
Other assets	118,860	95,844
Goodwill	88,852	88,852
Intangible assets, net	22,721	28,620
Total Assets	**$ 5,629,553**	**$ 4,559,808**
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	$ 57,465	$ 92,012
Accrued compensation and benefits	52,754	54,836
Deferred revenue	174,893	177,875
Due to related parties	638,126	594,536
Profit sharing payable	550,148	295,674
Debt	1,352,447	1,025,255
Liabilities of consolidated variable interest entities:		
Debt, at fair value	786,545	801,270
Other liabilities	68,034	85,982
Other liabilities	81,613	43,387
Total Liabilities	**3,762,025**	**3,170,827**
Commitments and Contingencies (see note 15)		
Shareholders' Equity:		
Apollo Global Management, LLC shareholders' equity:		
Class A shares, no par value, unlimited shares authorized, 185,460,294 and 181,078,937 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	—	—
Class B shares, no par value, unlimited shares authorized, 1 share issued and outstanding at December 31, 2016 and December 31, 2015	—	—
Additional paid in capital	1,830,025	2,005,509
Accumulated deficit	(986,186)	(1,348,384)
Accumulated other comprehensive loss	(8,723)	(7,620)
Total Apollo Global Management, LLC shareholders' equity	835,116	649,505
Non-Controlling Interests in consolidated entities	90,063	86,561
Non-Controlling Interests in Apollo Operating Group	942,349	652,915
Total Shareholders' Equity	**1,867,528**	**1,388,981**
Total Liabilities and Shareholders' Equity	**$ 5,629,553**	**$ 4,559,808**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(dollars in thousands, except share data)

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Revenues:			
Management fees from related parties	$ 1,043,513	$ 930,194	$ 850,441
Advisory and transaction fees from related parties, net	146,665	14,186	315,587
Carried interest income from related parties	780,206	97,290	394,055
Total Revenues	1,970,384	1,041,670	1,560,083
Expenses:			
Compensation and benefits:			
Salary, bonus and benefits	389,130	354,524	338,049
Equity-based compensation	102,983	97,676	126,320
Profit sharing expense	357,074	85,229	276,190
Total Compensation and Benefits	849,187	537,429	740,559
Interest expense	43,482	30,071	22,393
General, administrative and other	247,000	255,061	265,189
Placement fees	26,249	8,414	15,422
Total Expenses	1,165,918	830,975	1,043,563
Other Income:			
Net gains from investment activities	139,721	121,723	213,243
Net gains from investment activities of consolidated variable interest entities	5,015	19,050	22,564
Income from equity method investments	103,178	14,855	53,856
Interest income	4,072	3,232	10,392
Other income, net	4,562	7,673	60,592
Total Other Income	256,548	166,533	360,647
Income before income tax provision	1,061,014	377,228	877,167
Income tax provision	(90,707)	(26,733)	(147,245)
Net Income	970,307	350,495	729,922
Net income attributable to Non-Controlling Interests	(567,457)	(215,998)	(561,693)
Net Income Attributable to Apollo Global Management, LLC	$ 402,850	$ 134,497	$ 168,229
Distributions Declared per Class A Share	$ 1.25	$ 1.96	$ 3.11
Net Income Per Class A Share:			
Net Income Available to Class A Share – Basic	$ 2.11	$ 0.61	$ 0.62
Net Income Available to Class A Share – Diluted	$ 2.11	$ 0.61	$ 0.62
Weighted Average Number of Class A Shares Outstanding – Basic	183,998,080	173,271,666	155,349,017
Weighted Average Number of Class A Shares Outstanding – Diluted	183,998,080	173,271,666	155,349,017

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(dollars in thousands, except share data)

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Net Income	**$ 970,307**	**$ 350,495**	**$ 729,922**
Other Comprehensive Income, net of tax:			
Allocation of currency translation adjustment of consolidated CLOs and funds (net of taxes of $0.3 million, $0.9 million and $0.0 million for Apollo Global Management, LLC for the years ended December 31, 2016, 2015 and 2014, respectively, and $0.0 million for Non-Controlling Interests in Apollo Operating Group for years ended December 31, 2016, 2015 and 2014)	(4,214)	(13,535)	724
Net gain (loss) from change in fair value of cash flow hedge instruments	106	105	(990)
Net income (loss) on available-for-sale securities	418	(904)	(2)
Total Other Comprehensive Loss, net of tax	(3,690)	(14,334)	(268)
Comprehensive Income	**966,617**	**336,161**	**729,654**
Comprehensive Income attributable to Non-Controlling Interests	(564,870)	(208,978)	(631,831)
Comprehensive Income Attributable to Apollo Global Management, LLC	**$ 401,747**	**$ 127,183**	**$ 97,823**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF CHANGES
IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(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 Loss	Total Apollo Global Management, LLC Shareholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Apollo Operating Group	Total Shareholders' Equity
Balance at January 1, 2014	**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)
Payments 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 CLOs and fund entities	—	—	—	—	724	—	724	—	—	724
Net loss from change in fair value of cash flow hedge instruments	—	—	—	—	—	(399)	(399)	—	(591)	(990)
Net loss on available-for-sale securities	—	—	—	—	—	(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**
Cumulative effect adjustment from adoption of accounting guidance	—	—	1,771	(3,350)	(933,166)	—	(934,745)	(3,134,518)	—	(4,069,263)
Dilution impact of issuance of Class A shares	—	—	3,588	—	—	—	3,588	—	—	3,588
Capital increase related to equity-based compensation	—	—	67,959	—	—	—	67,959	—	—	67,959
Capital contributions	—	—	—	—	—	—	—	5,916	—	5,916
Distributions	—	—	(367,894)	—	—	—	(367,894)	(21,317)	(453,324)	(842,535)
Payments related to deliveries of Class A shares for RSUs	11,521,762	—	6,276	(78,870)	—	—	(72,594)	—	—	(72,594)
Exchange of AOG Units for Class A shares	6,510,621	—	39,526	—	—	—	39,526	—	(23,238)	16,288
Net income	—	—	—	134,497	—	—	134,497	21,364	194,634	350,495
Allocation of currency translation adjustment of consolidated CLOs and fund entities	—	—	—	—	—	(6,456)	(6,456)	(7,079)	—	(13,535)
Net gain from change in fair value of cash flow hedge instruments	—	—	—	—	—	46	46	—	59	105
Net loss on available-for-sale securities	—	—	—	—	—	(904)	(904)	—	—	(904)
Balance at December 31, 2015	**181,078,937**	**1**	**$ 2,005,509**	**$ (1,348,384)**	**$ —**	**$ (7,620)**	**$ 649,505**	**$ 86,561**	**$ 652,915**	**$ 1,388,981**

	Apollo Global Management, LLC Shareholders									
	Class A Shares	Class B Shares	Additional Paid in Capital	Accumulated Deficit	Appropriated Partners' Capital	Accumulated Other Comprehensive Loss	Total Apollo Global Management, LLC Shareholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Apollo Operating Group	Total Shareholders' Equity
Balance at December 31, 2015	**181,078,937**	**1**	**$ 2,005,509**	**$ (1,348,384)**	**$ —**	**$ (7,620)**	**$ 649,505**	**$ 86,561**	**$ 652,915**	**$ 1,388,981**
Dilution impact of issuance of Class A shares	—	—	388	—	—	—	388	—	—	388

Capital increase related to equity-based compensation	—	—	69,587	—	—	—	69,587	—	—	69,587
Capital contributions	—	—	—	—	—	—	—	13,236	—	13,236
Distributions	—	—	(239,109)	—	—	—	(239,109)	(12,777)	(269,781)	(521,667)
Payments related to deliveries of Class A shares for RSUs and restricted shares	4,623,187	—	186	(40,652)	—	—	(40,466)	—	—	(40,466)
Repurchase of Class A shares	(954,447)	—	(12,902)	—	—	—	(12,902)	—	—	(12,902)
Exchange of AOG Units for Class A shares	712,617	—	6,366	—	—	—	6,366	—	(2,612)	3,754
Net income	—	—	—	402,850	—	—	402,850	5,789	561,668	970,307
Allocation of currency translation adjustment of consolidated CLOs and fund entities	—	—	—	—	—	(1,571)	(1,571)	(2,746)	103	(4,214)
Net gain from change in fair value of cash flow hedge instruments	—	—	—	—	—	50	50	—	56	106
Net income on available-for-sale securities	—	—	—	—	—	418	418	—	—	418
Balance at December 31, 2016	**185,460,294**	**1**	**$ 1,830,025**	**$ (986,186)**	**$ —**	**$ (8,723)**	**$ 835,116**	**$ 90,063**	**$ 942,349**	**$ 1,867,528**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014
(dollars in thousands, except share data)

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Cash Flows from Operating Activities:			
Net income	$ 970,307	$ 350,495	$ 729,922
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Equity-based compensation	102,983	97,676	126,320
Depreciation and amortization	18,735	44,474	45,069
Unrealized gains from investment activities	(136,417)	(122,426)	(21,726)
Cash distributions of earnings from equity method investments	33,909	30,931	83,656
Satisfaction of contingent obligations	(13,721)	—	—
Income from equity method investments	(103,178)	(14,855)	(53,856)
Change in fair value of contingent obligations	40,424	(803)	11,281
Deferred taxes, net	81,880	26,431	80,356
Other non-cash amounts included in net income, net	(20,989)	(49,409)	(57,141)
Changes in assets and liabilities:			
Carried interest receivable	(613,198)	303,296	1,375,409
Due from related parties	(4,084)	1,500	(252,339)
Accounts payable and accrued expenses	(34,360)	49,403	33,986
Accrued compensation and benefits	(1,651)	(9,916)	16,185
Deferred revenue	387	(18,370)	(79,865)
Due to related parties	41,094	12,521	(97,521)
Profit sharing payable	227,771	(122,632)	(518,003)
Other assets and other liabilities, net	1,250	13,994	(17,979)
Apollo Fund and VIE related:			
Net realized and unrealized gains from investing activities and debt	(572)	(18,437)	(68,408)
Change in cash held at consolidated variable interest entities	16,673	256,623	(13,813)
Purchases of investments	(581,226)	(521,205)	(10,330,057)
Proceeds from sale of investments	592,941	409,218	8,509,361
Changes in other assets and other liabilities, net	(3,698)	(135,836)	126,246
Net Cash Provided by (Used in) Operating Activities	**$ 615,260**	**$ 582,673**	**$ (372,917)**
Cash Flows from Investing Activities:			
Purchases of fixed assets	$ (6,356)	$ (6,203)	$ (5,949)
Proceeds from sale of investments	—	25,000	50,000
Purchase of investments	(46,880)	(25,000)	—
Cash contributions to equity method investments	(224,946)	(234,382)	(109,923)
Cash distributions from equity method investments	102,768	61,576	76,343
Issuance of related party loans	(8,648)	(25,000)	—
Other investing activities	1,301	1,073	2,961
Net Cash (Used in) Provided by Investing Activities	**$ (182,761)**	**$ (202,936)**	**$ 13,432**
Cash Flows from Financing Activities:			
Principal repayments of debt	$ (200,000)	$ —	$ (250,000)
Issuance of debt	532,706	—	533,956
Satisfaction of tax receivable agreement	—	(48,420)	(32,032)
Purchase of Class A shares	(13,377)	(3,120)	—
Payments related to deliveries of Class A shares for RSUs	(40,652)	(78,870)	(403)
Distributions paid	(239,109)	(354,434)	(506,043)
Distributions paid to Non-Controlling Interests in Apollo Operating Group	(269,781)	(453,324)	(816,412)
Other financing activities	(13,809)	(26,464)	(33,325)
Apollo Fund and VIE related:			
Issuance of debt	396,266	—	4,225,451
Principal repayment of debt	(397,275)	—	(2,371,499)
Purchase of AAA units	—	—	(312)
Distributions paid	—	—	(703,041)
Distributions paid to Non-Controlling Interests in consolidated variable interest entities	(4,326)	(9,215)	(450,419)

Contributions from Non-Controlling Interests in consolidated variable interest entities	13,200	5,769	889,690
Net Cash (Used in) Provided by Financing Activities	**$ (236,157)**	**$ (968,078)**	**$ 485,611**
Net Increase (Decrease) in Cash and Cash Equivalents	196,342	(588,341)	126,126
Cash and Cash Equivalents, Beginning of Period	617,322	1,205,663	1,079,537
Cash and Cash Equivalents, End of Period	**$ 813,664**	**$ 617,322**	**$ 1,205,663**
Supplemental Disclosure of Cash Flow Information:			
Interest paid	$ 44,524	$ 32,270	$ 22,191
Interest paid by consolidated variable interest entities	18,208	17,574	157,812
Income taxes paid	8,353	7,922	57,276
Supplemental Disclosure of Non-Cash Investing Activities:			
Non-cash contributions to equity method investments	$ 1,231	$ 36,634	$ —
Non-cash distributions from equity method investments	(13,433)	(7,724)	(6,720)
Non-cash purchases of other investments, at fair value	8,937	—	—
Supplemental Disclosure of Non-Cash Financing Activities:			
Declared and unpaid distributions	$ —	$ (13,460)	$ (49,489)
Non-cash distributions from Non-Controlling Interests in consolidated entities to Appropriated Partners' Capital	—	—	(135,356)
Capital increases related to equity-based compensation	69,587	67,959	108,871
Other non-cash financing activities	559	3,559	6,448
Adjustments related to exchange of Apollo Operating Group units:			
Deferred tax assets	$ 7,342	$ 61,720	$ 58,696
Due to related parties	(3,588)	(45,432)	(47,878)
Additional paid in capital	(3,754)	(16,288)	(10,818)
Non-Controlling Interest in Apollo Operating Group	2,612	23,238	34,618
Net Assets Deconsolidated from Consolidated Variable Interest Entities and Funds:			
Cash and cash equivalents	$ —	$ 760,491	$ —
Investments, at fair value	—	16,930,227	—
Other Assets	—	280,428	—
Debt, at fair value	—	(13,229,570)	—
Other liabilities	—	(529,080)	—
Non-Controlling Interest in consolidated entities	—	(3,134,518)	—
Appropriated partners' capital	—	(929,708)	—

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

1. ORGANIZATION

Apollo Global Management, LLC ("AGM", 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, 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 including performing, stressed and distressed investments across the capital structure; 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.

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, our Managing Partners.

As of December 31, 2016, the Company owned, through five 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, APO (FC II), LLC, an Anguilla limited liability company that is treated as a corporation for U.S. federal income tax purposes and APO UK (FC), Limited, a United Kingdom incorporated company that is treated as a corporation for U.S. federal income tax purposes (collectively, the "Intermediate Holding Companies"), 46.3% 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, 2016, Holdings owned the remaining 53.7% 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with generally accepted accounting principles 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, if any, 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.

Principles of Consolidation—The types of entities with which Apollo is involved generally include subsidiaries (e.g., 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.

In February 2015, the Financial Accounting Standards Board ("FASB") issued new consolidation guidance which changed the analysis that a reporting entity must perform to determine whether it should consolidate certain types of legal entities. During the second quarter of 2015, the Company elected to adopt this new guidance using the modified retrospective method, which resulted in an effective date of adoption of January 1, 2015. Restatement of prior period results is not required. Amounts presented for the year ended December 31, 2015 in the consolidated statements of operations reflect the adoption of this accounting guidance as of January 1, 2015.

Pursuant to the consolidation guidance, the Company first evaluates whether it holds a variable interest in an entity. Fees that are customary and commensurate with the level of services provided, and where the Company does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, would not be considered a variable interest. Apollo factors in all economic interests including proportionate interests through related parties, to determine if such interests are considered a variable interest. As Apollo's interests in many of these entities are solely through market rate performance fees and/or insignificant indirect interests through related parties, Apollo is not considered to have a variable interest in many of these entities under the new guidance and no further consolidation analysis is performed. For entities where the Company has determined that it does hold a variable interest, the Company performs an assessment to determine whether each of those entities qualify as a variable interest entity ("VIE").

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 under the variable interest model whereas others may qualify as voting interest entities ("VOEs") under the voting interest model. The granting of substantive kick-out rights is a key consideration in determining whether a limited partnership or similar entity is a VIE and whether or not that entity should be consolidated.

Under the variable interest model, Apollo consolidates those entities where it is determined that the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it has a controlling financial interest in the VIE, which is defined as possessing both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) 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. When Apollo alone is not considered to have a controlling financial interest in the VIE but Apollo and its related parties under common control in the aggregate have a controlling financial interest in the VIE, Apollo will be deemed the primary beneficiary if it is the party that is most closely associated with the VIE. When Apollo and its related parties not under common control in the aggregate have a controlling financial interest in the VIE, Apollo would be deemed to be the primary beneficiary if substantially all the activities of the entity are performed on behalf of Apollo.

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, related parties 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 judgment by our management. 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 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 (iv) evaluating the nature of the relationship and activities of those related parties with shared power or under common control for purposes of determining which party within the related-party group is most closely associated with the VIE. 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 VIE's economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE. This analysis considers all economic interests including proportionate interests through related parties.

Assets and liabilities of the consolidated VIEs are primarily shown in separate sections within the consolidated statements of financial condition. For additional disclosures regarding VIEs, see note 5.

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

Under the voting interest model, Apollo consolidates those entities it controls through a majority voting interest. Apollo does not consolidate those VOEs in which substantive kick-out rights have been granted to the unrelated investors to either dissolve the fund or remove the general partner.

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.

Deferred Revenue—Apollo earns management fees subject to the Management Fee Offset (described below). 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 recorded 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 related parties 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 recorded 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.

Due from/to Related Parties—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 related parties.

Fair Value of Financial Instruments —GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- *Level I* - Quoted prices are available in active markets for identical financial instruments as of the reporting date. The type of financial instruments 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 financial instruments, 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. Financial instruments 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 financial instruments exhibit higher levels of liquid market observability as compared to Level III financial instruments. The Company subjects broker quotes to various criteria in making the determination as to whether a particular financial instrument would qualify for treatment as a Level II financial instrument. 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 financial instrument and includes situations where there is little observable market activity for the financial instrument. The inputs into the determination of fair value may require significant management judgment or estimation. Financial instruments 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 financial instrument would qualify for treatment as a Level II or Level III financial instrument. 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, a financial instrument'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 financial instrument when the fair value is based on unobservable inputs.

In cases where a 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.

On a quarterly basis, Apollo utilizes valuation committees consisting of members from senior management, to review and approve the valuation results related to the investments of the funds it manages. 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.

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 has been 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 in the consolidated statements of operations.

Derivatives—The Company records derivatives as assets or liabilities on its consolidated statements of financial condition at fair value. On the date the Company enters into a derivative contract, it designates and documents the derivative contract as one of the following: (a) a hedge of a recognized asset or liability ("fair value hedge"), (b) a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), (c) a hedge of a net investment in a foreign operation ("net investment hedge") or (d) a derivative instrument not designated as a hedging instrument ("freestanding derivative"). The Company did not have any freestanding derivatives, fair value hedges or cash flow hedges as of December 31, 2016 or December 31, 2015. For net investment hedges, the Company records changes in the fair value of the derivative in the cumulative translation adjustment section of other comprehensive income to the extent it is effective as a hedge. The fair values of the derivative instruments are reflected in other assets and other liabilities on the consolidated statements of financial condition.

The Company formally documents at inception its hedge relationships, including identification of the hedging instruments and the hedged items, the Company's risk management objectives, its strategy for undertaking the hedge transaction and the method for evaluating effectiveness of its hedged transactions. At least quarterly, the Company also formally assesses whether the derivatives it designated in each hedging relationship are expected to be, and have been, highly effective in offsetting changes in estimated fair values of the hedged items. The ineffective portion of a net investment hedge, if any, is recognized in current period earnings.

The Company has elected to not offset derivative assets and liabilities or financial assets in its consolidated statements of financial condition, even when an enforceable master netting agreement is in place that provides the Company the right to offset derivative assets and liabilities in the same currency by specific derivative type or, in the event of default by the counterparty, to offset derivative assets and liabilities with the same counterparty.

Equity Method Investments—For investments in entities over which the Company exercises significant influence but which do not meet the requirements for consolidation and for which the Company has not elected the fair value option, the Company uses the equity method of accounting, whereby the Company records its share of the underlying income or loss of such entities. The carrying amounts of equity method investments are recorded 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 value of liquid investments in Apollo's private equity funds, 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 in Apollo's private equity funds 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, the determination of a terminal value and a calculated discount rate.

Credit Investments

The majority of investments in Apollo's credit funds are valued based on quoted market prices and valuation models. Quoted market prices are valued based on the average of the "bid" and the "ask" quotes provided by multiple brokers wherever possible without any adjustments. Apollo will designate certain brokers to use to value specific securities. In order to determine the designated brokers, Apollo considers the following: (i) brokers with which Apollo has previously transacted, (ii) the underwriter of the security and (iii) active brokers indicating executable quotes. In addition, when valuing a security based on broker quotes wherever possible Apollo tests the standard deviation amongst the quotes received and the variance between the concluded fair value and the value provided by a pricing service. When broker quotes are not available Apollo considers the use of pricing service quotes or other sources to mark a position. When relying on a pricing service as a primary source, Apollo (i) analyzes how the price has moved over the measurement period, (ii) reviews the number of brokers included in the pricing service's population and (iii) validates the valuation levels with Apollo's pricing team and traders.

Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value utilizing a model based approach to determine fair value. 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.

Real Estate Investments

The estimated fair value of commercial mortgage-backed securities ("CMBS") in Apollo's real estate 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 loans in Apollo's real estate funds are evaluated for possible impairment on a quarterly basis. For Apollo's 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.

Certain of the private equity, credit, and real estate funds may 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.

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 under current market conditions.

Except for the Company's debt obligations (as described in note 11), 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, the assets and liabilities of certain consolidated VIEs (including CLOs) and the Company's investments in certain CLOs. 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. See notes 4, 5, and 6 for further disclosure on the investments in Athene Holding and financial instruments of the consolidated VIEs for which the fair value option has been elected.

Financial Instruments held by Consolidated VIEs

During the second quarter of 2015, the Company adopted the measurement alternative included in the collateralized financing entity ("CFE") guidance using a modified retrospective approach by recording a cumulative-effect adjustment to shareholders' equity as of January 1, 2015. Restatement of prior period results was not required. Amounts presented for the year ended December 31, 2015 in the consolidated statements of operations reflect the adoption of this accounting guidance as of January 1, 2015. The Company measures both the financial assets and financial liabilities of the consolidated CLOs in its consolidated financial statements using the fair value of the financial assets of the consolidated CLOs, which are more observable than the fair value of the financial liabilities of the consolidated CLOs. As a result, the financial assets of the consolidated CLOs are measured at fair value and the financial liabilities are measured in consolidation as: (i) the sum of the fair value of the financial assets and the carrying value of any non-financial assets that are incidental to the operations of the CLOs less (ii) the sum of the fair value of any beneficial interests retained by the reporting entity (other than those that represent compensation for services) and the Company's carrying value of any beneficial interests that represent compensation for services. The resulting amount is allocated to the individual financial liabilities (other than the beneficial interest retained by the Company) using a reasonable and

consistent methodology. Under the measurement alternative, the Company's consolidated net income reflects the Company's own economic interests in the consolidated CLOs including (i) changes in the fair value of the beneficial interests retained by the Company and (ii) beneficial interests that represent compensation for collateral management services.

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.

As previously noted, the Company measures the debt obligations of the consolidated CLOs on the basis of the fair value of the financial assets of the consolidated CLOs.

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 related parties, 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. 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 business combinations using the acquisition method of accounting, under which the purchase price of the acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date. Contingent consideration obligations that are elements of the consideration transferred are recognized as of the acquisition date as part of the fair value transferred in exchange for the acquired business. Acquisition-related costs incurred in connection with a business combination are expensed as incurred.

Goodwill and Intangible Assets

Goodwill represents the excess of cost over the fair value of identifiable net assets of an acquired business. Goodwill and other indefinite lived intangible assets are tested annually for impairment or more frequently if circumstances indicate impairment may have occurred.

The Company has historically performed its annual goodwill impairment test as of June 30 each year. During the year ended December 31, 2016, the Company voluntarily changed its annual impairment assessment date from June 30 to October 1. The change in measurement date represents a change in method of applying an accounting principle. This change is preferable because it better aligns the Company's goodwill impairment testing procedures with the completion of its annual financial statements and provides the Company with additional time to evaluate goodwill for impairment.

In connection with the change in the date of the annual goodwill impairment test, the Company performed a goodwill impairment test as of October 1, 2016 and did not identify any impairment. The change in accounting principle did not delay, accelerate or avoid an impairment charge. The Company determined that it would be impracticable to objectively determine projected cash flows and related valuation estimates that would have been used for each of its prior reporting periods without the use of hindsight. As such, the Company prospectively applied the change in the annual goodwill impairment assessment date beginning October 1, 2016.

Finite-lived intangible assets such as contractual rights to earn future management fees and incentive fees acquired in business combinations 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-lived intangible assets using a method of amortization reflecting the pattern in which the economic benefits of the finite-lived intangible assets are consumed or otherwise used up. If that pattern cannot be reliably determined, Apollo uses the straight-line method of amortization.

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 recorded as a direct deduction from the carrying amount of the related debt liability 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.

Revenues

Revenues—Revenues are reported in three separate categories that include (i) advisory and transaction fees from related parties, 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 related parties, 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 related parties, which is normally based on the performance of the funds subject to preferred return.

Management Fees from Related Parties—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. Included in management fees are certain expense reimbursements where the Company is considered the principal under the agreements and is required to record the expense and related reimbursement revenue on a gross basis.

Advisory and Transaction Fees from Related Parties, 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 recorded net on the Company's consolidated statements of operations, and any receivable from the respective funds is recorded in due from related parties on the consolidated statements of financial condition.

Advisory and transaction fees from related parties, 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 recorded 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 recorded in due from related parties, which is discussed further in note 14. 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"). Advisory and transaction fees from related parties are presented net of the Management Fee Offset in the consolidated statements of operations.

Carried Interest Income (Loss) from Related Parties—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 fees are assessed as a percentage of the investment performance of the funds. The carried interest income from related parties 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 related parties 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 related parties, 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.

Carried interest income from related parties also includes a quarterly performance fee on the pre-incentive fee net investment income ("AINV Part I Fees") of Apollo Investment Corporation ("AINV"). For purposes of the AINV Part I Fees, the net investment income of AINV includes interest income, dividend income and certain other income but excludes any realized and unrealized capital gains or losses. Such AINV Part I Fees are paid quarterly and are not subject to repayment (or clawback).

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 related parties 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, 2016, 2015 and 2014.

Profit Sharing—Profit sharing expense and profit sharing payable primarily consist of a portion of carried interest earned from certain funds that is allocated to employees, former employees and Contributing Partners. Profit sharing amounts are recognized on an accrued basis as the related carried interest income is earned. Accordingly, profit sharing amounts can be reversed during periods when there is a decline in carried interest income that was previously recognized.

Profit sharing amounts are generally not paid until the related carried interest is distributed to the general partner upon realization of the fund's investments. Under certain profit sharing arrangements, a portion of the carried interest distributed to the general partner is settled by issuance of restricted shares, rather than cash to employees. Prior to distribution of the carried interest to the general partner, the Company records the value of the restricted shares expected to be granted in other assets and other liabilities within the consolidated statements of financial condition. Upon distribution of the carried interest to the general partner,

the general partner expects to purchase the Class A restricted shares on behalf of employees and simultaneously grant those shares to the employee. Such shares are recorded as equity-based compensation expense over the relevant service period.

Additionally, profit sharing amounts previously distributed may be subject to clawback from employees, former employees and Contributing Partners. When applicable, the accrual for potential clawback of previously distributed profit sharing amounts, which is a component of due from related parties on the consolidated statements of financial condition, represents all amounts previously distributed to employees, former employees and Contributing Partners that would need to be returned to the general partner if the Apollo funds were to be liquidated based on the fair value of the underlying funds' investments as of the reporting date. The actual general partner receivable, however, would not become realized until the end of a fund's life.

Profit sharing payable also includes contingent consideration obligations that were recognized in connection with certain Apollo acquisitions. Changes in the fair value of the contingent consideration obligations 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.

General, Administrative and Other

General, administrative and other primarily includes professional fees, occupancy, depreciation and amortization, travel, information technology, and administration. For the year ended December 31, 2016, presentation of professional fees, occupancy, and depreciation and amortization was combined with general, administrative and other on the consolidated statements of operations and the prior periods were recast to conform to the current presentation.

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 investments, at fair value between the opening reporting date and the closing reporting date.

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 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.

Income from Equity Method Investments—Income from equity method investments includes the Company's share of net income generated from its investments in the private equity, credit and real estate funds it manages, which are not consolidated, but in which the Company exerts significant influence.

Other Income (Loss), Net—Other income (loss), net includes the recognition of gains (losses) arising from the remeasurement of foreign currency denominated assets and liabilities, reversal of a portion of the tax receivable agreement liability (see note 14), 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, certain consolidated entities are, or are treated as, corporations for U.S. and non-U.S. tax purposes and therefore 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.

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 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. 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.

Net Income (Loss) Per Class A Share—As Apollo has issued participating securities, 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. Participating securities include vested and unvested restricted share units ("RSUs") that participate in distributions, as well as unvested restricted shares.

Whether during a period of net income or net loss, under the two-class method 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 weighted average outstanding 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 related parties, contingent consideration obligations related to acquisitions, non-cash compensation, and fair value of investments and debt. Actual results could differ materially from those estimates.

Recent Accounting Pronouncements

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 new guidance requires 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 (i.e., the transaction price). When determining the transaction price under the new guidance, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The new guidance also requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The new guidance will apply to all entities. In August 2015, the FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amended guidance defers the effective date of the new guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017.

Upon adoption, the guidance currently applied by the Company in which it recognizes carried interest income from performance fees on an assumed liquidation basis at each reporting date will no longer be permitted. The Company expects the recognition of carried interest income from incentive fees, which are a form of variable consideration, to be deferred until such fees are no longer subject to significant reversal. Incentive fees are performance fees that are not capital allocations to the general partner or investment manager.

Performance fees, that are capital allocations to the general partner or investment manager, represent the remaining portion of carried interest income on the Company's consolidated statements of operations. In connection with the adoption of the new revenue guidance, the Company will apply a new accounting policy for its performance fees that are capital allocations to the general partner or investment manager. The Company intends to account for such performance fees as financial instruments under the equity method of accounting. The pattern and amount of recognition under the new policy is not expected to differ materially from the Company's existing recognition for such fees. Such performance fees will be reported as a separate line item within revenue (i.e., separate from incentive fee revenue). As performances fees and the related general partner investments are considered to be a single unit of account under the Company's new accounting policy, the equity method income associated with the general partner interests will be combined with the associated performance fees and reported in a single line within revenue.

The Company is currently in the process of implementing the new revenue guidance and is continuing to evaluate the effect this guidance will have on other less material revenue streams, including advisory and transaction fees and management fees, as well as any principal versus agent considerations for reporting revenue gross versus net. The Company expects to adopt the new revenue recognition guidance effective January 1, 2018.

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. 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. The new guidance applies to all companies. The guidance is effective for annual reporting periods ending after December 15, 2016, and for annual and interim periods thereafter. The Company adopted the guidance for the year ended December 31, 2016. The guidance did not have an impact on the consolidated financial statements of the Company.

In May 2015, the FASB issued guidance to eliminate diversity in practice related to how certain investments measured at NAV are categorized within the fair value hierarchy. The guidance removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using the NAV per share practical expedient. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2015. Pursuant to the guidance, a reporting entity should apply the amendments retrospectively to all periods presented. The retrospective approach requires that an investment for which fair value is measured using the NAV per share practical expedient be removed from the fair value hierarchy in all periods presented in an entity's financial statements. The Company adopted the guidance for the quarter ended March 31, 2016 and applied the guidance retrospectively. Adoption of the guidance did not have a material impact on the Company's consolidated financial statements. See note 6 for further disclosure related to the adoption of this guidance.

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In January 2016, the FASB issued guidance that revises the accounting related to the classification and measurement of investments in equity securities as well as the presentation for certain fair value changes in financial liabilities measured at fair value, and amends certain disclosure requirements. The guidance requires that all equity investments, except those accounted for under the equity method of accounting or those resulting in the consolidation of the investee, be accounted for at fair value with all fair value changes recognized in income. For financial liabilities measured using the fair value option, the guidance requires that any change in fair value caused by a change in instrument-specific credit risk be presented separately in other comprehensive income until the liability is settled or reaches maturity. The guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2017, with early adoption permitted for certain provisions. A reporting entity would generally record a cumulative-effect adjustment to beginning retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements. However, the guidance is not expected to have a material impact on the consolidated financial statements of the Company.

In February 2016, the FASB issued guidance that amends the accounting for leases. The amended guidance requires recognition of a lease asset and a lease liability by lessees for leases classified as operating leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from existing guidance and accounting applied by a lessor is largely unchanged from existing guidance. The amended guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2018. Early application is permitted for all entities.

The Company expects its total assets and total liabilities on its consolidated statement of financial condition to increase upon adoption of this guidance as a result of recording a lease asset and lease liability related to our operating leases. The Company is continuing to evaluate the impact that this guidance will have on its consolidated financial statements. The Company expects to adopt the new leasing guidance on January 1, 2019.

In March 2016, the FASB issued guidance that amends the accounting for employee share-based payment awards. The amended guidance affects all entities that issue share-based payment awards to their employees. The amended guidance affects several aspects of accounting for share-based payment transactions including: (1) accounting for income taxes: all excess tax benefits and tax deficiencies should be recognized as income tax expense or benefit in the statements of operations, (2) classification of excess tax benefits on the statements of cash flows: excess tax benefits should be classified along with other income tax cash flows as an operating activity, (3) forfeitures: an entity can make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur, (4) minimum statutory tax withholding requirements: the threshold to qualify for equity classification permits withholding up to the maximum statutory tax rates in the applicable jurisdictions; and (5) classification of employee taxes paid on the statements of cash flows when an employer withholds shares for tax-withholding purposes: cash paid by an employer when directly withholding shares for tax-withholding purposes should be classified as a financing activity. The amended guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements.

In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain cash receipts and payments are classified in the statement of cash flows, including debt prepayment or extinguishment costs, the settlement of contingent liabilities arising from a business combination, proceeds from insurance settlements, and distributions from certain equity method investments. The guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements. However, the guidance is not expected to have a material impact on the consolidated financial statements of the Company.

In October 2016, the FASB issued guidance that amends the consolidation guidance issued in February 2015. Under the amended guidance a decision maker will need to consider only its proportionate indirect interest in a VIE that is held through a related party under common control. Under the originally issued guidance, a decision maker treats the interest of the related party under common control in the VIE as if the decision maker held the interest itself. The amended guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. Early adoption is permitted for all entities. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements.

In November 2016, the FASB issued guidance to reduce diversity in practice in the classification and presentation of changes in restricted cash on the statement of cash flows. The new guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash. Entities will also be required to reconcile such total to amounts on the Company's statement of financial condition and disclose the nature of

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the restrictions. The guidance is effective for interim and annual periods beginning after December 15, 2017. 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 2017, the FASB issued guidance that changes the definition of a business with the objective of adding guidance to assist companies with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance is effective for interim and annual periods beginning after December 15, 2017. 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 2017, the FASB issued guidance to simplify the test for goodwill impairment. The new guidance removes the requirement to perform a hypothetical purchase price allocation to measure goodwill impairment (Step 2). Under the new guidance, a goodwill impairment is calculated as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill in the reporting unit. The guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019 and should be performed prospectively. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. The Company is in the process of evaluating the impact that this guidance will have on its consolidated financial statements. However, the guidance is not expected to have an impact on the consolidated financial statements of the Company.

3. GOODWILL AND INTANGIBLE ASSETS

On May 5, 2015, the Company acquired 100% of the assets and liabilities of Venator Real Estate Capital Partners (Hong Kong) Limited and its wholly-owned subsidiary, Venator Investment Management Consulting (Shanghai) Limited (together referred to as "Venator"), in exchange for restricted shares of Apollo Global Management, LLC. The acquisition provided the Company's real estate segment with additional real estate investment management and related service capabilities in Asia. The transaction was accounted for as a business combination. Identifiable assets with a combined fair value of $3.0 million were acquired and liabilities with a combined fair value of $2.1 million were assumed, resulting in a bargain purchase gain of $0.9 million as of the acquisition date, which was recorded in other income, net in the consolidated statement of operations.

The carrying value of goodwill was $88.9 million as of both December 31, 2016 and 2015. Goodwill primarily relates to the 2007 Reorganization and the Company's acquisition of Stone Tower Capital LLC and its related management companies ("Stone Tower"). As of both December 31, 2016 and 2015, there was $23.1 million, $64.8 million and 1.0 million of goodwill related to private equity, credit and real estate segments, respectively.

Intangible assets, net consists of the following:

	As of December 31,	
	2016	2015
Finite-lived intangible assets/management contracts	$ 246,060	$ 242,863
Accumulated amortization	(223,339)	(214,243)
Intangible assets, net	$ 22,721	$ 28,620

The changes in intangible assets, net consist of the following:

	For the Year Ended December 31,		
	2016	2015	2014
Balance, beginning of year	$ 28,620	$ 60,039	$ 94,927
Amortization expense	(9,095)	(33,998)	(34,888)
Acquisitions / additions	3,196	2,579	—
Balance, end of year	$ 22,721 (1)	$ 28,620 (1)	$ 60,039

(1) Includes $1.0 million of indefinite-lived intangible assets as of both December 31, 2016 and 2015.

Expected amortization of these intangible assets for each of the next 5 years and thereafter is as follows:

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	2017	2018	2019	2020	2021	Thereafter	Total
Amortization of intangible assets	$ 6,106	$ 4,486	$ 4,194	$ 3,677	$ 2,250	$ 1,048	$ 21,761

There was no impairment of indefinite-lived intangible assets as of December 31, 2016.

4. INVESTMENTS

The following table represents Apollo's investments:

	As of December 31, 2016	As of December 31, 2015
Investments, at fair value	$ 708,080	$ 539,080
Equity method investments	786,664	615,669
Total Investments	$ 1,494,744	$ 1,154,749

Investments, at Fair Value

Investments, at fair value, consist of investments for which the fair value option has been elected and include the Company's investment in Athene Holding, investments held by the Company's consolidated funds, investments in debt of unconsolidated CLOs, and other investments held by the Company. See note 6 for further discussion regarding investments, at fair value.

Net Gains from Investment Activities

The following table presents the realized and net change in unrealized gains on investments, at fair value for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Realized gains (losses) on sales of investments	$ 400	$ 889	$ (12,651)
Net change in unrealized gains due to changes in fair value	139,321 (1)	120,834 (1)	225,894
Net gains from investment activities	$ 139,721	$ 121,723	$ 213,243

(1) Primarily relates to the Company's investment in Athene Holding. See note 6 for further information regarding the Company's investment in Athene Holding.

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 net income generated by these investments is recorded within income from equity method investments in the consolidated statements of operations.

Equity method investments, excluding those for which the fair value option was elected, as of December 31, 2016 and December 31, 2015 consisted of the following:

	Equity Held as of	
	December 31, 2016[5]	December 31, 2015[5]
Private Equity[1][2]	$ 428,581	$ 273,074
Credit[1][3]	327,012	313,116
Real Estate	31,071	29,479
Total equity method investments[4]	$ 786,664	$ 615,669

(1) As of December 31, 2016, equity method investments include Fund VIII (Private Equity) and MidCap (Credit) of $260.9 million and $79.5 million, respectively, representing an ownership percentage of 2.2% and 4.3%, respectively. As of December 31, 2015, equity

method investments include Fund VIII (Private Equity) and MidCap (Credit) of $116.4 million and $79.3 million, respectively, representing an ownership percentage of 2.2% and 4.9%, respectively.

(2) The equity method investment in AP Alternative Assets, L.P. ("AAA") was $66.8 million and $66.0 million as of December 31, 2016 and 2015, respectively. The value of the Company's investment in AAA was $64.9 million and $57.2 million based on the quoted market price as of December 31, 2016 and 2015, respectively.

(3) The equity method investment in AINV was $58.6 million and $61.9 million as of December 31, 2016 and 2015, respectively. The value of the Company's investment in AINV was $52.1 million and $41.8 million based on the quoted market price as of December 31, 2016 and 2015, respectively.

(4) Certain funds invest across multiple segments. The presentation in the table above is based on the classification of the majority of such funds' investments.

(5) Some amounts are included a quarter in arrears.

The Company's equity investment in Athene Holding, for which the fair value option was elected, met the significance criteria as defined by the SEC on an aggregate basis as of December 31, 2016 and for the year ended December 31, 2016. As such, the following tables present summarized financial information of Athene Holding as of December 31, 2016 and for the years ended December 31, 2016, 2015 and 2014.

	As of December 31,	
	2016[1]	2015
	(in millions)	
Statements of Financial Condition		
Investments	$ 71,223	$ 62,703
Assets	87,000	80,854
Liabilities	79,926	75,491
Equity	7,074	5,363

(1) The financial statement information for the year ended December 31, 2016 is presented a quarter in arrears and is comprised of the financial information as of September 30, 2016, which represents the latest available financial information as of the date of this report.

	For the Years Ended December 31,		
	2016[1]	2015	2014
	(in millions)		
Statements of Operations			
Revenues	$ 4,090	$ 2,616	$ 4,100
Expenses	3,503	2,024	3,568
Income before income tax provision	587	592	532
Income tax provision (benefit)	(92)	14	54
Net income	679	578	478
Net income attributable to Non-Controlling Interests	—	(16)	(15)
Net income available to Athene common shareholders	$ 679	$ 562	$ 463

(1) The financial statement information for the year ended December 31, 2016 is presented a quarter in arrears and is comprised of the financial information for the twelve months ended September 30, 2016, which represents the latest available financial information as of the date of this report.

The tables below present summarized aggregate financial information of the Company's equity method investments in aggregate, as of December 31, 2016 and 2015, and for the years ended December 31, 2016, 2015 and 2014.

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	Private Equity		Credit		Real Estate		Aggregate Totals	
	As of December 31,		As of December 31,		As of December 31,		As of December 31,	
Statement of Financial Condition	**2016[1]**	**2015[1]**	**2016[1]**	**2015[1]**	**2016[1]**	**2015[1]**	**2016[1]**	**2015[1]**
Investments	$ 27,084,486	$ 17,080,292	$ 19,085,779	$ 18,830,120	$ 3,512,344	$ 3,188,822	$ 49,682,609	$ 39,099,234
Assets	27,832,718	17,970,417	21,077,051	21,255,463	3,966,337	3,484,842	52,876,106	42,710,722
Liabilities	45,583	37,416	4,327,790	7,646,492	1,516,103	1,287,051	5,889,476	8,970,959
Equity	27,787,135	17,933,001	16,749,261	13,608,971	2,450,234	2,197,791	46,986,630	33,739,763

	Private Equity			Credit			Real Estate			Aggregate Totals		
	For the Years Ended December 31,			For the Years Ended December 31,			For the Years Ended December 31,			For the Years Ended December 31,		
Statement of Operations	**2016(1)**	**2015(1)**	**2014(1)**	**2016(1)**	**2015(1)**	**2014(1)**	**2016(1)**	**2015(1)**	**2014(1)**	**2016(1)**	**2015(1)**	**2014(1)**
Revenues/Investment Income	$ 235,231	$ 408,971	$ 340,380	$ 1,384,414	$ 1,352,017	$ 1,954,270	$ 215,738	$ 120,340	$ 89,579	$ 1,835,383	$ 1,881,328	$ 2,384,229
Expenses	298,705	306,044	326,126	483,335	464,610	417,967	66,869	35,340	29,022	848,909	805,994	773,115
Net Investment Income	(63,474)	102,927	14,254	901,079	887,407	1,536,303	148,869	85,000	60,557	986,474	1,075,334	1,611,114
Net Realized and Unrealized Gain (Loss)	2,999,627	20,757	1,300,343	1,033,550	(1,643,758)	(548,088)	21,193	(1,699)	62,516	4,054,370	(1,624,700)	814,771
Net Income	$ 2,936,153	$ 123,684	$ 1,314,597	$ 1,934,629	$ (756,351)	$ 988,215	$ 170,062	$ 83,301	$ 123,073	$ 5,040,844	$ (549,366)	$ 2,425,885

(1) Certain private equity, credit and real estate fund amounts are as of and for the twelve months ended September 30, 2016, 2015 and 2014.

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. There is no recourse to the Company for the consolidated VIEs' liabilities.

Consolidated Variable Interest Entities

Apollo has consolidated VIEs in accordance with the policy described in note 2. Through its role as investment manager of these VIEs, the Company determined that Apollo has the power to direct the activities that most significantly impact the economic performance of these VIEs. Additionally, Apollo determined that its interests, both 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.

Consolidated CLOs

Certain CLOs are consolidated by Apollo as the Company is considered to hold a controlling financial interest through direct and indirect interests in these CLOs exclusive of management and performance based fees received. Through its role as collateral manager of these VIEs, the Company determined that Apollo has the power to direct the activities that most significantly impact the economic performance of these VIEs. These CLOs 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.

The assets of these consolidated CLOs are not available to creditors of the Company. In addition, the investors in these consolidated CLOs have no recourse against the assets of the Company. The Company measures both the financial assets and the financial liabilities of the CLOs using the fair value of the financial assets as further described in note 2. The Company has elected the fair value option for financial instruments held by its consolidated CLOs, which includes investments in loans and corporate bonds, as well as debt obligations and contingent obligations held by such consolidated CLOs. 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, 2016 and December 31, 2015, the Company held an investment of $41.3 million and $42.3 million, respectively, in consolidated foreign currency denominated CLOs, which eliminates in consolidation.

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Net Gains from Investment Activities of Consolidated Variable Interest Entities

The following table presents net gains from investment activities of the consolidated VIEs for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016 (1)	2015 (1)	2014 (1)
Net gains (losses) from investment activities	$ 10,334	$ 15,787	$ (238,534)
Net gains (losses) from debt	(11,921)	3,057	102,554
Interest and other income	41,791	37,404	666,486
Interest and other expenses	(35,189)	(37,198)	(507,942)
Net gains from investment activities of consolidated variable interest entities	$ 5,015	$ 19,050	$ 22,564

(1) Amounts reflect consolidation eliminations.

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, 2016 and December 31, 2015:

	As of December 31, 2016			As of December 31, 2015		
	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)	$ 704,976	1.83%	12.3	$ 735,792	2.17%	12.1
Subordinated Notes(2)(3)	87,794	N/A (1)	19.2	82,365	N/A	15.1
Total	$ 792,770			$ 818,157		

(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, 2016 and December 31, 2015 was $786.5 million and $801.3 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, 2016 and December 31, 2015, the fair value of the consolidated VIE assets was $1,001.8 million and $1,030.8 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 of December 31, 2016, the Company was not aware of any instances of non-compliance with any of these covenants.

As of December 31, 2016, the table below presents the contractual maturities for debt of the consolidated VIEs:

	2017	2018	2019	2020	2021	Thereafter	Total
Senior Secured Notes	$ —	$ —	$ —	$ —	$ —	$ 704,976	$ 704,976
Subordinated Notes	—	—	—	—	—	87,794	87,794
Total Obligations as of December 31, 2016	$ —	$ —	$ —	$ —	$ —	$ 792,770	$ 792,770

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.

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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, 2016 and December 31, 2015. In addition, the tables present the maximum exposure to losses relating to these VIEs.

	As of December 31, 2016		
	Total Assets	Total Liabilities	Apollo Exposure
Total	$ 7,523,335 (1)	$ 2,818,459 (2)	$ 272,191 (3)

(1) Consists of $231.9 million in cash, $7,253.9 million in investments and $37.5 million in receivables.
(2) Represents $2,818.5 million in debt and other payables.
(3) Represents Apollo's direct investment in those entities in which Apollo holds a significant variable interest and certain other investments. 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 $2.9 billion as of December 31, 2016, as discussed in note 15.

	As of December 31, 2015		
	Total Assets	Total Liabilities	Apollo Exposure
Total	$ 5,378,456 (1)	$ 1,626,743 (2)	$ 202,146 (3)

(1) Consists of $219.8 million in cash, $5,149.0 million in investments and $9.6 million in receivables.
(2) Represents $1,626.7 million in debt and other payables.
(3) Represents Apollo's direct 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 $2.4 billion as of December 31, 2015.

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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 for which the fair value option has been elected by the fair value hierarchy as of December 31, 2016 and December 31, 2015:

	As of December 31, 2016				
	Level I[1]	Level II[1]	Level III	Total	Cost of Investments, at Fair Value
Assets					
Investments, at fair value:					
Investments of consolidated Apollo funds	$ 3,336	$ 1,475	$ 567	$ 5,378	$ 5,463
Other investments	—	—	45,154	45,154	47,690
Investment in Athene Holding[2]	—	657,548	—	657,548	387,526
Total investments, at fair value	3,336	659,023	45,721	708,080 [7]	$ 440,679
Investments of VIEs, at fair value[3]	—	816,167	92,474	908,641	
Investments of VIEs, valued using NAV[4]	—	—	—	5,186	
Total investments of VIEs, at fair value	—	816,167	92,474	913,827	
Derivative assets	—	1,360	—	1,360	
Total Assets	$ 3,336	$ 1,476,550	$ 138,195	$ 1,623,267	
Liabilities					
Liabilities of VIEs, at fair value[3][5]	$ —	$ 786,545	$ 11,055	$ 797,600	
Contingent consideration obligations[6]	—	—	106,282	106,282	
Derivative liabilities	—	1,167	—	1,167	
Total Liabilities	$ —	$ 787,712	$ 117,337	$ 905,049	

	As of December 31, 2015				
	Level I[1]	Level II[1]	Level III	Total	Cost of Investments, at Fair Value
Assets					
Investments, at fair value:					
Investments of consolidated Apollo funds	$ —	$ 26,913	$ 1,634	$ 28,547	$ 29,344
Other investments	—	—	434	434	831
Investment in Athene Holding[2]	—	—	510,099	510,099	387,526
Total investments, at fair value	—	26,913	512,167	539,080 [7]	$ 417,701
Investments of VIEs, at fair value[3][4]	—	803,412	100,941	904,353	
Investments of VIEs, valued using NAV [4]	—	—	—	6,213	
Total investments of VIEs, at fair value	—	803,412	100,941	910,566	
Total Assets	$ —	$ 830,325	$ 613,108	$ 1,449,646	
Liabilities					
Liabilities of VIEs, at fair value[3][5]	$ —	$ 801,270	$ 11,411	$ 812,681	
Contingent consideration obligations[6]	—	—	79,579	79,579	
Total Liabilities	$ —	$ 801,270	$ 90,990	$ 892,260	

(1) All Level I and Level II assets and liabilities were valued using third party pricing, with the exception of the investment in Athene Holding.
(2) See note 14 for further disclosure regarding the investment in Athene Holding.
(3) See note 5 for further disclosure regarding VIEs.
(4) Pursuant to the adoption of amended fair value guidance effective January 1, 2016, investments for which fair value is based on NAV are no longer required to be included in the fair value hierarchy. As such, prior periods have been recast to conform with the current period presentation. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy disclosure to

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the amounts presented in the consolidated statement of financial condition. See note 2 for further discussion of recent accounting pronouncements.

(5) As of December 31, 2016, liabilities of VIEs, at fair value included debt and other liabilities of $786.5 million and $11.1 million, respectively. As of December 31, 2015, liabilities of VIEs, at fair value included debt and other liabilities of $801.3 million and $11.4 million, respectively. Other liabilities include contingent obligations classified as Level III.

(6) See note 15 for further disclosure regarding contingent consideration obligations.

(7) See note 4 to our consolidated financial statements for further detail regarding our investments at fair value and reconciliation to the consolidated statements of financial condition.

There were no transfers of financial assets or liabilities between Level I and Level II for the years ended December 31, 2016 and 2015.

The following tables summarize the changes in fair value in financial assets measured at fair value for which Level III inputs have been used to determine fair value for the years ended December 31, 2016 and 2015:

	For the Year Ended December 31, 2016				
	Investments of Consolidated Apollo Funds	Other Investments	Investment in Athene Holding	Investments of Consolidated VIEs	Total
Balance, Beginning of Period [1]	$ 1,634	$ 434	$ 510,099	$ 100,941	$ 613,108
Purchases	1,430	46,880	8,937 [4]	74,043	131,290
Sale of investments/Distributions	(1,630)	—	—	(68,653)	(70,283)
Net realized gains (losses)	(77)	—	—	3,086	3,009
Changes in net unrealized gains (losses)	230	1	138,512	(2,842)	135,901
Cumulative translation adjustment	—	(2,161)	—	(2,691)	(4,852)
Transfer into Level III[2]	1,496	—	—	30,173	31,669
Transfer out of Level III[2][3]	(2,516)	—	(657,548)	(41,583)	(701,647)
Balance, End of Period	$ 567	$ 45,154	$ —	$ 92,474	$ 138,195
Change in net unrealized gains included in net gains from investment activities related to investments still held at reporting date	$ 55	$ 1	$ —	$ —	$ 56
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	—	—	30	30

(1) Pursuant to the adoption of amended fair value guidance effective January 1, 2016, investments for which fair value is based on NAV are no longer required to be included in the fair value hierarchy. See note 2 for further discussion of recent accounting pronouncements.

(2) Transfers between Level II and III, with the exception of the investment in Athene Holding, were a result of subjecting the broker quotes on these financial assets 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.

(3) The investment in the Athene Holding was transferred from Level III to Level II at December 31, 2016, as the Company changed the valuation method used to value the investment in Athene Holding from the GAAP book value multiple approach to the use of Athene's closing market price, adjusted for a discount due to a lack of marketability ("DLOM").

(4) Represents a AAA distribution in kind in the form of shares of Athene Holding.

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	For the Year Ended December 31, 2015						
	Investments of Consolidated Apollo Funds	Other Investments	Investment in Athene Holding	AAA/Athene Receivable	Investment in RCAP[3]	Investments of Consolidated VIEs	Total
Balance, Beginning of Period [1]	$ 4,359	$ 600	$ 324,514	$ 61,292	$ —	$ 2,522,913	$ 2,913,678
Adoption of accounting guidance	—	—	—	—	—	(2,407,923)	(2,407,923)
Fees	—	—	—	1,942	—	—	1,942
Purchases	5,913	272	—	—	25,000	44,116	75,301
Sale of investments/Distributions	(6,996)	(115)	—	—	(25,667)	(34,548)	(67,326)
Net realized gains	48	—	—	—	667	3,178	3,893
Changes in net unrealized gains (losses)	(263)	(323)	122,351	—	—	11,396	133,161
Cumulative translation adjustment	—	—	—	—	—	(12,111)	(12,111)
Transfer into Level III[2]	5,439	—	—	—	—	59,316	64,755
Transfer out of Level III[2]	(6,866)	—	—	—	—	(85,396)	(92,262)
Settlement of receivable	—	—	63,234	(63,234)	—	—	—
Balance, End of Period[1]	$ 1,634	$ 434	$ 510,099	$ —	$ —	$ 100,941	$ 613,108
Change in net unrealized gains (losses) included in net gains from investment activities related to investments still held at reporting date	$ (677)	$ (323)	$ 122,351	$ —	$ —	$ —	$ 121,351
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	—	—	—	—	11,543	11,543

(1) Pursuant to the adoption of amended fair value guidance effective January 1, 2016, investments for which fair value is based on NAV are no longer required to be included in the fair value hierarchy. As such, prior periods have been recast to conform with the current period presentation. See note 2 for further discussion of recent accounting pronouncements.

(2) Transfers between Level II and III were a result of subjecting the broker quotes on these financial assets 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.

(3) Represents Apollo's investment in preferred stock of RCS Capital Corporation ("RCAP"), which was sold in November 2015.

The following table summarizes the changes in fair value in financial liabilities measured at fair value for which Level III inputs have been used to determine fair value for the years ended December 31, 2016 and 2015:

	For the Years Ended December 31,					
	2016			2015		
	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total
Balance, Beginning of Period	$ 11,411	$ 79,579	$ 90,990	$ 12,343,021	$ 96,126	$ 12,439,147
Adoption of accounting guidance	—	—	—	(11,433,815)	—	(11,433,815)
Payments/Extinguishment	—	(13,721)	(13,721)	—	(15,743)	(15,743)
Changes in net unrealized (gains) losses[1]	(356)	40,424	40,068	(8,244)	(804)	(9,048)
Cumulative translation adjustment	—	—	—	(92,593)	—	(92,593)
Transfers out of Level III	—	—	—	(796,958)	—	(796,958)
Balance, End of Period	$ 11,055	$ 106,282	$ 117,337	$ 11,411	$ 79,579	$ 90,990
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to liabilities still held at reporting date	$ (356)	$ —	$ (356)	$ —	$ —	$ —

(1) Changes in fair value of contingent consideration obligations are recorded in profit sharing expense in 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 as Level III under the fair value hierarchy as of December 31, 2016 and December 31, 2015:

	As of December 31, 2016				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investments of consolidated Apollo funds	$ 567	Third party pricing(1)	N/A	N/A	N/A
Investments in other	45,154	Third party pricing(1)	N/A	N/A	N/A
Investments of consolidated VIEs:					
Bank debt term loans	4,701	Third party pricing(1)	N/A	N/A	N/A
Corporate loans/bonds/CLO notes	15,496	Third party pricing(1)	N/A	N/A	N/A
Equity securities	72,277	Transaction	N/A	N/A	N/A
Total investments of consolidated VIEs	92,474				
Total Financial Assets	$ 138,195				
Financial Liabilities					
Liabilities of consolidated VIEs:					
Contingent obligation	$ 11,055	Other	N/A	N/A	N/A
Contingent consideration obligation	106,282	Discounted cash flow	Discount rate	13.0% - 17.3%	17.2%
Total Financial Liabilities	$ 117,337				

(1) These securities are valued primarily using unadjusted broker quotes.

	As of December 31, 2015				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investments of consolidated Apollo funds	$ 1,634	Third party pricing(1)	N/A	N/A	N/A
Investments in other	434	Other	N/A	N/A	N/A
Investment in Athene Holding	510,099	Book value multiple	Book value multiple	1.18x	1.18x
Investments of consolidated VIEs:					
Bank debt term loans	15,776	Third party pricing(1)	N/A	N/A	N/A
Corporate loans/bonds/CLO notes	22,409	Third party pricing(1)	N/A	N/A	N/A
Equity securities	62,756	Market comparable companies	Comparable multiples	0.60x	0.60x
		Discounted cash flow	Discount rate	14.6%	14.6%
Total investments of consolidated VIEs (2)	100,941				
Total Financial Assets	$ 613,108				
Financial Liabilities					
Liabilities of Consolidated VIEs:					
Contingent obligation	$ 11,411	Other	N/A	N/A	N/A
Contingent consideration obligation	79,579	Discounted cash flow	Discount rate	11.0% - 18.5%	17.0%
Total Financial Liabilities	$ 90,990				

(1) These securities are valued primarily using unadjusted broker quotes.
(2) Pursuant to the adoption of amended fair value guidance effective January 1, 2016, investments for which fair value is based on NAV are no longer required to be included in the fair value hierarchy. As such, prior periods have been recast to conform with the current period presentation. See note 2 for further discussion of recent accounting pronouncements.

Investment in Athene Holding

As of December 31, 2016, Apollo changed the valuation method used to value the opportunistic investment in Athene Holding from the GAAP book value multiple approach to the use of Athene's closing market price, adjusted for a DLOM in order to reflect the post IPO sales restriction on such shares of Athene Holding. The DLOM is calculated based on the remaining length of such sales restrictions and the estimated market price volatility of the associated shares.

As of December 31, 2016 the fair value of Apollo's investment in Athene Holding was estimated using the closing market price of Athene shares of $47.99 less a DLOM of 9.5%. The DLOM was derived based on the average remaining lock up restrictions on the shares of Athene Holding held by Apollo (23.3 months) and the estimated volatility in such shares of Athene Holding. Due to the limited trading history in Athene Holding shares, the historical share price volatility of a representative set of Athene Holding's publicly traded insurance peers was calculated over a period equivalent to the remaining average lock up on the shares of Athene Holding held by Apollo and used as a proxy to estimate the projected volatility in Athene Holding's shares. The fair value of Apollo's investment in Athene Holding after the application of the DLOM was estimated at a price of $43.43 per share.

As of December 31, 2015, the fair value of Apollo's investment in Athene Holding was estimated under the U.S. GAAP book value multiple approach by applying a book value multiple to the U.S. GAAP book value per share of Athene Holding. The adjustment for the conversion of all Athene management incentive shares was added to Athene's U.S. GAAP book value excluding accumulated other comprehensive income ("AOCI") for purposes of determining U.S. GAAP book value per share. Apollo calculated a multiple for public company peers of Athene by dividing each peer's market capitalization by its reported U.S. GAAP equity, excluding AOCI. A regression analysis was then prepared based on the calculated multiple of each peer relative to its expected return on U.S. GAAP equity, excluding AOCI, relative to Athene.

As of December 31, 2015, the significant unobservable input used in the fair value measurement of the investment in Athene Holding was the U.S. GAAP book value multiple. This input in isolation can cause significant increases or decreases in fair value. Specifically, when the U.S. GAAP book value multiple method is used to determine fair value, the significant input used in the valuation model is the U.S. GAAP book value multiple itself. An increase in the U.S. GAAP book value multiple can significantly increase the fair value of an investment; conversely a decrease in the U.S. GAAP book value multiple can significantly decrease the fair value of an investment. The sensitivity of the valuation to changes in the multiple is directly proportional to the change in the multiple itself.

Investments of Consolidated Apollo Funds

The Company is the sole investor in the Apollo Senior Loan Fund, L.P. and Apollo Alternative Credit Long Short Fund L.P. and therefore consolidates the assets and liabilities of these funds. These funds invest in U.S. denominated senior secured loans, senior secured bonds and other income generating fixed-income investments. Amounts related to these consolidated funds are primarily presented in net gains from investment activities on the consolidated statements of operations and in investments in the consolidated statements of financial condition.

Other Investments

Other investments primarily consists of Apollo's investments in debt of unconsolidated CLOs. The change in the fair value related to these investments is presented in net gains from investment activities on the consolidated statements of operations.

Consolidated VIEs

Investments

As of December 31, 2016, there were no significant unobservable inputs used in the fair value measurement of the equity securities. The significant unobservable inputs used in the fair value measurement of the equity securities as of December 31, 2015 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.

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Liabilities

As of December 31, 2016 and December 31, 2015, the debt obligations of the consolidated CLOs were measured on the basis of the fair value of the financial assets of the CLOs as the financial assets were determined to be more observable and, as a result, categorized as Level II in the fair value hierarchy. See note 2 for further discussion of the Company's adoption of CFE guidance.

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 hypothetical cost of equity for Stone Tower. See note 15 for further discussion of the contingent consideration obligations.

Net Investment Hedge

To manage the potential exposure from adverse changes in currency exchange rates arising from the Company's net investment in foreign operations related to Bremer Kreditbank AG, the German subsidiary of Belgian KBC Group NV ("BKB Bank") during June 2016, the Company entered into a foreign currency option contract to hedge a portion of the net investment in the Company's non-U.S. dollar denominated foreign operations related to BKB Bank. As of December 31, 2016, the notional amount of the net investment hedge was €17.6 million. The gains and losses due to changes in fair value attributable to foreign currency derivatives designated as net investment hedges are recognized in other comprehensive income (loss), net of tax. No portion of the net investment hedge was subsequently reclassified to net income or deemed ineffective for the year ended December 31, 2016. The resulting gain on derivative assets was $0.02 million for the year ended December 31, 2016. The resulting loss on derivative liabilities was $0.1 million for the year ended December 31, 2016.

7. CARRIED INTEREST RECEIVABLE

Carried interest receivable from private equity, credit and real estate funds consisted of the following:

	As of December 31, 2016	As of December 31, 2015
Private Equity	$ 798,465	$ 373,871
Credit	426,114	240,844
Real Estate	32,526	29,192
Total carried interest receivable	$ 1,257,105	$ 643,907

The table below provides a roll-forward of the carried interest receivable balance for the years ended December 31, 2016 and 2015:

	Private Equity	Credit	Real Estate	Total
Carried interest receivable, January 1, 2015	$ 672,119	$ 226,430	$ 13,117	$ 911,666
Change related to fair value of funds	42,016	126,426	13,074	181,516
Fund distributions to the Company	(340,264)	(152,370)	(4,035)	(496,669)
Adoption of new accounting guidance	—	40,358	7,036	47,394
Carried interest receivable, December 31, 2015	$ 373,871	$ 240,844	$ 29,192	$ 643,907
Change in fair value of funds	492,910	318,735	17,375	829,020
Fund distributions to the Company	(68,316)	(133,465)	(14,041)	(215,822)
Carried interest receivable, December 31, 2016	$ 798,465	$ 426,114	$ 32,526	$ 1,257,105

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The change in fair value of funds excludes the reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. The general partner obligation is recognized based upon a hypothetical liquidation of a 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. See note 14 for further disclosure regarding the general partner obligation.

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 certain return thresholds, or "high water marks," having been achieved.

8. PROFIT SHARING PAYABLE

Profit sharing payable from private equity, credit and real estate funds consisted of the following:

	As of December 31, 2016	As of December 31, 2015
Private Equity	$ 268,170	$ 118,963
Credit	268,855	165,392
Real Estate	13,123	11,319
Total profit sharing payable	$ 550,148	$ 295,674

The table below provides a roll-forward of the profit sharing payable balance for the years ended December 31, 2016 and 2015:

	Private Equity	Credit	Real Estate	Total
Profit sharing payable, January 1, 2015	$ 240,595	$ 186,307	$ 7,950	$ 434,852
Profit sharing expense[1][2]	52,807	42,172	5,076	100,055
Payments/other	(174,439)	(63,087)	(1,707)	(239,233)
Profit sharing payable, December 31, 2015	$ 118,963	$ 165,392	$ 11,319	$ 295,674
Profit sharing expense[1][2]	184,852	186,345	10,387	381,584
Payments/other	(35,645)	(82,882)	(8,583)	(127,110)
Profit sharing payable, December 31, 2016	$ 268,170	$ 268,855	$ 13,123	$ 550,148

(1) Includes (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 recognized in connection with certain Apollo acquisitions. See notes 6 and 15 for further disclosure regarding the contingent consideration obligations.

(2) The Company has recorded a receivable from the Contributing Partners, certain employees and former employees for the potential return of profit sharing distributions that would be due if certain funds were liquidated in the amount of $39.3 million and $14.7 million as of December 31, 2016 and December 31, 2015, respectively. Profit sharing expense excludes the potential return of these profit sharing distributions. See note 14 for further discussion regarding the potential return of profit sharing distributions.

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9. OTHER ASSETS

Other assets consisted of the following:

	As of December 31,	
	2016	2015
Fixed assets	$ 108,422	$ 105,439
Less: Accumulated depreciation and amortization	(83,268)	(73,803)
Fixed assets, net	25,154	31,636
Prepaid expenses[1]	78,300	48,421
Tax receivables	5,617	4,466
Other	9,789	11,321
Total Other Assets	$ 118,860	$ 95,844

(1) Includes $42.6 million and $7.0 million as of December 31, 2016 and 2015, respectively, related to the restricted shares that are expected to be granted in connection with the settlement of certain profit sharing arrangements. A corresponding amount is included in other liabilities on the consolidated statements of financial condition.

Depreciation expense for the years ended December 31, 2016, 2015 and 2014 was $9.6 million, $10.5 million and $10.2 million, respectively.

10. 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. Certain consolidated entities are, or are treated as, corporations for U.S. and non-U.S. tax purposes and therefore subject to U.S. federal, state, and local corporate income tax. Certain other subsidiaries of the Company are subject to 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 income tax provision totaled $90.7 million, $26.7 million and $147.2 million for the years ended December 31, 2016, 2015 and 2014, respectively. The Company's effective tax rate was approximately 8.5%, 7.1% and 16.8% for the years ended December 31, 2016, 2015 and 2014, respectively.

The provision for income taxes is presented in the following table:

	For the Years Ended December 31,		
	2016	2015	2014
Current:			
Federal income tax	$ —	$ (10,108)	$ 53,426
Foreign income tax	5,843 [1]	7,842 [1]	6,080
State and local income tax	2,847	2,573	7,369
Subtotal	8,690	307	66,875
Deferred:			
Federal income tax	66,567	19,581	28,702
Foreign income tax	(16) [1]	(256) [1]	(137)
State and local income tax	15,466	7,101	51,805
Subtotal	82,017	26,426	80,370
Total Income Tax Provision	$ 90,707	$ 26,733	$ 147,245

(1) The foreign income tax provision was calculated on $38.8 million and $27.6 million of pre-tax income generated in foreign jurisdictions for the years ended December 31, 2016 and 2015, respectively.

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The following table reconciles the U.S. Federal statutory tax rate to the effective income tax rate:

	For the Years Ended December 31,		
	2016	2015	2014
U.S. Statutory Tax Rate	35.0 %	35.0 %	35.0 %
Income Passed Through to Non-Controlling Interests	(21.0)	(26.4)	(23.4)
Income Passed Through to Class A Shareholders	(7.1)	(4.4)	0.1
State and Local Income Taxes (net of Federal Benefit)	1.4	2.1	4.7
Other	0.2	0.8	0.4
Effective Income Tax Rate	8.5 %	7.1 %	16.8 %

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.

The Company's deferred tax assets and liabilities on the consolidated statements of financial condition consist of the following:

	As of December 31,	
	2016	2015
Deferred Tax Assets:		
Depreciation and amortization	$ 525,261	$ 567,018
Revenue recognition	26,629	31,363
Net operating loss carryforwards	43,733	47,139
Equity-based compensation - RSUs and AAA RDUs	1,801	4,551
Foreign tax credit	11,746	8,996
Other	4,947	5,472
Total Deferred Tax Assets	614,117	664,539
Deferred Tax Liabilities:		
Unrealized gains from investments	41,346	13,274
Other	508	5,058
Total Deferred Tax Liabilities	$ 41,854	$ 18,332

As of December 31, 2016, the Company had approximately $111.1 million of federal net operating loss ("NOL") carryforwards and $86.6 million of state and local net operating loss carryforwards that will begin to expire after 2035. As a result of certain realization requirements, the Company does not include certain deferred tax assets as of December 31, 2016 that arose directly from tax deductions related to equity-based compensation greater than compensation recognized for financial reporting. As discussed in note 2, upon adoption of new guidance that amends the accounting for employee share-based payment awards, $22.8 million of deferred tax asset will be recognized with a corresponding increase to retained earnings. In addition, the Company's foreign tax credit carryforwards will begin to expire after 2020.

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, the 20 year carry forward periods of any NOLs, 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, 2016.

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.

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The Company's primary jurisdictions in which it operates are the United States, New York State, New York City, California and the United Kingdom. There are no unremitted earnings with respect to the United Kingdom and other foreign entities due to the flow-through nature of these entities. 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, 2016, the Company's U.S. federal, state, local and foreign income tax returns for the years 2013 through 2016 are open under the general statute of limitations provisions and therefore subject to examination. Currently, the Internal Revenue Service is examining the tax return of a subsidiary for the 2012 tax year. The State and City of New York 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 recorded additional deferred tax assets as a result of the step-up in tax basis of intangibles from subsequent exchanges of AOG Units for Class A shares. A related tax receivable agreement liability was recorded in due to related parties 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 14). The increases in the deferred tax asset less the related liability resulted in increases to additional paid in capital which were recorded in the consolidated statements of changes in shareholders' equity for the years ended December 31, 2016, 2015 and 2014. The amortization period for these tax basis intangibles is 15 years and the deferred tax assets will reverse over the same period.

Pursuant to an exchange agreement between Apollo, Holdings and the other parties thereto (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.

The tables below present the impact to the deferred tax asset, tax receivable agreement liability and additional paid in capital related to the exchange of AOG Units for Class A shares during the years ended December 31, 2016, 2015 and 2014.

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, 2016	$ 7,342	$ 6,187	$ 1,155
For the Year Ended December 31, 2015	61,720	45,432	16,288
For the Year Ended December 31, 2014	58,696	47,878	10,818

During the years ended December 31, 2016 and 2014, 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 $4.5 million and $36.2 million, respectively (see note 14 for details regarding the impact on the tax receivable agreement liability).

During the year ended December 31, 2016, an additional $2.6 million of return-to-provision was recorded to additional paid in capital, reflected in the consolidated statements of changes in shareholders' equity.

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11. DEBT

Debt consisted of the following:

	As of December 31, 2016			As of December 31, 2015		
	Outstanding Balance	Fair Value	Annualized Weighted Average Interest Rate	Outstanding Balance	Fair Value	Annualized Weighted Average Interest Rate
2013 AMH Credit Facilities - Term Facility[1]	$ 299,543	$ 298,500 [5]	1.82%	$ 499,327	$ 501,300 [5]	1.44%
2024 Senior Notes[2]	495,208	498,336 [6]	4.00	494,555	495,300 [6]	4.00
2026 Senior Notes[3]	495,165	497,923 [6]	4.40	—	—	—
2014 AMI Term Facility I[4]	14,449	14,449 [5]	2.00	14,543	14,549 [5]	2.15
2014 AMI Term Facility II[4]	16,306	16,306 [5]	1.75	16,830	16,830 [5]	1.85
2016 AMI Term Facility I[4]	17,852	17,852 [5]	1.75	—	—	—
2016 AMI Term Facility II[4]	13,924	13,924 [5]	2.00	—	—	—
Total Debt	$ 1,352,447	$ 1,357,290		$ 1,025,255	$ 1,027,979	

(1) Outstanding balance is presented net of unamortized debt issuance costs of $0.5 million and $0.7 million as of December 31, 2016 and December 31, 2015, respectively.

(2) Includes impact of any amortization of note discount. Outstanding balance is presented net of unamortized debt issuance costs of $4.1 million and $4.6 million as of December 31, 2016 and December 31, 2015, respectively.

(3) Includes impact of any amortization of note discount. Outstanding balance is presented net of unamortized debt issuance costs of $4.4 million as of December 31, 2016.

(4) Apollo Management International LLP ("AMI"), a subsidiary of the Company, entered into the following five year credit agreements and proceeds from the borrowings were used to fund the Company's investment in European CLOs it manages:

Facility	Date	Loan Amount
2014 AMI Term Facility I	July 3, 2014	€ 13,736
2014 AMI Term Facility II	December 9, 2014	€ 15,500
2016 AMI Term Facility I	January 18, 2016	€ 16,970
2016 AMI Term Facility II	June 22, 2016	€ 13,236

(5) Fair value is based on obtained broker quotes and these notes would be classified as a Level III liability within the fair value hierarchy based on the number and quality of broker quotes obtained, the standard deviations of the observed broker quotes and the percentage deviation from independent pricing services. For instances where broker quotes are not available, a discounted cash flow method is used to obtain a fair value.

(6) Fair value is based on obtained broker quotes and these notes would be classified as a Level II liability within the fair value hierarchy based on the number and quality of broker quotes obtained, the standard deviations of the observed broker quotes and the percentage deviation from independent pricing services.

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 an original maturity date of January 18, 2019. On March 11, 2016, the maturity date of both the Term Facility and the Revolver Facility was extended by two years to January 18, 2021. The extension was determined to be a modification of the 2013 AMH Credit Facilities in accordance with U.S. GAAP.

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. In connection with the issuance of the 2024 Senior Notes and the 2026 Senior Notes (as defined below), $250 million of the proceeds and $200 million of the proceeds, respectively, were used to repay a portion of the Term Facility outstanding with third party lenders at par. The interest rate on the $300 million Term Facility as of December 31, 2016 was 2.12% and the commitment fee as of December 31, 2016 on the $500 million undrawn

Revolver Facility was 0.125%. The $300 million carrying value of debt that is recorded on the consolidated statements of financial condition at December 31, 2016 is the amount for which the Company is obligated to settle the 2013 AMH Credit Facilities.

As of December 31, 2016, the 2013 AMH Credit Facilities were guaranteed 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., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, 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. As of December 31, 2016 and December 31, 2015, the Revolver Facility was undrawn.

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. The face amount of $500 million related to the 2024 Senior Notes is the amount for which the Company is obligated to settle the 2024 Senior Notes.

2026 Senior Notes—On May 27, 2016, AMH issued $500 million in aggregate principal amount of its 4.400% Senior Notes due 2026 (the "2026 Senior Notes"), at an issue price of 99.912% of par. Interest on the 2026 Senior Notes is payable semi-annually in arrears on May 27 and November 27 of each year. The 2026 Senior Notes will mature on May 27, 2026. The discount will be amortized into interest expense on the consolidated statements of operations over the term of the 2026 Senior Notes. The face amount of $500 million related to the 2026 Senior Notes is the amount for which the Company is obligated to settle the 2026 Senior Notes.

As of December 31, 2016, the 2026 Senior Notes and 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., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, AMH Holdings (Cayman), L.P. and any other entity that is required to become a guarantor of the notes under the terms of the indentures governing the 2026 Senior Notes and the 2024 Senior Notes (the "Indentures"). The Indentures include 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 Indentures also provide for customary events of default.

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The following table presents the interest expense incurred related to the Company's debt for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Interest Expense:[1]			
2013 AMH Term Facility	$ 8,253	$ 8,672	$ 10,112
2024 Senior Notes	20,652	20,759	12,062
2026 Senior Notes	13,372	—	—
AMI Term Facilities	1,205	640	219
Total Interest Expense	$ 43,482	$ 30,071	$ 22,393

(1) Debt issuance costs incurred in connection with the Term Facility, the 2024 Senior Notes and the 2026 Senior Notes are amortized into interest expense over the term of the debt arrangement.

The table below presents the contractual maturities for the Company's debt arrangements as of December 31, 2016:

	2017	2018	2019	2020	2021	Thereafter	Total
2013 AMH Credit Facilities - Term Facility	$ —	$ —	$ —	$ —	$ 300,000	$ —	$ 300,000
2024 Senior Notes	—	—	—	—	—	500,000	500,000
2026 Senior Notes	—	—	—	—	—	500,000	500,000
2014 AMI Term Facility I	—	—	—	—	14,449	—	14,449
2014 AMI Term Facility II	—	—	16,306	—	—	—	16,306
2016 AMI Term Facility I	—	—	—	—	17,852		17,852
2016 AMI Term Facility II	—	—	—	—	13,924		13,924
Total Obligations as of December 31, 2016	$ —	$ —	$ 16,306	$ —	$ 346,225	$ 1,000,000	$ 1,362,531

12. NET INCOME 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 undistributed losses, the undistributed loss is allocated to a participating security 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 undistributed 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 Class A shares had been issued. The numerator is adjusted for any changes in income or loss that would result if the dilutive Class A shares were issued.

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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, 2016, 2015 and 2014:

	Basic and Diluted		
	For the Years Ended December 31,		
	2016	2015	2014
Numerator:			
Net income attributable to Apollo Global Management, LLC	$ 402,850	$ 134,497	$ 168,229
Distributions declared on Class A shares	(230,713) (1)	(339,397) (1)	(483,458) (1)
Distributions on participating securities(3)	(8,396)	(28,497)	(72,074)
Earnings allocable to participating securities	(6,430)	— (2)	— (2)
Undistributed income (loss) attributable to Class A shareholders: Basic and Diluted	$ 157,311	$ (233,397)	$ (387,303)
Denominator:			
Weighted average number of Class A shares outstanding: Basic and Diluted	183,998,080	173,271,666	155,349,017
Net Income per Class A Share: Basic and Diluted(4)			
Distributed Income	$ 1.25	$ 1.96	$ 3.11
Undistributed Income (Loss)	0.86	(1.35)	(2.49)
Net Income per Class A Share: Basic and Diluted	$ 2.11	$ 0.61	$ 0.62

(1) See note 14 for information regarding the quarterly distributions declared and paid during 2016, 2015 and 2014.
(2) No allocation of undistributed 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.
(3) Participating securities consist of vested and unvested RSUs that have rights to distributions and unvested restricted shares.
(4) For the years ended December 31, 2016, 2015 and 2014, all of the classes of securities were determined to be anti-dilutive.

The Company has granted 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 (the "2007 Equity 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."

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.

Holders of AOG Units are subject to the vesting requirements (all of which have fully vested) 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. An AOG Unit holder must exchange one unit in each of the Apollo Operating Group partnerships to effectuate an exchange for one Class A share.

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 60.5%, 61.4% and 65.4% of the total voting power of the Company's shares entitled to vote as of December 31, 2016, 2015 and 2014, respectively.

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The following table summarizes the anti-dilutive securities for the years ended December 31, 2016, 2015 and 2014, respectively.

	For the Years Ended December 31,		
	2016	2015	2014
Weighted average vested RSUs	1,466,803	9,984,862	19,541,458
Weighted average unvested RSUs	5,975,293	4,858,935	9,556,131
Weighted average unexercised options	222,920	227,086	548,441
Weighted average AOG Units outstanding	215,917,462	219,575,738	225,005,386
Weighted average unvested restricted shares	82,301	90,985	—

Issuance of Class A Shares

During the years ended December 31, 2016, 2015 and 2014, the Company issued Class A shares in settlement of vested RSUs. 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 issued 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 issued to them at the time of exercise by an amount sufficient to cover the exercise price. The net share settlement results in a liability for the Company and a corresponding accumulated deficit adjustment. This adjustment for the years ended December 31, 2016, 2015 and 2014 was $40.7 million, $78.9 million and $0.4 million, respectively.

The table below summarizes the issuances of Class A shares in settlement of vested RSUs and share options for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Class A shares issued	4,625,304	11,296,338	10,491,649
Gross value of shares[(1)]	$ 108,716	$ 325,747	$ 289,000

(1) Based on the closing price of a Class A share at the time of issuance.

Share Repurchase Plan

In February 2016, Apollo adopted a plan to repurchase up to $250 million in the aggregate of its Class A shares, including up to $150 million in the aggregate of its outstanding Class A shares through a share repurchase program and up to $100 million through net share settlement of equity-based awards granted under the 2007 Equity Plan. During the year ended December 31, 2016, the Company repurchased and canceled 1.0 million Class A shares for $12.9 million and, in connection with net share settlements, reduced Class A shares to be issued to employees under the 2007 Equity Plan by 2.7 million Class A shares resulting in a payment by the Company of $40.7 million to satisfy the applicable withholding obligation.

13. EQUITY-BASED COMPENSATION

RSUs

The Company grants RSUs under the 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 is based on the grant date fair value, which considers the public share price of the Company's Class A shares subject to certain discounts, as applicable. The following table summarizes the weighted average discounts for Plan Grants and Bonus Grants for the years ended December 31, 2016, 2015 and 2014.

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	For the Years Ended December 31,		
	2016	**2015**	**2014**
Plan Grants:			
Discount for the lack of distributions until vested[1]	14.0%	26.0%	32.5%
Marketability discount for transfer restrictions[2]	3.8%	4.2%	5.1%
Bonus Grants:			
Marketability discount for transfer restrictions[2]	2.1%	2.2%	3.2%

(1) Based on the present value of a growing annuity calculation.
(2) Based on the Finnerty Model calculation.

The estimated total grant date 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 generally annual vesting over three years. The fair value of grants made during the years ended December 31, 2016, 2015 and 2014 was $62.6 million, $70.6 million and $149.1 million, respectively.

The following table presents the forfeiture rate and equity-based compensation expense recognized for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Actual forfeiture rate	8.8%	1.2%	6.7%
Equity-based compensation	$ 67,958	$ 65,661	$ 80,695

The following table summarizes RSU activity for the year ended December 31, 2016:

	Unvested	**Weighted Average Grant Date Fair Value**	**Vested**	**Total Number of RSUs Outstanding**
Balance at January 1, 2016	11,040,143	$ 16.40	6,294,053	17,334,196 [1]
Granted	3,406,655	18.37	—	3,406,655
Forfeited	(1,270,579)	19.74	—	(1,270,579)
Issued	—	16.43	(7,326,251)	(7,326,251)
Vested	(3,784,653)	18.54	3,784,653	—
Balance at December 31, 2016	9,391,566	$ 15.80	2,752,455	12,144,021 [1]

(1) Amount excludes RSUs which have vested and have been issued in the form of Class A shares.

Units Expected to Vest—As of December 31, 2016, approximately 9.0 million RSUs were expected to vest over the next 2.8 years.

Restricted Share Awards

The Company has granted restricted share awards under the 2007 Omnibus Equity Incentive Plan in connection with certain performance-based incentive plans and in connection with the 2015 Venator acquisition. These grants are accounted for as a grant of equity awards in accordance with U.S. GAAP. The fair value of all grants is based on the grant date fair value, which considers the public share price of the Company's Class A shares discounted primarily for transfer restrictions. The grant date fair value of these awards is recognized as equity based compensation expense on a straight-line basis over the vesting period of two to three years.

The following table presents the actual forfeiture rate and equity-based compensation expense recognized for the years ended December 31, 2016, 2015 and 2014:

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	For the Years Ended December 31,		
	2016	2015	2014[1]
Actual forfeiture rate	1.6%	—%	—%
Equity-based compensation	$ 3,478	$ 2,749	$ —

(1) There were no Restricted Share Awards granted in 2014.

The following table summarizes the restricted share award activity related to a performance-based incentive plan and the 2015 Venator acquisition for the year ended December 31, 2016:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of Restricted Share Awards Outstanding
Balance at January 1, 2016	105,866	$ 21.53	—	105,866
Granted	27,151	17.53	—	27,151
Forfeited	(2,117)	19.81	—	(2,117)
Issued	—	21.42	(51,764)	(51,764)
Vested	(51,764)	21.42	51,764	—
Balance at December 31, 2016	79,136	$ 20.27	—	79,136

Units Expected to Vest—As of December 31, 2016, approximately 75,971 restricted share awards were expected to vest over the next 1.5 years.

Share Options

The Company has granted options under the 2007 Equity Plan. For the years ended December 31, 2016, 2015 and 2014, compensation expense of $0.1 million, $0.1 million and $28.2 million was recognized as a result of these grants, respectively.

There were no share options granted during the years ended December 31, 2016, 2015 and 2014. Apollo measures the fair value of each option award on the date of grant using the Black-Scholes option-pricing model. As of December 31, 2016, there were 222,920 options outstanding, 160,417 options exercisable and 60,000 options. Unamortized compensation cost related to unvested share options at December 31, 2016 was $0.2 million and is expected to be recognized over a weighted average period of 1.5 years.

There were no options exercised or forfeited during the year ended December 31, 2016. The intrinsic value of options exercised was $0.0 million $0.1 million, and $26.6 million for the years ended December 31, 2016, 2015 and 2014, respectively.

AAA RDUs

Incentive units that provide the right to receive AAA restricted depositary units (“RDUs”) following vesting have been granted to employees of the Company. The incentive units granted to employees generally vest over three years and vested AAA RDUs can be converted into ordinary common units of AAA subject to applicable securities law restrictions. For the years ended December 31, 2016, 2015 and 2014, compensation expense of $1.7 million, $0.7 million and $0.4 million was recognized, respectively, in connection with AAA RDU grants. All AAA incentive units were fully vested and settled in the form of RDUs as of December 31, 2016.

Restricted Stock and Restricted Stock Unit Awards—ARI and AMTG

ARI granted restricted stock awards and restricted stock unit awards ("ARI Awards") and Apollo Residential Mortgage, Inc. (“AMTG”) granted restricted stock unit awards (“AMTG RSUs”) to the Company and certain employees of the Company. These awards generally vest over three years, either quarterly or annually.

The awards granted to the Company are recorded as investments under the equity method of accounting and deferred revenue in the consolidated statements of financial condition. As these awards vest, the deferred revenue is recognized as management fees.

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The ARI Awards and AMTG RSUs granted to the Company's employees are recorded in other assets and other liabilities in the consolidated statements of financial condition. The grant date fair value of the asset is amortized through equity-based compensation on a straight-line basis over the vesting period. The fair value of the liability is remeasured each period with any changes in fair value recorded in compensation expense in the consolidated statements of operations. Compensation expense is offset by related management fees earned by the Company from ARI and AMTG, respectively.

The grant date fair value of the employees' awards is based on the then public share price of ARI and AMTG at grant, less discounts for transfer restrictions as well as timing of distributions.

On August 31, 2016, pursuant to the terms and conditions of the Agreement and Plan of Merger, dated February 26, 2016 by and among ARI, AMTG and Arrow Merger Sub, Inc., a wholly owned subsidiary of the Company ("Merger Sub"), Merger Sub was merged with and into AMTG (the "first merger"), with AMTG continuing as the surviving entity and as a subsidiary of the Company, and AMTG merged with and into ARI (the "second merger") with ARI continuing as the surviving entity in the second merger. At the effective time of the first merger, each share of common stock of AMTG issued and outstanding immediately prior to the First Merger was converted into the right to receive $6.86 in cash, without interest and 0.417571 shares of ARI's common stock, with limited exceptions.

The following table summarizes the management fees, equity-based compensation expense, and actual forfeiture rates for the ARI Awards for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Management fees	$ 6,643	$ 3,334	$ 1,326
Equity-based compensation	6,643	3,081	1,329
Actual forfeiture rate	3.8%	1.3%	—%

The following table summarizes the management fees, compensation expense, and actual forfeiture rates for the AMTG RSUs for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Management fees	$ 2,478	$ 1,171	$ 915
Equity-based compensation	2,478	1,171	828
Actual forfeiture rate	0.1%	2.5%	2.5%

The following tables summarize activity for the ARI Awards and AMTG RSUs that were granted to certain of the Company's employees for the year ended December 31, 2016:

	ARI Awards Unvested	Weighted Average Grant Date Fair Value	ARI Awards Vested	Total Number of ARI Awards Outstanding
Balance at January 1, 2016	893,810	$ 16.88	365,000	1,258,810
Granted	903,068	16.35	—	903,068
Forfeited	(68,698)	16.35	—	(68,698)
Delivered	(390,051)	17.23	—	(390,051)
Vested	(404,383)	16.38	404,383	—
Balance at December 31, 2016	933,746	$ 16.48	769,383	1,703,129

Units Expected to Vest—As of December 31, 2016, approximately 896,396 ARI Awards were expected to vest over the next 2.5 years.

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	AMTG RSUs Unvested	Weighted Average Grant Date Fair Value	AMTG RSUs Vested	Total Number of AMTG RSUs Outstanding
Balance at January 1, 2016	90,591	$ 15.85	57,581	148,172
Granted	91,427	12.53	—	91,427
Forfeited	(207)	13.38	—	(207)
Delivered	—	13.65	(239,392)	(239,392)
Vested	(181,811)	12.91	181,811	—
Balance at December 31, 2016	—	$ —	—	—

Restricted Share Awards—Athene Holding

The Company has granted Athene Holding restricted share awards to certain employees of the Company. Separately, Athene Holding has also granted restricted share awards to certain employees of the Company. Both awards are collectively referred to as the "AHL Awards". Certain of the AHL Awards function similarly to options as they are exchangeable for Class A shares of Athene Holding upon payment of a conversion price and the satisfaction of certain other conditions. The awards granted are either subject to time-based vesting conditions that generally vest over three to five years or vest upon achieving certain metrics, such as attainment of certain rates of return and realized cash received by certain investors in Athene Holding upon sale of their shares.

The Company records the AHL Awards in other assets and other liabilities in the consolidated statements of financial condition. The fair value of the asset is amortized through equity-based compensation over the vesting period. The fair value of the liability is remeasured each period with any changes in fair value recorded in compensation expense in the consolidated statements of operations. For AHL Awards granted by Athene Holding, compensation expense related to amortization of the asset is offset by related management fees earned by the Company from Athene.

The grant date fair value of the AHL Awards is based on the share price of Athene Holding, less discounts for transfer restrictions. The AHL Awards that function similarly to options 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, while the other awards were valued using the share price of Athene Holding less any discounts for transfer restrictions.

The following table summarizes the management fees, equity-based compensation expense and actual forfeiture rates for the AHL Awards for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Management fees	$ 19,173	$ 23,697	$ 16,738
Equity-based compensation	20,560	24,180	16,738
Actual forfeiture rate	3.2%	—%	—%

The following table summarizes activity for the AHL Awards that were granted to certain employees of the Company for the year ended December 31, 2016:

	AHL Awards Unvested	Weighted Average Grant Date Fair Value	AHL Awards Vested	Total Number of AHL Awards Outstanding
Balance at January 1, 2016	1,515,878	$ 3.54	1,044,869	2,560,747
Granted	181,105	33.89	—	181,105
Vested	(981,617)	3.68	981,617	—
Forfeited	(54,478)	1.23	—	(54,478)
Delivered	—	4.75	(1,018,462)	(1,018,462)
Balance at December 31, 2016	660,888	$ 11.83	1,008,024	1,668,912

Certain of the AHL Awards were not convertible into Class A shares of Athene Holding until the completion of an initial public offering of Athene Holding.

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Units Expected to Vest—As of December 31, 2016, 423,990 AHL Awards are expected to vest over the next 2.5 years and 236,898 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 equity-based compensation 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 years ended December 31, 2016, 2015 and 2014:

	For the Year Ended December 31, 2016			
	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, share options and restricted share awards	$ 71,562	—%	$ —	$ 71,562
AHL Awards	20,560	53.7	11,049	9,511
Other equity-based compensation awards	10,861	53.7	5,837	5,024
Total equity-based compensation	$ 102,983		16,886	86,097
Less other equity-based compensation awards[2]			(16,886)	(16,510)
Capital increase related to equity-based compensation			$ —	$ 69,587

	For the Year Ended December 31, 2015			
	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, share options and restricted share awards	$ 68,535	—%	$ —	$ 68,535
AHL Awards	24,180	54.4	13,158	11,022
Other equity-based compensation awards	4,961	54.4	2,699	2,262
Total equity-based compensation	$ 97,676		15,857	81,819
Less other equity-based compensation awards[2]			(15,857)	(13,860)
Capital increase related to equity-based compensation			$ —	$ 67,959

	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, share options and restricted share awards	$ 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

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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.

14. RELATED PARTY TRANSACTIONS AND INTERESTS IN CONSOLIDATED ENTITIES

Management fees, transaction and advisory fees and reimbursable expenses from the funds and portfolio companies that the Company manages are included in due from related parties in the consolidated statements of financial condition. The Company also typically facilitates the initial payment of certain operating costs incurred by the funds that it manages as well as their related parties. These costs are normally reimbursed by such funds and are included in due from related parties.

Due from related parties and due to related parties are comprised of the following:

	As of December 31, 2016	As of December 31, 2015
Due from Related Parties:		
Due from private equity funds	$ 19,089	$ 21,532
Due from portfolio companies	34,339	36,424
Due from credit funds	112,516	124,660
Due from Contributing Partners, employees and former employees	72,305	42,491
Due from real estate funds	16,604	22,728
Total Due from Related Parties	$ 254,853	$ 247,835
Due to Related Parties:		
Due to Managing Partners and Contributing Partners	$ 506,542	$ 506,162
Due to private equity funds	56,880	16,293
Due to credit funds	66,859	57,981
Due to real estate funds	281	580
Distributions payable to employees	7,564	13,520
Total Due to Related Parties	$ 638,126	$ 594,536

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. APO Corp. retains the benefit from the remaining 15% of actual cash tax savings. 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 15 years.

As a result of the exchanges of AOG Units for Class A shares during the years ended December 31, 2016, 2015 and 2014, a $6.2 million, $45.4 million and $47.9 million liability was recorded, respectively, to estimate the amount of the future expected payments to be made by APO Corp. to the Managing Partners and Contributing Partners pursuant to the tax receivable agreement.

In April, 2015 and 2014, Apollo made cash payments pursuant to the tax receivable agreement resulting from the realized tax benefit for each preceding tax year. Included in the payments was interest paid to the Managing Partners and Contributing Partners. There were no such cash payments made in 2016. The table below presents the cash payments made during 2015 and 2014.

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Date	Cash Payment	Interest Paid to Managing Partners	Interest Paid to Contributing Partners
April, 2015	$ 48,420	$ 13,090	$ 555
April, 2014	32,032	8,272	469

During the years ended December 31, 2016 and 2014, the Company reduced the tax receivable agreement liability and recorded $3.2 million and $32.2 million, respectively, in other income, net in the consolidated statement of operations due to changes in estimated tax rates.

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 2016, 2015 and 2014 (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 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
February 5, 2015	$ 0.86	February 27, 2015	$ 144.4	$ 191.3	$ 335.7	$ 15.3
April 11, 2015	—	April 11, 2015	—	22.4 (1)	22.4	—
May 7, 2015	0.33	May 29, 2015	56.8	72.8	129.6	4.9
July 29, 2015	0.42	August 31, 2015	74.8	91.2	166.0	5.1
October 28, 2015	0.35	November 30, 2015	63.4	75.7	139.1	3.1
For the year ended December 31, 2015	$ 1.96		$ 339.4	$ 453.4	$ 792.8	$ 28.4
February 3, 2016	$ 0.28	February 29, 2016	$ 51.4	$ 60.5	$ 111.9	$ 2.1
May 6, 2016	0.25	May 31, 2016	46.0	54.0	100.0	1.8
August 3, 2016	0.37	August 31, 2016	68.4	79.9	148.3	2.4
October 28, 2016	0.35	November 30, 2016	64.9	75.4	140.3	2.1
For the year ended December 31, 2016	$ 1.25		$ 230.7	$ 269.8	$ 500.5	$ 8.4

(1) On April 3, 2014, June 16, 2014, September 11, 2014, December 15, 2014 and April 11, 2015, the Company made a $0.22, $0.13, $0.06, $0.11 and $0.10 distribution per AOG Unit to the Non-Controlling Interest holders in the Apollo Operating Group.

Due from Contributing Partners, Employees and Former Employees

As of December 31, 2016 and December 31, 2015, due from Contributing Partners, Employees and Former Employees includes various amounts due to the Company including employee loans and return of profit sharing distributions. As of December 31, 2016 and December 31, 2015, the balance included interest-bearing employee loans receivable of $26.1 million and $25.0 million, respectively. The outstanding principal amount of the loans as well as all accrued and unpaid interest is required to be repaid at the earlier of the eighth anniversary of the date of the relevant loan or at the date of the relevant employee's resignation from the Company.

The Company recorded a receivable from the Contributing Partners and certain employees and former employees for the potential return of profit sharing distributions that would be due if certain funds were liquidated as of December 31, 2016 and December 31, 2015 of $39.3 million and $14.7 million, respectively.

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. Pursuant to an existing shareholders agreement includes clauses that the Company has agreed to 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. The Company recorded an indemnification liability of $5.9 million and $4.6 million, respectively, as of December 31, 2016 and December 31, 2015.

Due to Private Equity Funds

Based upon a hypothetical liquidation of certain funds as of December 31, 2016, the Company has recorded a general partner obligation to return previously distributed carried interest income, which represents amounts due to these funds. As such, there was a general partner obligation to return previously distributed carried interest income of $56.0 million accrued as of December 31, 2016. As of December 31, 2015, the Company accrued a general partner obligation to return previously distributed carried interest income of $14.2 million. 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.

Due to Credit Funds

Based upon a hypothetical liquidation of certain of our credit funds, as of December 31, 2016 and December 31, 2015, the Company has recorded a general partner obligation to return previously distributed carried interest income, which represents amounts due to these funds. As such, there was a general partner obligation to return previously distributed carried interest income of $60.6 million accrued as of December 31, 2016. As of December 31, 2015, the Company accrued a general partner obligation to return previously distributed carried interest income of $57.8 million. 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 or other governing document of the fund.

Athene

Athene Holding was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene Holding, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs.

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The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements. Athene Holding became an effective registrant on December 9, 2016 under the U.S. Securities Exchange Act of 1934, as amended, and trades on the New York Stock Exchange (NYSE) under the symbol "ATH".

The Company, through its consolidated subsidiary, Athene Asset Management, provides asset management services to Athene, including asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions, asset diligence hedging and other asset management services, and receives a gross management fee of 0.40% per annum on all assets under management in accounts owned by or related to Athene (the "Athene Accounts") with certain limited exceptions. Another subsidiary of the Company, AAME, provides investment advisory services to Athene and receives a gross fee of 0.10% per annum on the assets with respect to which it advises.

Under a transaction advisory services agreement with Athene (the "Athene Services Agreement"), effective February 5, 2013 through December 31, 2014, Apollo earned 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 (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 adjusted 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 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, were paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding. 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 year ended December 31, 2014, Apollo earned $226.4 million related to this monitoring fee. The monitoring fee is recorded in advisory and transaction fees from affiliates, net, in the consolidated statements of operations.

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 Holding (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 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 were paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding. There were no management fees receivable as of December 31, 2016 and December 31, 2015 as AAA Investments' obligation to pay the existing management fee terminated on December 31, 2014. The total management fees earned by Apollo related to the Amended AAA Services Agreement were $3.4 million, $3.4 million and $1.9 million for the years ended December 31, 2016, 2015 and 2014, respectively. These management fees are recorded in management fees from affiliates in the consolidated statements of operations.

The Company provides sub-advisory services with respect to a portion of the assets in the Athene Accounts. In addition, from time to time, Athene also invests in funds and investment vehicles that Apollo manages. The Company broadly refers to "Athene Sub-Advised" assets under management as those assets in the Athene Accounts which the Company explicitly sub-advises as well as those assets in the Athene Accounts which are invested directly in funds and investment vehicles Apollo manages ("Athene Assets Directly Invested").

With respect to assets in the Athene Accounts which the Company explicitly sub-advises, the Company earns up to 0.40% per annum on assets up to $10 billion and 0.35% per annum on all such assets in excess of $10 billion, with certain limited

exceptions. These fees are in addition to the gross management fee of 0.40% per annum paid to Athene Asset Management on the portion of such assets that it manages and the gross fee of 0.10% per annum paid to AAME on the portion of such assets that it advises. A majority of the assets in the Athene Accounts which the Company explicitly sub-advises are in accounts that invest in high-grade credit asset classes, such as CLO debt, commercial mortgage backed securities and insurance-linked securities.

With respect to Athene Assets Directly Invested, Apollo receives management fees and carried interest, if applicable, directly from the relevant funds under the investment management agreements and other governing documents of such funds. Fees paid to the Company related to such fund investments vary from 0% per annum to 1.75% per annum with respect to management fees and 0% to 20% with respect to carried interest. These fees are in addition to the gross management fee of 0.40% per annum paid to Athene Asset Management on the portion of such assets that it manages and the gross fee of 0.10% per annum paid to AAME on the portion of such assets it advises.

The Company refers to the portion of the Athene Asset Management assets under management that is not Athene Sub-Advised as "Athene Non-Sub-Advised". Athene Asset Management and other Apollo subsidiaries incur all expenses associated with their provision of services to Athene.

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 is not entitled to receive any carried interest with respect to the shares of Athene Holding that were 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. Apollo may elect to receive payment of carried interest receivable from AAA Investments in cash or in common shares of Athene Holding (valued at the then fair market value); and if Apollo elects to receive payment of such carried interest in cash, then common shares of Athene Holding shall be distributed to Apollo and immediately sold by Apollo to pay for such carried interest in cash. For the years ended December 31, 2016, 2015 and 2014, the Company recorded carried interest income, taking into account the related profit sharing expense, of $47.8 million, $36.1 million and $14.6 million, respectively, from AAA Investments, which is recorded in the consolidated statements of operations. As of December 31, 2016 and December 31, 2015, the Company had a $229.8 million and $185.5 million carried interest receivable, respectively, related to AAA Investments. As of December 31, 2016 and December 31, 2015, the Company had a related profit sharing payable of $80.6 million and $62.8 million, respectively, recorded in profit sharing payable in the consolidated statements of financial condition.

For the years ended December 31, 2016, 2015 and 2014, Apollo earned revenues in the aggregate totaling $547.0 million, $526.5 million and $546.5 million, respectively, consisting of management fees, sub-advisory, monitoring fees and carried interest income from Athene after considering the related profit sharing expense and changes in the market value of the Athene Holding shares owned directly by Apollo, which is recorded in the consolidated statements of operations. These amounts exclude the deferred revenue recognized as management fees associated with the vesting of AHL Awards granted to employees of Athene Asset Management as further described in note 13.

The Company had an approximate 8.9% economic ownership interest in Athene Holding as of December 31, 2016, which comprises Apollo's direct 8.0% economic ownership interest in Athene Holding plus an additional 0.9% economic ownership interest, which is calculated as the sum of the Company's approximate 2.2% economic ownership interest in AAA and the Company's approximate 0.06% economic ownership interest in AAA Investments, multiplied by AAA Investments' approximate 39.4% economic ownership interest in Athene, calculated without giving effect to restricted common shares issued under Athene's management equity plan as of December 31, 2016.

The Company had an approximate 9.2% economic ownership interest in Athene Holding as of December 31, 2015, which comprises Apollo's direct ownership of 8.0% of the economic equity of Athene Holding plus an additional 1.2% economic ownership interest, which is calculated as the sum of the Company's approximate 2.4% economic ownership interest in AAA and the Company's approximate 0.06% economic ownership interest in AAA Investments, multiplied by AAA Investments' approximate 46.3% economic ownership interest in Athene, calculated without giving effect to restricted common shares issued under Athene's management equity plan as of December 31, 2015.

AAA Investments Credit Agreement

On April 30, 2015, Apollo entered into a revolving credit agreement with AAA Investments ("AAA Investments Credit Agreement"). Under the terms of the AAA Investments Credit Agreement, the Company shall make available to AAA Investments one or more advances at the discretion of AAA Investments in the aggregate amount not to exceed a balance of $10.0 million at an applicable rate of LIBOR plus 1.5%. The Company receives an annual commitment fee of 0.125% on the unused portion of

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the loan. As of December 31, 2016, $4.0 million had been advanced by the Company and remained outstanding on the AAA Investments Credit Agreement.

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, 2016. From time to time, this entity is involved in transactions with related parties of Apollo, including portfolio companies of the funds Apollo manages, whereby AGS earns underwriting and transaction fees for its services.

Interests in Consolidated Entities

The table below presents equity interests in Apollo's consolidated, but not wholly-owned, subsidiaries and funds. Net income and comprehensive income attributable to Non-Controlling Interests consisted of the following:

	For the Years Ended December 31,		
	2016	2015	2014
AAA[1]	$ —	$ —	$ (196,964)
Interest in management companies and a co-investment vehicle[2]	(7,403)	(10,543)	(13,186)
Other consolidated entities	1,614	(10,821)	(17,590)
Net income attributable to Non-Controlling Interests in consolidated entities	(5,789)	(21,364)	(227,740)
Net income attributable to Appropriated Partners' Capital[3]	—	—	70,729
Net income attributable to Non-Controlling Interests in the Apollo Operating Group	(561,668)	(194,634)	(404,682)
Net Income attributable to Non-Controlling Interests	$ (567,457)	$ (215,998)	$ (561,693)
Net income attributable to Appropriated Partners' Capital[4]	—	—	(70,729)
Other comprehensive loss attributable to Non-Controlling Interests	2,587	7,020	591
Comprehensive Income Attributable to Non-Controlling Interests	$ (564,870)	$ (208,978)	$ (631,831)

(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 as of December 31, 2014, which was approximately 97.5%. As of December 31, 2014, Apollo owned approximately 2.5% of AAA. AAA was deconsolidated effective January 1, 2015 as a result of the Company's adoption of new accounting guidance, as described in note 2.

(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.

15. COMMITMENTS AND CONTINGENCIES

Investment Commitments—As a limited partner, general partner and manager of the Apollo funds, Apollo had unfunded capital commitments as of December 31, 2016 and December 31, 2015 of $607.9 million and $566.3 million, respectively.

Debt Covenants—Apollo's debt obligations contain various customary loan covenants. As of December 31, 2016, the Company was not aware of any instances of non-compliance with the financial covenants contained in the documents governing the Company's debt obligations.

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.

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. California Public Employees' Retirement System ("CalPERS"), one of Apollo's 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 had stayed this action pending the result in the criminal case against Mr. Villalobos but lifted the stay on May 1, 2015; in light of Mr. Villalobos's death, the criminal case was dismissed. On August 25, 2016, Christina Lovato, in her capacity as the Chapter 7 Trustee for the Arvco Debtors, filed an amended complaint. 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 "Dismissal Order"), but gave the Indenture Trustees until March 2, 2015 to seek to amend their respective complaints. On March 2, 2015, the First Lien Trustee filed a motion seeking to amend its complaint. On April 10, 2015, the defendants, including AGM and Euro VI (BC) S.a.r.l., filed an opposition to the First Lien Trustee's motion to amend. Instead of moving again to amend its complaint,

the 1.5 Lien Trustee chose to appeal the Dismissal Order (the "1.5 Lien Appeal"). On March 30, 2015, the 1.5 Lien Trustee filed its Statement of Issues and Designation of Record on Appeal. On March 31, 2015, because the legal issues presented in the 1.5 Lien Appeal are substantially similar to those presented in the First Lien Intercreditor Action, the parties in the 1.5 Lien Appeal submitted a joint stipulation and proposed order to the District Court staying the briefing schedule on the 1.5 Lien Appeal pending the outcome of the First Lien Trustee's most recent motion to amend. On April 13, 2015, the Defendants filed their Counter-Designation of the Record on Appeal in the 1.5 Lien Appeal. On May 8, 2015, the Bankruptcy Court denied the motion to amend filed on March 2, 2015 by the First Lien Trustee. On May 27, 2015, the First Lien Trustee filed a notice of appeal from the orders of the Bankruptcy Court dismissing the First Lien Intercreditor Action and denying the First Lien Trustee's motions to amend (the "First Lien Appeal"). On June 2, 2015, the First Lien Trustee filed its Statement of Issues and Designation of Record on Appeal. On June 24, 2015, the defendants filed their Counter-Designation of the Record on Appeal in the First Lien Appeal. On July 31, 2015, the 1.5 Lien Trustee sent a letter to the federal district court hearing the 1.5 Lien Appeal asking the court to consolidate the 1.5 Lien Appeal with the First Lien Appeal which had been assigned to a different judge (the "Consolidation Request"). On April 8, 2016, the court granted the Consolidation Request. On May 20, 2016, the Indenture Trustees filed their opening appellate brief. The Appellees filed their response brief on July 14, 2016, and the Indenture Trustees filed their reply brief on August 5, 2016. The court has not yet set a date for oral argument. Apollo is unable at this time to assess a potential risk of loss. In addition, Apollo does not believe that AGM is a proper defendant in these actions.

There are several pending actions concerning transactions related to Caesars Entertainment Corporation ("Caesars Entertainment"), Caesars Entertainment Operating Company, Inc. ("CEOC") and certain of their respective subsidiaries.

A. In re: Caesars Entertainment Operating Company, Inc. bankruptcy proceedings, No. 15-01145 (N.D. Ill. Bankr.) (the "Illinois Bankruptcy Action"). On January 17, 2017, an order was entered in the Illinois Bankruptcy Action confirming a plan of reorganization for CEOC and its debtor subsidiaries (the "Plan") which, inter alia, grants broad releases to Apollo (as defined below) and others. The Plan is likely to become effective in the third quarter of 2017 after the conditions to its effectiveness have been satisfied. On the effective date of the Plan (the "Plan Effective Date"), the Apollo Released Parties (as defined below) will be released from the claims in the WSFS Action, the UMB Action, the Trilogy Action, the Danner Action, the BOKF Action, the UMB SDNY Action, the Wilmington Trust Action and the CEOC Action (each as defined below).

- Background: On January 12, 2015, three holders of CEOC second lien notes filed an involuntary bankruptcy petition against CEOC in the United States Bankruptcy Court for the District of Delaware (the "Delaware Bankruptcy Action"). On January 15, 2015, CEOC and certain of its affiliates (collectively the "Debtors") filed the Illinois Bankruptcy Action under Chapter 11 in the Northern District of Illinois. On February 2, 2015, the court in the Delaware Bankruptcy Action ordered that all bankruptcy proceedings relating to the Debtors should take place in the Illinois Bankruptcy Action. The Illinois Bankruptcy Court held an evidentiary hearing to determine whether the Debtors' petition date was January 12, 2015 or January 15, 2015; this motion has not yet been ruled on by the Illinois Bankruptcy Court, and pursuant to the Plan this motion will be dismissed as moot. Certain of the Debtors' creditors indicated in filings with the Illinois Bankruptcy Court that an investigation into certain acts and transactions that predated the Debtors' bankruptcy filing could lead to claims against a number of parties, including AGM and certain of its affiliates. No such claims were brought by the Debtors' prepetition creditors against Apollo in the Illinois Bankruptcy Action. On May 13, 2016, the Official Committee of Second Priority Noteholders (the "Second Lien Noteholders Committee") filed a motion seeking an Order granting it standing to commence, prosecute and settle claims on behalf of the Debtors' estates (the "Standing Motion"). The proposed complaint filed with the Standing Motion names Apollo and many others as defendants (see also "H" below). On or about September 27, 2016, Caesars Entertainment and the Debtors announced that they had received confirmations from representatives of the Debtors' major creditor groups of those groups' support for a term sheet that describes the key economic terms of a proposed consensual chapter 11 plan for the Debtors. On October 4, 2016, the Debtors filed the Third Amended Joint Plan of Reorganization which subsequently was amended and became the Plan. As part of the Plan, and in connection with the merger between Caesars Entertainment and Caesars Acquisition Company ("CAC"), funds managed by Apollo will not retain any of their equity interests in the merged Caesars Entertainment on account of their pre-merger Caesars Entertainment shares. Such equity interests would, instead, be for the benefit of CEOC's creditors. Funds managed by Apollo will, however, retain their equity interests in the merged Caesars Entertainment on account of their CAC shares. The voting deadline on the Plan was November 21, 2016, and approximately 90% in dollar amount of the Debtors' creditors voted in favor of the Plan. On October 17, 2016, the Bankruptcy Court granted the Debtors' requested injunction of the WSFS, Trilogy, Danner, UMB, Wilmington Trust and BOKF Actions (defined below "B", "C", "D", "F" and "G") (the "105 Injunction") through the first omnibus hearing after Plan confirmation, and by order

dated January 26, 2017 the 105 Injunction was extended to, inter alia, the Plan Effective Date. At the confirmation hearing, no creditor presented any objection to the Plan. As noted above, the Plan was confirmed by the Illinois Bankruptcy Court and will become effective after the conditions to its effectiveness have been satisfied. The Plan provides several parties, including, Apollo and certain of its affiliates (collectively referred to as the "Apollo Released Parties") with a release of claims that the Debtors and the Debtors' creditors have or may have against any or all of the Apollo Released Parties, including those described below in the WSFS Action, the Trilogy Action, the Danner Action, the UMB Action, the BOKF Action, the Wilmington Trust Action and the CEOC Action.

B. Wilmington Savings Fund Society, FSB v. Caesars Entertainment Corp. et al., No. 10004-CVG (Del. Ch.) (the "WSFS Action"). On August 4, 2014, Wilmington Savings Fund Society, FSB ("WSFS"), as trustee for certain CEOC second-lien 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 (a consultant to Apollo), in Delaware's Court of Chancery (the "Delaware 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 among CEOC and certain of its subsidiaries and Caesars Entertainment and certain of its affiliates, and (ii) requests (among other things) that the Delaware Court unwind the challenged transactions and award damages. WSFS served a subpoena for documents on Apollo on September 11, 2014, but Apollo's response was stayed during the pendency of motions to dismiss under a September 23, 2014 stipulated order. On March 18, 2015, the Delaware Court denied Defendants' motion to dismiss. Apollo served responses and objections to WSFS' subpoena on March 25, 2015. Caesars Entertainment answered the complaint on April 1, 2015. During the pendency of CEOC's bankruptcy proceedings, the WSFS Action has been automatically stayed with respect to CEOC. WSFS additionally advised the Illinois Bankruptcy Court that, during CEOC's bankruptcy proceedings, WSFS would only pursue claims in the WSFS Action relating to whether Caesars Entertainment remains liable on a guarantee of certain of CEOC's second priority notes. On July 17, 2015, WSFS served supplemental subpoenas to several entities affiliated with AGM, and AGM and these entities have substantially completed their production of non-privileged documents responsive to those subpoenas. On March 11, 2016, WSFS filed a motion for partial summary judgment (the "Summary Judgment Motion") on its breach of contract claim against Caesars Entertainment. On April 25, 2016, Caesars Entertainment filed a joint Cross-Motion for Partial Summary Judgment and answering brief in opposition to WSFS' Summary Judgment Motion (the "Cross-Motion"). WSFS filed its joint reply and opposition to Caesars Entertainment's Cross-Motion on May 25, 2016, and Caesars Entertainment filed a reply to WSFS' opposition on June 9, 2016. On June 15, 2016, the Illinois Bankruptcy Court issued a temporary restraining order and preliminary injunction pursuant to Section 105(a) of the Bankruptcy Code enjoining the plaintiffs in the WSFS Action from prosecuting actions against Caesars Entertainment until August 29, 2016. On October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the WSFS Action initially through the first omnibus hearing after Plan confirmation, and now through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the WSFS Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

C. Trilogy Portfolio Company, L.L.C., et al. v. Caesars Entertainment Corp., et al., No. 14-cv-7091 (S.D.N.Y.) (the "Trilogy Action"). On September 3, 2014, institutional investors allegedly holding approximately $137 million in CEOC unsecured senior notes sued CEOC and Caesars Entertainment in federal court in New York (the "New York Court") for breach of contract and the implied covenant of good faith, Trust Indenture Act ("TIA") 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. Caesars Entertainment and CEOC filed a motion to dismiss on November 12, 2014. On January 15, 2015, the New York Court granted the motion with respect to a TIA claim by Trilogy but otherwise denied the motion. On January 30, 2015, plaintiffs filed an amended complaint seeking relief against Caesars Entertainment only, and Caesars Entertainment answered on February 12, 2015. 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 claims similar to those in the Trilogy Action. On February 19, 2015, plaintiffs filed an amended complaint, and Caesars Entertainment answered the amended complaint on February 25, 2015. In March 2015, each of Trilogy and Danner served subpoenas for documents on Apollo. Apollo produced responsive, non-privileged documents in response to those subpoenas. In July 2015, Trilogy and Danner served subpoenas for depositions on Apollo and those depositions were completed on September 22, 2015. On October 23, 2015, Trilogy and Danner filed motions

for partial summary judgment, related to TIA and breach of contract claims. On December 29, 2015, the New York Court denied the motions for partial summary judgment. On March 23, 2016, the judge presiding over the Trilogy and Danner Actions announced that she was retiring from the bench effective April 28, 2016. A new judge was assigned to preside over the Trilogy and Danner Actions (in addition to the BOKF, UMB SDNY and Wilmington Trust Actions, defined below). On April 6, 2016, the parties agreed to a renewed summary judgment schedule for the Trilogy, Danner, BOKF, UMB SDNY (as defined below) and Wilmington Trust Actions. The moving parties submitted their briefs to the New York Court on May 10, 2016. Opposition briefs were filed on May 31, 2016. Reply briefs were filed on June 14, 2016. On June 15, 2016, the Illinois Bankruptcy Court issued a temporary restraining order and preliminary injunction pursuant to Section 105(a) of the Bankruptcy Code, enjoining the plaintiffs in the Trilogy and Danner Actions from prosecuting actions against Caesars Entertainment until August 29, 2016. On October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction, staying the Trilogy and Danner Actions initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the Trilogy and Danner Actions. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

D. 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 the Delaware Court. The UMB Action 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 WSFS Action. The UMB Action has effectively been stayed since April 7, 2016, and on October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the UMB Action initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the UMB Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

E. 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's 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. The case has been dismissed for failure to prosecute, and the time granted to the plaintiff to refile has passed without there being any refiling.

F. BOKF, N.A. v. Caesars Entertainment Corporation, No. 15-156 (S.D.N.Y) (the "BOKF Action"). On March 3, 2015, BOKF, N.A., as trustee for certain CEOC notes, sued Caesars Entertainment in the New York Court. The lawsuit alleges claims for breach of contract, intentional interference with contractual relations and a declaratory judgment, and seeks to enforce Caesars Entertainment's guarantee of certain CEOC notes. The BOKF Action has been assigned to the same judge in the New York Court as the Trilogy and Danner Actions. On March 25, 2015, Caesars Entertainment filed an answer to the complaint. On May 19, 2015, BOKF sent the New York Court a letter requesting permission to file a partial summary judgment motion on Counts II and V of its complaint, related to the validity and enforceability of Caesars Entertainment's guarantee of certain notes issued by CEOC and alleged violations of the Trust Indenture Act, 15 U.S.C. §§ 76aaa, et seq. The Trilogy and Danner plaintiffs did not join BOKF's request to file for partial summary judgment. On May 28, 2015, the New York Court granted BOKF permission to move for partial summary judgment. On June 15, 2015, another related complaint captioned UMB Bank, N.A. v. Caesars Entertainment Corp., et al., No. 15-cv-4634 (S.D.N.Y.) (the "UMB SDNY Action") was filed by UMB Bank, N.A., solely in its capacity as Indenture Trustee of certain first lien notes ("UMB"), against Caesars Entertainment alleging claims similar to those alleged in the BOKF, Trilogy and Danner Actions. On June 16, 2015, UMB sent a letter to the New York Court requesting permission to file a partial summary judgment motion on the same schedule with BOKF. On June 26, 2015, BOKF and UMB filed partial summary judgment motions (the "Partial Summary Judgment Motions"). On July 24, 2015, Caesars Entertainment filed its opposition to the Partial Summary Judgment Motions, and on August 7, 2015, BOKF and UMB filed reply briefs in

further support of the Partial Summary Judgment Motions. On August 27, 2015, the New York Court denied the Partial Summary Judgment Motions and certified its opinion for an interlocutory appeal to the United States Court of Appeals for the Second Circuit. On December 22, 2015, the Second Circuit declined to hear the interlocutory appeal. Separately, on November 20, 2015, BOKF and UMB filed a second set of motions for partial summary judgment, on the issue of the disputed contract interpretation related to indenture release provisions. On January 5, 2016 the New York Court denied these motions. At a hearing on February 22, 2016, the New York Court bifurcated the trial in the BOKF and UMB SDNY Actions and scheduled the trial on the breach of contract and TIA claims to begin on March 14, 2016. The New York Court ordered a separate trial on the claims for breach of the covenant of good faith and fair dealing and tortious interference with contract to begin at a later date to be determined. On February 26, 2016, the Illinois Bankruptcy Court granted the stay request as to the BOKF Action until May 9, 2016, resulting in a stay of the trial on the breach of contract and TIA claims in the BOKF and UMB SDNY Actions. On February 24, 2016, Caesars Entertainment filed a motion for partial summary judgment to dispose of the claims for (1) breach of the implied covenant of good faith and fair dealing brought by BOKF and UMB, and (2) intentional interference with contractual relations brought by BOKF. The moving parties submitted their briefs on May 10, 2016. Opposition briefs were filed on May 31, 2016. Reply briefs were filed on June 14, 2016. On June 15, 2016, the Illinois Bankruptcy Court issued a temporary restraining order and preliminary injunction pursuant to Section 105(a) of the Bankruptcy Code, enjoining the plaintiffs in the BOKF Action from prosecuting actions against Caesars Entertainment until August 29, 2016. On October 17, 2016, after several motions and appeals relating to extending the stay past August 29, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the BOKF Action initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the BOKF Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

G. Wilmington Trust, National Association v. Caesars Entertainment Corporation, No. 15-cv-08280 (S.D.N.Y.) (the "Wilmington Trust Action"). On October 20, 2015, Wilmington Trust, N.A., solely in its capacity as Indenture Trustee for the 10.75% Notes due 2016 ("Wilmington Trust"), sued Caesars Entertainment in the New York Court alleging claims similar to those alleged in the BOKF, UMB, Trilogy, and Danner Actions. The parties cross-moved for partial summary judgment on the same schedule as the Trilogy Action. Caesars Entertainment argued that its actions did not violate the TIA and that its guarantee of the 10.75% Notes was automatically released under a certain clause contained in the indenture governing the 10.75% Notes. Wilmington Trust argued that Caesars Entertainment's actions constituted an improper out-of-court reorganization under the TIA and that Caesars Entertainment's guarantee was not released because the necessary conditions precedent did not occur. Although the temporary restraining order and preliminary injunction issued by the Illinois Bankruptcy Court did not apply to the Wilmington Trust Action, on July 6, 2016, Wilmington Trust and Caesars Entertainment filed a stipulation staying the Wilmington Trust Action until August 29, 2016. The New York Court scheduled oral argument for August 30, 2016. A motion was made by CEOC and the other Debtors to the Illinois Bankruptcy Court to extend the stay beyond August 29, 2016, which motion was denied. On October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the Wilmington Trust Action initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the Wilmington Trust Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

H. CEOC v. Caesars Entertainment et al., Illinois Bankruptcy Court (the "CEOC Action"). On or about August 9, 2016, CEOC and certain of the other Debtors commenced a "placeholder" lawsuit against Caesars Entertainment, AGM, Caesars Entertainment directors (including Messrs. Rowan, Sambur, Press and Benjamin) and certain of its officers, and many others to, inter alia, prevent the statute of limitations from running respecting any claim owned by a Debtor's estate. This lawsuit basically asserts the claims identified in the Examiner's Report and has been stayed by an order of the Bankruptcy Court. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the CEOC Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

Apollo believes that the claims in the WSFS Action, the UMB Action, the Trilogy Action, the Danner Action, the Koskie Action, the BOKF Action, the UMB SDNY Action, the Wilmington Trust Action and the CEOC Action are without merit. For this reason, and because the confirmed Plan has not become effective yet, no reasonable estimate of possible loss, if any, can be made at this time.

The Bankruptcy Court administering the CEOC bankruptcy proceedings appointed an examiner (the "Examiner") to report on certain transactions engaged in by CEOC and certain of its subsidiaries. The Examiner issued his report on March 16, 2016. The Examiner's report states that potential claims may exist against "Apollo" and persons affiliated with it relating to certain

transactions that occurred in the years preceding CEOC's bankruptcy filing, principally relating to Bankruptcy Code fraudulent conveyance claims as well as aiding and abetting claims. Apollo and persons affiliated with it deny any wrongdoing and deny any liability in connection with such transactions, and if any new claim is asserted against any of them, such claim will be vigorously contested.

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 engaged in limited discovery. On July 21, 2015, a consolidated class action complaint was brought by Twin City Pipe Trades Pension Trust in the Shareholder Actions that did not name as defendants Apollo, Queso Holdings Inc., Q Merger Sub Inc., Apollo Management VIII, L.P., or AP VIII Queso Holdings, L.P., continued to assert claims against CEC and its former directors, and added The Goldman Sachs Group Inc. ("Goldman Sachs") as a defendant. The consolidated complaint alleges, among other things, that CEC's former directors breached their fiduciary duties to CEC's stockholders by conducting a deficient sales process, agreeing to impermissible deal protection devices, and filing materially deficient disclosures regarding the transaction. It further alleges that two members of the board who also served as the senior managers of CEC had material conflicts of interest and that Goldman Sachs aided and abetted the board's breaches as a result of various conflicts of interest facing the bank. The consolidated complaint seeks, among other things, to recover damages, attorneys' fees and costs. On October 22, 2015, the parties to the consolidated action moved to dismiss the complaint. Although Apollo cannot predict the ultimate outcome of the consolidated action, and therefore no reasonable estimate of possible loss, if any, can be made at this time, Apollo believes that such action is without merit.

On June 12, 2015, a putative class action was commenced in the United States District Court for the Northern District of California ("California Court") by Rachel Silva ("Silva") and Don Hudson ("Hudson"), on behalf of themselves and all others similarly situated, against Aviva plc; Athene Annuity and Life Company f/k/a Aviva Life and Annuity Company ("Aviva"); Athene USA Corporation f/k/a Aviva USA Corporation; Athene Holding; Athene Life Re Ltd.; Athene Asset Management; and AGM. The original complaint in this action alleged violations of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. Sections 1962(c) and (d). The plaintiffs alleged that commencing in 2007 and continuing thereafter, Aviva and its then management engaged in a scheme to, among other things, falsely represent the financial strength of and hide the true financial condition of Aviva by, among other things, allegedly ceding risky liabilities to Aviva's undercapitalized subsidiaries and affiliates, misvaluing assets, and failing to make required disclosures to purchasers of policies, and that after Athene Holding purchased all of the outstanding stock of Aviva's parent effective October 2, 2013 the scheme was "unwound and rewound" so as to continue, and that as a result thereof some of the purchasers of annuity products issued by Aviva were charged an excessive price and were damaged as a result thereof. All defendants (except Aviva plc) (a) moved to transfer this action to the United States District Court for the Southern District of Iowa ("Iowa Court") and (b) moved to dismiss this action. Aviva plc separately moved to dismiss the action for lack of jurisdiction over it. The California Court granted the motion to transfer to the Iowa Court and denied without prejudice the motions to dismiss. Plaintiff Hudson moved for leave to amend the complaint, which motion was granted by the Iowa Court. The amended complaint removed Silva as a named plaintiff and removed Aviva plc as a defendant, but otherwise substantively makes the same or similar allegations. The Defendants have moved to dismiss the amended complaint, and that motion has been fully briefed. The Court has

now stayed its decision on the motion to dismiss and discovery until the Eighth Circuit Court of Appeals renders its decision in a different case that has some of the same jurisdictional issues. If the action is not dismissed, Athene Asset Management and AGM (and the other defendants) will deny the material allegations of the amended complaint and will vigorously defend themselves against these claims. Although neither Athene Asset Management nor AGM can predict the ultimate outcome of this action, each believes that it is without merit, and because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

After the announcement of the execution of the Agreement and Plan of Merger among Apollo Commercial Real Estate Finance, Inc., Apollo Residential Mortgage, Inc. and Arrow Merger Sub, Inc. ("Merger Sub"), two putative class action lawsuits challenging the proposed merger, captioned Aivasian v. Apollo Residential Mortgage, Inc., et al., No. 24-C-16-001532, and Wiener v. Apollo Residential Mortgage, Inc., et al., No. 24-C-16-001837, were filed in the Circuit Court for Baltimore City. A putative class and derivative lawsuit was later filed in the same Court, captioned Crago v. Apollo Residential Mortgage, Inc., et al., No. 24-C-16-002610. Following a hearing on May 6, 2016, the Court entered orders among other things, consolidating the three actions under the caption In Re Apollo Residential Mortgage, Inc. Shareholder Litigation, Case No.: 24-C-16-002610. The plaintiffs have designated the Crago complaint as the operative complaint. The operative complaint includes both direct and derivative claims, names as defendants AGM, AMTG, the board of directors of AMTG (the "AMTG Board"), ARI, Merger Sub and Athene Holding and alleges, among other things, that the members of the AMTG Board breached their fiduciary duties to AMTG's stockholders and that the other defendants aided and abetted such fiduciary breaches. The operative complaint further alleges, among other things, that the proposed merger involves inadequate consideration, was the result of an inadequate and conflicted sales process, and includes unreasonable deal protection devices that purportedly preclude competing offers. It also alleges that the transactions with Athene Holding are unfair and that the registration statement on Form S-4 filed with the SEC on April 6, 2016 contains materially misleading disclosures and omits certain material information. The operative complaint seeks, among other things, certification of the proposed class, declaratory relief, preliminary and permanent injunctive relief, including enjoining or rescinding the merger, unspecified damages, and an award of other unspecified attorneys' and other fees and costs. On May 6, 2016, counsel for the plaintiffs filed with the Court a stipulation seeking the appointment of interim co-lead counsel, which stipulation was approved by the Court on June 9, 2016. Defendants' motions to dismiss have been fully briefed, and oral argument was held on December 8, 2016. Apollo believes that the claims asserted in the complaints are without merit. For this reason, and because the claims are in their early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Following the March 14, 2016 announcement that The Fresh Market, Inc. ("TFM") had entered into a merger agreement with certain entities affiliated with Apollo (the "TFM Merger Agreement"), two Petitions for Appraisal of Stock were filed in the Chancery Court for the State of Delaware. The first, captioned Hudson Bay Master Fund, Ltd. and Brigade Leveraged Capital Structures Fund, Ltd. v. The Fresh Market, Inc., was filed May 23, 2016 on behalf of holders of 1,660,000 shares of common stock of TFM and names only TFM as the respondent. The second captioned Verition Multi-Strategy Master Ltd. and Verition Partners Master Fund Ltd. v. The Fresh Market, Inc. was filed August 22, 2016 on behalf of holders of 1,198,318 shares of common stock of TFM and names only TFM as the respondent. Both actions seek a determination of the fair value of the shares of the common stock of TFM under Section 262 of the Delaware Corporate Code. The two actions have since been consolidated and will proceed together under the caption, In re Appraisal of The Fresh Market, Inc., Case No. 12372-VCG (the "Appraisal Action"). The Court in the Appraisal Action has scheduled a trial on the merits to take place in November 2017. In addition, a purported shareholder class action, captioned Elizabeth Morrison v. Ray Berry, et. al., Case No. 12808-VCG, was filed October 6, 2016 in the Chancery Court for the State of Delaware and names as defendants TFM's former officers and directors (the "Morrison Action"). The Morrison Action alleges, among other things, that the TFM officers and directors breached their fiduciary duties to the TFM shareholders in connection with their consideration and approval of the TFM Merger Agreement, including by engaging in a sale process that improperly favored AGM and/or Apollo Management VIII, L.P., by agreeing to an inadequate price and by filing materially deficient disclosures regarding the transaction. The Court has not yet set a schedule for resolving this Action on the merits. Because each of the pending actions is in the early stages, no reasonable estimate of possible loss, if any, can be made. Apollo believes that each of these actions is without merit.

On March 4, 2016, the Public Employees Retirement System of Mississippi filed a putative securities class action against Sprouts Farmers Market, Inc. ("SFM"), several SFM directors (including Andrew Jhawar, an Apollo partner), AP Sprouts Holdings, LLC and AP Sprouts Holdings (Overseas), L.P. (the "AP Entities"), which are controlled by entities managed by Apollo affiliates, and two underwriters of a March 2015 secondary offering of SFM common stock. The AP Entities sold SFM common stock in the March 2015 secondary offering. The complaint, filed in Arizona Superior Court and captioned Public Employees Retirement System of Mississippi v. Sprouts Farmers Market, Inc. (CV2016-050480), alleges that SFM filed a materially misleading registration statement for the secondary offering that incorporated alleged misrepresentations in SFM's 2014 annual report regarding SFM's business prospects, and failed to disclose alleged accelerating produce deflation. The two causes of action against the AP

Entities are for alleged violations of Sections 11 and 15 of the Securities Act of 1933. Plaintiff seeks, among other things, compensatory damages for alleged losses sustained from a decline in SFM's stock price. On March 24, 2016, defendants removed the case to United States District Court for the District of Arizona. Plaintiff's April 18, 2016 remand motion was fully briefed as of May 27, 2016. Because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Between February 25 and March 23, 2016, plaintiffs filed five putative class actions in the Superior Court of Maricopa County, Arizona, on behalf of purported stockholders of Apollo Education Group, Inc. The actions were captioned as follows: Casey v. Apollo Education Group, Inc., et al., CV2016-051605 (Ariz. Super. Ct. Feb. 25, 2016); Miglio v. Apollo Education Group, Inc., et al., CV2016-003718 (Ariz. Super. Ct. Feb. 26, 2016); Wagner v. Apollo Education Group, Inc., et al., CV2016-001905 (Ariz. Super. Ct. Mar. 9, 2016); Ladouceur v. Apollo Education Group, Inc., et al., CV2016-002148 (Ariz. Super. Ct. Mar. 17, 2016); Simkhovich v. Apollo Education Group, Inc., et al., CV2016-002339 (Ariz. Super. Ct. Mar. 23, 2016). The defendants include, among others, Apollo Education Group, Inc. ("AEG"), members of AEG's board of directors, AGM, Fund VIII, AP VIII Queso Holdings, L.P., which is a subsidiary of funds affiliated with Apollo Management VIII, L.P., and AGM, and Socrates Merger Sub, Inc., which is a wholly owned subsidiary of AP VIII Queso Holdings, L.P. The complaints allege that AEG's directors breached their fiduciary duties to AEG's stockholders by entering into a merger agreement that provides for AEG to be acquired by AP VIII Queso Holdings, L.P., and Socrates Merger Sub, Inc. Plaintiffs claim that AEG's directors engaged in a flawed sales process, agreed to a price that does not adequately compensate AEG's stockholders, and agreed to certain unfair deal protection terms in connection with the merger agreement. Two of the complaints further allege (1) that AEG's directors breached their fiduciary duty of candor by filing a materially incomplete and misleading preliminary proxy statement, and (2) that the sales process was flawed because of certain alleged conflicts with AEG's financial advisors. All the complaints allege that AP VIII Queso Holdings, L.P., and Socrates Merger Sub, Inc., aided and abetted the alleged breaches. The complaints that name as defendants AGM and Fund VIII, allege that those entities also aided and abetted the alleged breaches. No amount of damages is specified in any of the complaints. On April 12, 2016, the Court consolidated all the actions under the following caption: In re Apollo Education Group, Inc. Shareholder Litigation, Lead Case No. CV2016-001905 (Ariz. Super. Ct.). The parties have informed the Court that they have entered into a memorandum of understanding providing for the settlement of the suit. The settlement contemplated by the memorandum will provide for the dismissal with prejudice on the merits and release of any and all claims by the proposed class against Defendants. The settlement also will recognize that the pendency of the suit was a factor in the decision by the purchasers of AEG to increase the price offered to acquire all of the outstanding shares of AEG's common stock from $9.50 per share to $10.00 per share. The settlement is contingent upon the consummation of the merger agreement, Plaintiffs' taking confirmatory discovery, the execution of definitive settlement papers, certification of the proposed class, and court approval. The parties asked the court to extend the deadline by which the Plaintiffs must file an amended consolidated complaint or designate an operative complaint until November 8, 2016. The Court responded with an order explaining that the case will be dismissed on December 9, 2016, unless the parties submit a stipulated judgment or stipulated dismissal before that date, or the court otherwise extends the deadline for good cause. On December 9, 2016, the parties requested that the court extend the deadline by which Plaintiffs must file their amended complaint to March 10, 2017. The motion explained that the Department of Education had provided its response to a pre-acquisition application for approval of the merger agreement, indicating that the continuing participation of the University of Phoenix in Title IV programs following consummation of the merger would be subject to certain conditions. The motion further explained that the defendants were evaluating the Department of Education's response, its implications for the merger, and that any closing of the merger would be delayed. On December 15, 2016, the Court responded to the parties' motion with an order explaining that it would dismiss the case on March 10, 2017, unless the parties submitted a final judgment or stipulated dismissal before that date, or the Court otherwise extends the deadline for good cause. Because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On June 20, 2016 Banca Carige S.p.A. ("Carige") commenced a lawsuit in the Court of Genoa (Italy) (No. 8965/2016), against its former Chairman, its former Chief Executive Officer, AGM and certain entities (the "Apollo Entities") organized and owned by investment funds managed by affiliates of AGM. The complaint alleges that AGM and the Apollo Entities (i) aided and abetted breaches of fiduciary duty to Carige allegedly committed by Carige's former Chairman and former CEO in connection with the sale to the Apollo Entities of Carige subsidiaries engaged in the insurance business; and (ii) took wrongful actions aimed at weakening Banca Carige's financial condition supposedly to facilitate an eventual acquisition of Carige. The causes of action are based in tort under Italian law. Carige purportedly seeks damages of €450 million in connection with the sale of the insurance businesses and €800 million for other losses. The first hearing has been scheduled for May 9, 2017. Based on the allegations made in the complaint, Apollo believes that there is no merit to Carige's claims. Additionally, as the case is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On December 12, 2016, the CORE Litigation Trust (the "Trust"), which was created under the Chapter 11 reorganization plan for CORE Media and other affiliated entities, including CORE Entertainment, Inc. ("CORE"), approved by the Southern

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District of New York Bankruptcy Court on September 22, 2016, commenced an action in California Superior Court for Los Angeles County, captioned Core Litigation Trust v. Apollo Global Management, LLC, et al., Case No. BC 643732, which was removed to the United States District Court for the Central District of California on February 3, 2017. The Trust's complaint asserts claims for inducing the breach of and tortiously interfering with $360 million in loans under the 2011 loan agreements entered into between CORE and certain First and Second Lien Lenders (the "Lenders"), who assigned their loan-agreement claims to the Trust as part of CORE's Chapter 11 plan of reorganization. The complaint names as defendants: (i) AGM (ii) Apollo Global Securities, LLC, (iii) other AGM subsidiaries, (iv) the funds managed by Apollo that were the beneficial owners of CORE Media (the "CORE Funds"), (v) certain affiliated-entities through which the CORE Funds owned their beneficial interest in CORE Media, (vi) Twenty-First Century Fox, Inc. ("Fox") and certain Fox affiliates, and (vii) Endemol USA Holding, Inc. ("Endemol") and certain Endemol-affiliated entities. The Trust alleges that defendants' participation in certain transactions related to CORE-including the December 12, 2014 formation of the joint venture through which the CORE Funds and Fox beneficially owned CORE Media and Endemol Shine-induced CORE to breach the loan agreements and tortiously interfered with CORE's performance of its obligations under the loan agreements. The Trust seeks unspecified compensatory and punitive damages. Apollo believes these claims are without merit. Because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

In December 2016, the Company received a subpoena from the SEC principally concerning the Company's disclosure of IRR calculations for certain private equity funds, costs associated with a European service provider, and certain personnel changes. These topics generally track matters with which the Company is familiar and has previously examined. The Company is fully cooperating with the SEC in this matter.

Commitments and Contingencies—Apollo leases office space and certain office equipment under various lease and sublease arrangements, which expire on various dates through 2025. 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, 2016, the approximate aggregate minimum future payments required for operating leases were as follows:

	2017	2018	2019	2020	2021	Thereafter	Total
Aggregate minimum future payments	$ 34,705	$ 30,969	$ 30,198	$ 13,473	$ 4,572	$ 6,853	$ 120,770

Expenses related to non-cancellable contractual obligations for premises, equipment, auto and other assets were $40.5 million, $41.9 million and $42.5 million for the years ended December 31, 2016, 2015 and 2014, respectively, and are included in general, administrative and other on the consolidated statements of operations.

Other long-term obligations relate to payments with respect to certain consulting agreements entered into by Apollo Investment Consulting LLC, a subsidiary of Apollo, as well as long-term service contracts. A significant portion of these costs are reimbursable by funds or portfolio companies. As of December 31, 2016, fixed and determinable payments due in connection with these obligations were as follows:

	2017	2018	2019	2020	2021	Thereafter	Total
Other long-term obligations	$ 19,229	$ 6,398	$ 3,694	$ 1,365	$ 1,365	$ 1,365	$ 33,416

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, 2016 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. See note 14 to our consolidated financial statements for further details regarding the general partner obligation.

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, 2016, there were no underwriting commitments outstanding related to such offerings.

As of December 31, 2016, one of the Company's subsidiaries had unfunded contingent commitments of $22.1 million, to facilitate fundings at closing by lead arrangers for syndicated term loans issued by portfolio companies of a fund managed by Apollo. The commitments expire by February 13, 2017. As of February 13, 2017, the unfunded commitment was approximately $1.0 million.

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 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. The fair value of the remaining contingent obligation was $106.3 million and $70.9 million as of December 31, 2016 and December 31, 2015, respectively.

In connection with the Gulf Stream Asset Management, LLC ("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. As of December 31, 2016, there was no contingent liability as the Gulf Stream liabilities had been satisfied. The contingent liability had a fair value of $8.7 million as of December 31, 2015, 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 is 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.

16. SEGMENT REPORTING

Apollo conducts its business primarily in the United States and substantially all of its revenues are generated domestically. Apollo's business is conducted through three reportable segments: private equity, credit and real estate. Segment information is utilized by our Managing Partners, who operate collectively as our chief operating decision maker, to assess performance and to allocate resources. These segments were established based on the nature of investment activities in each underlying fund, including the specific type of investment made and the level of control over the investment.

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The performance is measured by the Company's chief operating decision maker 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.

Economic Income

Economic Income, or "EI", 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 EI, such as the amount of management fees, advisory and transaction fees and carried interest income, are indicative of the Company's performance. Management uses EI 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.

EI is a measure of profitability and has certain limitations in that it does not take into account certain items included under U.S. GAAP. EI represents segment income before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, segment data excludes non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, compensation and administrative related expense reimbursements, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the consolidated financial statements.

Economic Income (Loss) for the years ended December 31, 2015 and 2014 includes a recast of salary, bonus and benefits due to management's change in allocation methodology among the segments during the first quarter of 2016. All prior periods have been recast to conform to the current presentation. The impact to the combined segments' total Economic Income (Loss) for all periods was zero.

	Impact on Economic Income (Loss) For the Year Ended December 31, 2015			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Total Economic Income (Loss), as previously presented	$ 70,968	$ 325,116	$ (427)	$ 395,657
Impact of reclassification	(19,286)	13,447	5,839	—
Total Economic Income, as currently presented	$ 51,682	$ 338,563	$ 5,412	$ 395,657

	Impact on Economic Income For the Year Ended December 31, 2014			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Total Economic Income, as previously presented	$ 246,981	$ 507,986	$ 84	$ 755,051
Impact of reclassification	(32,858)	26,049	6,809	—
Total Economic Income, as currently presented	$ 214,123	$ 534,035	$ 6,893	$ 755,051

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The following tables present financial data for Apollo's reportable segments as of and for the years ended December 31, 2016 and 2015 and for the year ended December 31, 2014:

	As of and for the Year Ended December 31, 2016			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	$ 321,995	$ 596,709	$ 58,945	$ 977,649
Advisory and transaction fees from related parties, net	128,675	12,533	5,907	147,115
Carried interest income from related parties:				
Unrealized[1]	368,807	137,274	4,918	510,999
Realized	82,292	180,029	12,566	274,887
Total Revenues[2]	901,769	926,545	82,336	1,910,650
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	124,463	209,256	33,171	366,890
Equity-based compensation	27,549	34,185	2,734	64,468
Profit sharing expense	158,536	147,727	10,387	316,650
Total compensation and benefits	310,548	391,168	46,292	748,008
Non-compensation expenses:				
General, administrative and other	71,323	125,639	21,528	218,490
Placement fees	2,297	22,047	89	24,433
Total non-compensation expenses	73,620	147,686	21,617	242,923
Total Expenses[2]	384,168	538,854	67,909	990,931
Other Income (Loss):				
Income from equity method investments	66,281	33,290	3,010	102,581
Net gains from investment activities	11,379	127,229	—	138,608
Net interest loss	(14,187)	(20,669)	(4,163)	(39,019)
Other income (loss), net	1,650	(4,500)	692	(2,158)
Total Other Income (Loss)[2]	65,123	135,350	(461)	200,012
Non-Controlling Interests	—	(7,464)	—	(7,464)
Economic Income[2]	$ 582,724	$ 515,577	$ 13,966	$ 1,112,267
Total Assets[2]	$ 2,004,833	$ 2,505,980	$ 183,830	$ 4,694,643

(1) Included in unrealized carried interest gains (losses) from related parties for the year ended December 31, 2016 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 14 for further details regarding the general partner obligation.

(2) Refer below for a reconciliation of total revenues, total expenses, other income and total assets for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses, total consolidated other income (loss) and total assets.

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	As of and for the Year Ended December 31, 2015			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	$ 295,836	$ 565,241	$ 50,816	$ 911,893
Advisory and transaction fees from related parties, net	(7,485)	17,246	4,425	14,186
Carried interest income (loss) from related parties:				
Unrealized[1]	(314,161)	(80,534)	7,154	(387,541)
Realized	339,822	139,152	5,857	484,831
Total Revenues[2]	314,012	641,105	68,252	1,023,369
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	123,653	200,032	32,237	355,922
Equity-based compensation	31,324	26,683	4,177	62,184
Profit sharing expense	46,572	34,384	5,075	86,031
Total compensation and benefits	201,549	261,099	41,489	504,137
Non-compensation expenses:				
General, administrative and other	75,559	123,378	22,869	221,806
Placement fees	4,550	4,389	—	8,939
Total non-compensation expenses	80,109	127,767	22,869	230,745
Total Expenses[2]	281,658	388,866	64,358	734,882
Other Income:				
Income (loss) from equity method investments	19,125	(6,025)	2,978	16,078
Net gains from investment activities	6,933	114,199	—	121,132
Net interest loss	(9,878)	(13,740)	(2,915)	(26,533)
Other income, net	3,148	3,574	1,455	8,177
Total Other Income[2]	19,328	98,008	1,518	118,854
Non-Controlling Interests	—	(11,684)	—	(11,684)
Economic Income[2]	$ 51,682	$ 338,563	$ 5,412	$ 395,657
Total Assets[2]	$ 1,255,340	$ 2,143,813	$ 192,469	$ 3,591,622

(1) Included in unrealized carried interest gains from related parties for the year ended December 31, 2015 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 14 for further detail regarding the general partner obligation.

(2) Refer below for a reconciliation of total revenues, total expenses and other income for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses and total consolidated other income (loss).

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

	For the Year Ended December 31, 2014			
	Private Equity Segment	Credit Segment	Real Estate Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	$ 315,069	$ 538,742	$ 47,213	$ 901,024
Advisory and transaction fees from related parties, net	58,241	255,186	2,655	316,082
Carried interest income (loss) from related parties:				
Unrealized[1]	(1,196,093)	(156,644)	4,951	(1,347,786)
Realized	1,428,076	322,233	3,998	1,754,307
Total Revenues[2]	605,293	959,517	58,817	1,623,627
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	129,547	184,497	25,802	339,846
Equity-based compensation	49,526	47,120	8,849	105,495
Profit sharing expense	178,373	83,788	2,747	264,908
Total compensation and benefits	357,446	315,405	37,398	710,249
Non-compensation Expenses:				
General, administrative and other	68,092	138,024	21,669	227,785
Placement fees	2,194	13,228	—	15,422
Total non-compensation expenses	70,286	151,252	21,669	243,207
Total Expenses[2]	427,732	466,657	59,067	953,456
Other Income:				
Income from equity method investments	30,418	18,812	5,675	54,905
Net gains from investment activities	—	9,062	—	9,062
Net interest loss	(7,883)	(9,274)	(1,941)	(19,098)
Other income, net	14,027	35,263	3,409	52,699
Total Other Income[2]	36,562	53,863	7,143	97,568
Non-Controlling Interests	—	(12,688)	—	(12,688)
Economic Income[2]	$ 214,123	$ 534,035	$ 6,893	$ 755,051

(1) Included in unrealized carried interest gains from related parties 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.

(2) Refer below for a reconciliation of total revenues, total expenses and other income for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses and total consolidated other income (loss).

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
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(dollars in thousands, except share data, except where noted)

The following table reconciles total consolidated revenues to total revenues for Apollo's reportable segments for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Total Consolidated Revenues	$ 1,970,384	$ 1,041,670	$ 1,560,083
Equity awards granted by unconsolidated related parties and reimbursable expenses[1]	(73,913)	(27,949)	(18,665)
Adjustments related to consolidated funds and VIEs[1]	5,477	3,696	75,830
Other[1]	8,702	5,952	6,379
Total Reportable Segments Revenues	$ 1,910,650	$ 1,023,369	$ 1,623,627

(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 related parties to employees of the Company and certain compensation and administrative related expense reimbursements.

The following table reconciles total consolidated expenses to total expenses for Apollo's reportable segments for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Total Consolidated Expenses	$ 1,165,918	$ 830,975	$ 1,043,563
Equity awards granted by unconsolidated related parties and reimbursable expenses[1]	(75,653)	(28,658)	(19,207)
Transaction-related compensation charges[1]	(46,293)	(4,825)	(12,903)
Reclassification of interest expenses	(43,482)	(30,071)	(22,393)
Amortization of transaction-related intangibles[1]	(8,807)	(33,998)	(34,887)
Other[1]	(752)	1,459	(717)
Total Reportable Segments Expenses	$ 990,931	$ 734,882	$ 953,456

(1) Represents the addition of expenses of consolidated funds and VIEs, transaction-related charges, non-cash expenses related to equity awards granted by unconsolidated related parties to employees of the Company and certain compensation and administrative expenses. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions.

The following table reconciles total consolidated other income to total other income for Apollo's reportable segments for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Total Consolidated Other Income	$ 256,548	$ 166,533	$ 360,647
Reclassification of interest expense	(43,482)	(30,071)	(22,393)
Adjustments related to consolidated funds and VIEs[1]	(3,982)	(14,652)	(222,129)
Other	(9,072)	(2,956)	(18,557)
Total Reportable Segments Other Income	$ 200,012	$ 118,854	$ 97,568

(1) Represents the addition of other income of consolidated funds and VIEs.

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

The following table presents the reconciliation of income before income tax provision reported in the consolidated statements of operations to Economic Income for the years ended December 31, 2016, 2015 and 2014:

	For the Years Ended December 31,		
	2016	2015	2014
Income before income tax provision	$ 1,061,014	$ 377,228	$ 877,167
Adjustments:			
Net income attributable to Non-Controlling Interests in consolidated entities and appropriated partners' capital	(5,789)	(21,364)	(157,011)
Transaction-related charges[1]	57,042	39,793	34,895
Total consolidation adjustments and other	51,253	18,429	(122,116)
Economic Income	$ 1,112,267	$ 395,657	$ 755,051

(1) Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. Equity-based compensation adjustment includes non-cash revenues and expenses related to equity awards granted by unconsolidated related parties to employees of the Company.

The following table presents the reconciliation of Apollo's total reportable segment assets to total assets as of December 31, 2016 and 2015:

	As of December 31, 2016	As of December 31, 2015
Total reportable segment assets	$ 4,694,643	$ 3,591,622
Adjustments[1]	934,910	968,186
Total assets	$ 5,629,553	$ 4,559,808

(1) Represents the addition of assets of consolidated funds and VIEs and consolidation elimination adjustments.

17. SUBSEQUENT EVENTS

On February 3, 2017, the Company declared a cash distribution of $0.45 per Class A share, which will be paid on February 28, 2017 to holders of record on February 21, 2017.

On February 7, 2017, the Company issued 1,683,662 Class A shares in settlement of vested RSUs. These issuances caused the Company's ownership interest in the Apollo Operating Group to increase from 46.3% to 46.5%.

18. QUARTERLY FINANCIAL DATA (UNAUDITED)

	For the Three Months Ended			
	March 31, 2016	June 30, 2016	September 30, 2016	December 31, 2016
Revenues	$ 120,826	$ 660,447	$ 503,731	$ 685,380
Expenses	141,899	343,398	282,257	398,364
Other Income (Loss)	(58,635)	136,742	42,911	135,530
Income (Loss) Before Provision for Taxes	$ (79,708)	$ 453,791	$ 264,385	$ 422,546
Net Income (Loss)	$ (74,561)	$ 415,803	$ 234,718	$ 394,347
Net Income (Loss) Attributable to Apollo Global Management, LLC	$ (32,828)	$ 174,092	$ 94,619	$ 166,967
Net Income (Loss) per Class A Share-Basic	$ (0.19)	$ 0.91	$ 0.50	$ 0.87
Net Income (Loss) per Class A Share - Diluted	$ (0.19)	$ 0.91	$ 0.50	$ 0.87

APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONSOLIDATED
FINANCIAL STATEMENTS
(dollars in thousands, except share data, except where noted)

	For the Three Months Ended			
	March 31, 2015	June 30, 2015	September 30, 2015	December 31, 2015
Revenues	$ 303,024	$ 351,727	$ 193,268	$ 193,651
Expenses	223,996	244,539	174,911	187,529
Other Income	7,984	49,978	84,793	23,778
Income Before Provision for Taxes	$ 87,012	$ 157,166	$ 103,150	$ 29,900
Net Income	$ 81,498	$ 148,074	$ 96,559	$ 24,364
Net Income Attributable to Apollo Global Management, LLC	$ 30,927	$ 56,428	$ 41,051	$ 6,091
Net Income per Class A Share - Basic	$ 0.09	$ 0.30	$ 0.20	$ 0.02
Net Income per Class A Share - Diluted	$ 0.09	$ 0.30	$ 0.20	$ 0.02

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)

	As of December 31, 2016			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$ 806,329	$ —	$ —	$ 806,329
Cash and cash equivalents held at consolidated funds	—	7,335	—	7,335
Restricted cash	4,680	—	—	4,680
Investments	1,567,388	5,378	(78,022)	1,494,744
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	41,318	—	41,318
Investments, at fair value	—	914,110	(283)	913,827
Other assets	—	46,666	—	46,666
Carried interest receivable	1,258,887	—	(1,782)	1,257,105
Due from related parties	255,342	—	(489)	254,853
Deferred tax assets	572,263	—	—	572,263
Other assets	118,181	768	(89)	118,860
Goodwill	88,852	—	—	88,852
Intangible assets, net	22,721	—	—	22,721
Total Assets	**$ 4,694,643**	**$ 1,015,575**	**$ (80,665)**	**$ 5,629,553**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$ 57,465	$ —	$ —	$ 57,465
Accrued compensation and benefits	52,754	—	—	52,754
Deferred revenue	174,893	—	—	174,893
Due to related parties	638,126	—	—	638,126
Profit sharing payable	550,148	—	—	550,148
Debt	1,352,447	—	—	1,352,447
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	827,854	(41,309)	786,545
Other liabilities	—	68,123	(89)	68,034
Due to related parties	—	2,271	(2,271)	—
Other liabilities	81,568	45	—	81,613
Total Liabilities	**2,907,401**	**898,293**	**(43,669)**	**3,762,025**
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Additional paid in capital	1,830,025	—	—	1,830,025
Accumulated deficit	(986,187)	16,131	(16,130)	(986,186)
Accumulated other comprehensive income (loss)	(5,750)	(3,029)	56	(8,723)
Total Apollo Global Management, LLC shareholders' equity	838,088	13,102	(16,074)	835,116
Non-Controlling Interests in consolidated entities	6,805	104,180	(20,922)	90,063
Non-Controlling Interests in Apollo Operating Group	942,349	—	—	942,349
Total Shareholders' Equity	**1,787,242**	**117,282**	**(36,996)**	**1,867,528**
Total Liabilities and Shareholders' Equity	**$ 4,694,643**	**$ 1,015,575**	**$ (80,665)**	**$ 5,629,553**

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(dollars in thousands, except share data)

	As of December 31, 2015			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$ 612,505	$ —	$ —	$ 612,505
Cash and cash equivalents held at consolidated funds	—	4,817	—	4,817
Restricted cash	5,700	—	—	5,700
Investments	1,223,407	28,547	(97,205)	1,154,749
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	56,793	—	56,793
Investments, at fair value	—	910,858	(292)	910,566
Other assets	—	63,413	—	63,413
Carried interest receivable	643,907	—	—	643,907
Due from related parties	248,972	—	(1,137)	247,835
Deferred tax assets	646,207	—	—	646,207
Other assets	93,452	2,636	(244)	95,844
Goodwill	88,852	—	—	88,852
Intangible assets, net	28,620	—	—	28,620
Total Assets	**$ 3,591,622**	**$ 1,067,064**	**$ (98,878)**	**$ 4,559,808**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$ 92,012	$ —	$ —	$ 92,012
Accrued compensation and benefits	54,836	—	—	54,836
Deferred revenue	177,875	—	—	177,875
Due to related parties	594,536	—	—	594,536
Profit sharing payable	295,674	—	—	295,674
Debt	1,025,255	—	—	1,025,255
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	843,584	(42,314)	801,270
Other liabilities	—	86,226	(244)	85,982
Due to related parties	—	1,137	(1,137)	—
Other liabilities	38,750	4,637	—	43,387
Total Liabilities	**2,278,938**	**935,584**	**(43,695)**	**3,170,827**
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Additional paid in capital	2,005,509	—	—	2,005,509
Accumulated deficit	(1,348,386)	34,468	(34,466)	(1,348,384)
Accumulated other comprehensive income (loss)	(5,171)	(2,496)	47	(7,620)
Total Apollo Global Management, LLC shareholders' equity	651,952	31,972	(34,419)	649,505
Non-Controlling Interests in consolidated entities	7,817	99,508	(20,764)	86,561
Non-Controlling Interests in Apollo Operating Group	652,915	—	—	652,915
Total Shareholders' Equity	**1,312,684**	**131,480**	**(55,183)**	**1,388,981**
Total Liabilities and Shareholders' Equity	**$ 3,591,622**	**$ 1,067,064**	**$ (98,878)**	**$ 4,559,808**

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 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.

No changes in our internal control over financial reporting (as such term is defined in Rules 13a–15(f) and 15d–15(f) under the Exchange Act) occurred during our most recent quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management of Apollo is responsible for establishing and maintaining adequate internal control over financial reporting. Apollo's internal control over financial reporting is a process designed under the supervision of its principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of its consolidated financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Apollo's internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets, provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of management and the directors, and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Apollo's assets that could have a material effect on its financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an assessment of the effectiveness of Apollo's internal control over financial reporting as of December 31, 2016 based on the framework established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that Apollo's internal control over financial reporting as of December 31, 2016 was effective.

Deloitte & Touche LLP, an independent registered public accounting firm, has audited Apollo's financial statements included in this annual report on Form 10-K and issued its report on the effectiveness of Apollo's internal control over financial reporting as of December 31, 2016, which is included herein.

ITEM 9B. OTHER INFORMATION

None.

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	65	Chairman, Chief Executive Officer and Director
Joshua Harris	52	Senior Managing Director and Director
Marc Rowan	54	Senior Managing Director and Director
Martin Kelly	49	Chief Financial Officer
John Suydam	57	Chief Legal Officer
Michael Ducey	68	Director
Paul Fribourg	63	Director
Robert Kraft	75	Director
A.B. Krongard	80	Director
Pauline Richards	68	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 Co-Chairman of The Museum of Modern Art and a trustee of The Mount Sinai Medical Center 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 37 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 is a member of the Federal Reserve Bank of New York's Investor Advisory Committee on Financial Markets and the Council of Foreign Relations. He is a Managing Partner of the Philadelphia 76ers, Managing Member of the New Jersey Devils and a General Partner of the Crystal Palace Football Club. Mr. Harris also serves on the Board of Trustees of Mount Sinai Medical Center, Harvard Business School, the Wharton School at the University of Pennsylvania, and the United States Olympic Committee. Mr. Harris has previously served on the board of directors of Berry Plastics Group Inc., EP Energy Corporation, EPE Acquisition, LLC, CEVA Logistics, Constellium N.V., and LyondellBasell Industries B.V. 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 27 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, inter alia, Athene Holding Ltd, Caesars Entertainment Corporation and Caesars Acquisition Co. He has previously served on the boards of directors of, inter alia, the general partner of AAA, AMC Entertainment, Inc., Cablecom GmbH, Caesars Entertainment Operating Co.,

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 YRF-Darca 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 28 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.

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. 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 the Chairman of the compliance and governance committee and the nominations committee of the board of directors of HaloSource, Inc. Mr. Ducey joined Ciner Resources Corporation (formerly OCI Resources LP) as an independent member of the board of directors in September 2014, where he serves on the audit committee and the conflicts committee. From May 2006 to July 2016, Mr. Ducey was a member of the board of directors of Verso Paper Holdings, Inc. and served as Chairman of the audit committee. 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 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 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). 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. From 2006 to 2015, Mr. Kraft served as a member of the board of directors of Viacom Inc. 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. 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 Managing Partner or a permitted transferee to another permitted transferee, or the issuance of bona fide equity incentives to any of our non-Managing Partner 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 any time. 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 and Fribourg. 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 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, 2016, such persons complied with all such filing requirements, with the exception of a Form 4 for Ms. Richards reporting one transaction which was filed one day late due to administrative reasons through no fault of the reporting person.

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 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' 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 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. To enhance this alignment and strengthen retention incentives, in 2016 our Managing Partners generally reduced the portion of our professionals' annual compensation that is paid in cash.

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 on which they work 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, in some instances, distribution equivalents 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. RSUs are not awarded to our Managing Partners, whose beneficial ownership of equity interests in the company is generally in the form of AOG units, as discussed below under "-Note on Distributions on Apollo Operating Group Units."

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 or our employees. These provisions discourage excessive risk-taking and promote a long-term view that is consistent with the interests of our fund 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 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.

Note on Distributions on Apollo Operating Group Units

We note that all of our Managing Partners beneficially own AOG Units. In particular, as of December 31, 2016, the Managing Partners beneficially owned, through their interest in Holdings, approximately 48% of the total limited partner interests

in the Apollo Operating Group. When made, distributions on these units are in the same amount per unit as distributions made to us in respect of the AOG Units we hold. Although distributions on AOG Units are distributions on equity rather than compensation, they play a central role in aligning our Managing Partners' interests with those of our Class A shareholders, which is consistent with our compensation philosophy. As of December 31, 2016, the Managing Partners were required to retain 70% of their AOG Units.

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 five 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 2016 are described below. We distinguish among the compensation components applicable to our named executive officers as appropriate in the below summary. Messrs. Black, Harris and Rowan are the three members of the group referred to elsewhere in this report as the "Managing 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 2016, a portion of our named executive officers' compensation (other than for our Managing Partners) 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. All named executive officers who have received RSUs were required to retain at least 50% of any Class A shares issued to them pursuant to Bonus Grants granted prior to September 1, 2016, and 25% of any Class A Shares issued to them pursuant to all other RSU awards (including Bonus Grants granted on or after that date), in each case net of the number of gross shares sold or netted to pay applicable income or employment taxes. The Managing Directors determined to make this reduction based on their understanding, informed by publicly available information and independent research by our human capital department, that the previous requirements were high relative to current industry norms. 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. 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 generally not subject to contingent repayment. The actual gross amount of carried interest allocations or incentive fees available for distribution 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 participating named executive officers 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. Kelly 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 certain 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 and Suydam, among other of our professionals, were awarded incentive pool compensation based on carried interest realizations earned during 2016. 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 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. We require that a portion of the carried interest and incentive fee distributions in respect of certain of the investment funds we manage is used by our employees who receive those distributions to purchase Class A restricted shares issued under our 2007 Omnibus Equity Incentive Plan. This practice further promotes alignment with our shareholders and encourages participating 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. In 2016, the funds with respect to which Messrs. Kelly and Suydam have rights subject to this restricted share purchase requirement had not yet commenced making carried interest or incentive fee distributions.

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, discretionary bonuses (if any) 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, active participation in managing a team of professionals, corporate citizenship 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. The Managing Partners determined that, based on the above factors, including the named executive officers' overall compensation levels, discretionary cash bonuses would not be awarded to any named executive officer for 2016. For a discussion of our Managing Partners' determinations in respect of our RSU program, see 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."

Compensation Committee Interlocks and Insider Participation

Our board of directors does not have a compensation committee. Our Managing Partners make all compensation determinations with respect to executive officer compensation. 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, 2016. The earnings of our Managing Partners, Messrs. Black, Harris and Rowan, 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 tables below. The executive officers named in the table are referred to as the named executive officers.

Name and Principal Position	Year	Salary ($)	Stock Awards ($)[1]	All Other Compensation ($)[2]	Total ($)
Leon Black, Chairman, Chief Executive Officer and Director	2016	100,000	—	150,622	250,622
	2015	100,000	—	144,751	244,751
	2014	100,000	—	173,980	273,980
Martin Kelly, Chief Financial Officer	2016	1,000,000	1,897,640	1,050,000	3,947,640
	2015	1,000,000	681,643	1,300,000	2,981,643
	2014	1,000,000	698,444	1,300,000	2,998,444
John Suydam, Chief Legal Officer	2016	2,500,000	498,260	668,934	3,667,194
	2015	2,500,000	499,058	1,640,003	4,639,062
	2014	3,000,000	511,370	5,420,540	8,931,910
Joshua Harris, Senior Managing Director and Director	2016	100,000	—	228,537	328,537
	2015	100,000	—	281,204	381,204
Marc Rowan, Senior Managing Director and Director	2016	100,000	—	215,020	315,020
	2015	100,000	—	169,671	269,671

(1) For Messrs. Kelly and Suydam, represents the aggregate grant date fair value of stock awards granted, as applicable, 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 of the awards. See note 13 to our consolidated financial statements for further information concerning the assumptions made in valuing our RSU awards.

(2) Amounts included for 2016 represent, in part, actual cash distributions in respect of dedicated carried interest allocations for Mr. Suydam of $149,150. The 2016 amounts also include actual incentive pool cash distributions of $1,050,000 for Mr. Kelly and $500,000 for Mr. Suydam. The "All Other Compensation" column for 2016 also includes costs relating to Company-provided cars and drivers for the business and personal use of Messrs. Black, Harris, Rowan 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 $135,097 for Mr. Black, $197,012 for Mr. Harris, $199,495 for Mr. Rowan and $17,809 for Mr. Suydam. For Messrs. Black, Harris and Rowan, this amount includes both fixed and variable costs, including lease costs, driver compensation, driver meals, fuel, parking, tolls, repairs, maintenance and insurance, and, for Mr. Rowan, car service costs. 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 2016 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, and the cost of information technology services provided to Mr. Harris, falls below this threshold. Mr. Kelly did not receive perquisites or personal benefits in 2016, except for incidental benefits having an aggregate value of less than $10,000. Our named executive officers also receive 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 Agreements with Chairman and Chief Executive Officer and with each Senior Managing Director

On January 4, 2017, we entered into an employment, non-competition and non-solicitation agreement with Leon Black, our chairman and chief executive officer, and with each of Joshua Harris and Marc Rowan, our senior managing directors, all of whom are members of our manager's executive committee. These agreements, which provide for an annual salary of $100,000 and the right to participate in our employee benefit plans as in effect from time to time, superseded but are substantially similar to agreements with our Managing Partners dated July 2012. The 2017 agreements, like the 2012 agreements, have a three-year term. Although the term of the 2012 agreements concluded in 2015, during 2016, our Managing Partners' employment continued on the same terms as provided under those agreements.

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 the Managing Partners in their discretion. Mr. Kelly 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.

Awards of Restricted Share Units Under the Equity Plan

Our equity plan, known as the 2007 Omnibus Equity Incentive Plan, was last approved by our shareholders on March 10, 2011. 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." Plan Grants have been made to a broad range of our employees, including Mr. Suydam and Mr. Kelly. 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, as of December 31, 2016, all executive officers who received RSU awards were required to retain at least 50% of any Class A shares issued to them pursuant to RSU awards granted prior to September 1, 2016, and 25% of any Class A Shares issued to them pursuant to RSU awards granted after that date (in each case 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 issuance 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 fund investors and shareholders 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 and Suydam, 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 generally 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 addition to his Bonus Grant, Mr. Kelly received a special Plan Grant in 2016 that vests over three years, in recognition of his contributions to the Company in his role as chief financial officer and the view by our Managing Partners, after considering Mr. Kelly's oversight of our expanded operations, competitive market dynamics, his prior year compensation, his corporate citizenship and his role in the Company's success, that his compensation should be increased. This increase was made in the form of RSUs rather than cash consistent with our philosophy that a greater percentage of the compensation of our more highly compensated employees (relative to the compensation of less highly compensated employees) should be variable and subject to risk, to more closely align their interests with those of our shareholders. The committee that administers our 2007 Omnibus Equity Incentive Plan took into account that Mr. Kelly had received in 2016 a grant of 10,000 restricted stock units (having a grant date fair value of $164,200) in respect of shares of ARI, the publicly traded REIT that we manage, pursuant to an approval by its the compensation committee consistent with a recommendation it received from us.

Grants of Plan-Based Awards

The following table presents information regarding RSUs granted to Messrs. Kelly and Suydam under our 2007 Omnibus Equity Incentive Plan in 2016. No options were granted to a named executive officer in 2016.

Name	Grant Date	Estimated Future Payouts under Equity Incentive Plan Awards Target (#)	Stock Awards: Number of Shares of Stock or Units (#)[1]	Grant Date Fair Value or Modification Date Incremental Fair Value of Stock and Option Awards ($)[2]
Leon Black	—	—	—	—
Martin Kelly	December 29, 2016	—	36,632	692,711
	December 29, 2016		71,979	1,204,929
John Suydam	December 29, 2016	—	26,349	498,260
Joshua Harris	—	—	—	—
Marc Rowan	—	—	—	—

(1) Represents the aggregate number of RSUs covering our Class A shares (none of the RSUs awarded in 2016 vested in 2016). 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." Mr. Kelly's award of 71,979 RSUs is a Plan Grant and the other awards shown in the table are Bonus Grants.

(2) Represents the aggregate grant date fair value of the RSUs granted in 2016, computed in accordance with FASB ASC Topic 718. The amounts shown do not reflect compensation actually received, but instead represent the aggregate grant date 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, 2016. Our named executive officers did not hold any options at fiscal year-end.

		Stock Awards		
Name		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 ($)[6]
Leon Black	—	—		—
Martin Kelly	December 29, 2016	36,632	(1)	709,196
	December 29, 2016	71,979	(2)	1,393,514
	December 29, 2015	30,581	(3)	592,048
	December 29, 2014	10,284	(4)	199,098
	September 30, 2012	109,375	(5)	2,117,500
John Suydam	December 29, 2016	26,349	(1)	510,117
	December 29, 2015	22,390	(3)	433,470
	December 29, 2014	7,530	(4)	145,781
Joshua Harris	—	—		—
Marc Rowan	—	—		—

(1) Bonus Grant RSUs that vest in substantially equal annual installments on December 31 of each of 2017, 2018 and 2019.

(2) Plan Grant RSUs, one third (1/3) of which vest on December 31, 2017 and the remainder of which vest in substantially equal quarterly installments over the eight calendar quarters beginning March 31, 2018.

(3) Bonus Grant RSUs that vest in substantially equal annual installments on December 31 of each of 2017 and 2018.

(4) Bonus Grant RSUs that vest on December 31, 2017.

(5) Plan Grant RSUs that vest in substantially equal quarterly installments over the seven calendar quarters beginning March 31, 2017.

(6) Amounts calculated by multiplying the number of unvested RSUs held by the named executive officer by the closing price of $19.36 per Class A share on December 31, 2016.

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 2016 and the number of options exercised by our named executive officers in 2016. 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 2016 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. No options were exercised by our named executive officers in 2016.

		Stock Awards	
Name	Type of Award	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting ($)
Leon Black	—	—	—
Martin Kelly	RSUs	94,111	1,699,333 (1)
John Suydam	RSUs	24,350	471,416 (1)
Joshua Harris	—	—	—
Marc Rowan	—	—	—

(1) Amounts calculated by multiplying the number of RSUs held by the named executive officer that vested on each applicable vesting date in 2016 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.

None of Messrs. Black, Harris or Rowan is entitled to severance or other payments or benefits in connection with an employment termination. Messrs. Black, Harris and Rowan are required to protect the confidential information of Apollo both during and after employment. In addition, until one year after employment termination, each 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. 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 any of Messrs. Black, Harris or Rowan 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 such Managing Partner 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, the Managing Partner 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, he 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.

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.

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. 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, 2016 and that the price per share of our Class A shares was $19.36, which is equal to the closing price on such date. For purposes of this table, RSU values are based on the $19.36 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	516,413 (1)	1,058,750 (2)
	Death, disability	—	2,505,678 (2)
John Suydam	Without cause; by executive for good reason	—	—
	Death, disability	—	544,684 (2)
Joshua Harris	Cause	—	—
	Death, disability	—	—
Marc Rowan	Cause	—	—
	Death, disability	—	—

(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, 2016.

(2) 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, 2016, 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, 2016.

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 2016 compensation of Messrs. Black, Harris and Rowan is set forth above on the Summary Compensation Table.

During 2016, 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 was 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 who have fully vested in their initial RSU award 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 26, 2016.

The following table provides the compensation for our independent directors during the year ended December 31, 2016.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)(1)	Total ($)
Michael Ducey	175,000	96,112	271,112
Paul Fribourg	135,000	96,112	231,112
Robert Kraft	129,830	—	129,830
A. B. Krongard	150,000	96,112	246,112
Pauline Richards	175,000	96,112	271,112

(1) Represents the aggregate grant date fair value of stock awards granted, as applicable, computed in accordance with FASB ASC Topic 718. See note 13 to our consolidated financial statements for further information concerning the assumptions made in valuing our RSU awards. 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, 2016, each of Ms. Richards and Messrs. Ducey, Fribourg and Krongard, held 6,583 RSUs that were unvested and outstanding, and Mr. Kraft held 3,620 RSUs that 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 8, 2017 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 2016 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 Amended and Restated Exchange Agreement described under "Item 13. Certain Relationships and Related Party Transactions—Amended and Restated 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	33.1%	57.9%	1	100%	57.9%
Joshua Harris[3][4]	53,932,643	22.4%	57.9%	1	100%	57.9%
Marc Rowan[3][4]	45,731,402	19.6%	57.9%	1	100%	57.9%
Pauline Richards	33,806	*	*	—	—	—
Alvin Bernard Krongard[5]	279,732	*	*	—	—	—
Michael Ducey[6]	36,746	*	*	—	—	—
Robert Kraft[7]	267,240	*	*	—	—	—
Paul Fribourg	33,577	*	*	—	—	—
Martin Kelly	167,777	*	*	—	—	—
John Suydam[8]	835,332	*	*	—	—	—
All directors and executive officers as a group (ten persons)[9]	194,045,421	51.1%	52.2%	1	100%	57.9%
BRH[4]	—	—	—	1	100%	57.9%
AP Professional Holdings, L.P.[10]	215,457,239	53.5%	57.9%	—	—	—
5% Stockholders:						
—	—	—	—	—	—	—

*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 2,616 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 260,000 Class A shares held by two entities, which are under the sole control of Mr. Kraft, and may be deemed to be beneficially owned by Mr. Kraft.
(8) Includes 199,008 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.
(9) Refers to shares beneficially owned by the individuals who were directors and executive officers as of February 8, 2017.
(10) 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.

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, 2016.

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	12,864,223	$17.69	45,230,529
Equity Compensation Plans Not Approved by Security Holders	—	—	—
Total	12,864,223	$17.69	45,230,529

(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, 2016.
(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 beneficially 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 him assuming that Holdings was liquidated and its assets distributed in accordance with its governing agreements.

Pursuant to the Agreement Among Managing Partners, each Managing Partner is vested in full in his respective AOG Units. 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 of the Agreement Among Managing Partners or to prevent the Managing Partners from amending it.

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) 30% of his Pecuniary Interests at any time on or after the fifth anniversary and prior to the sixth anniversary of our IPO; and (ii) 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 Managing Partner to another Managing Partner, (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. Following the sixth anniversary of the IPO, each Managing Partner and his permitted transferees may transfer all of the Pecuniary 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 he 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 Pecuniary 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, Contributing Partner's or other investment professional'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 beneficially 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 such holder sells our shares, unless such liability arose from the 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 have been exchanged are fully vested. AOG Units were subject to a lock-up until two years after our IPO. Thereafter, 7.5% of the AOG Units became 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. 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 in which we operate, (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 at least 12 months 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, further amended and restated on March 5, 2014 and further amended and restated on May 5, 2016. 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 that he owns through Holdings (together with the corresponding interest in our Class B share) 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 resulted, 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.

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 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 Relationship Agreement

On April 20, 2010, we announced a 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, 2016, the Company had reduced fees charged to CalPERS on the funds it manages by approximately $103.8 million.

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 AOG Units from our Managing Partners, and to purchase from our Contributing Partners a portion of their points. The Strategic Investors hold non-voting Class A shares, which represented 24.3% of our issued and outstanding Class A shares and 11.2% of the economic interest in the Apollo Operating Group, in each case as of December 31, 2016.

As all of their holdings in us are non-voting, neither of the Strategic Investors has any means for exerting control over our company.

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

Each Strategic Investor may transfer 100% of its non-voting Class A shares at any time after the fifth anniversary of our IPO.

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 its 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 partners) 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, 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, 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 a son of Leon Black, is currently employed by the Company as a Principal in the Company's private equity business. He is entitled to receive a base salary, incentive compensation and employee benefits comparable to those offered to similarly situated employees of the Company during 2016. He is also eligible to receive an annual performance-based bonus in 2016 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 $1,083,718, $831,997 and $451,401 for 2016 to Messrs. Black, Rowan and 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 and affiliated entities. 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 in the same manner 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, 2016, 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 2016 was $8,798,182, $10,923,518, $4,617,433, $2,664,246, $438,666, $361,789 and $1,243,821 for Messrs. Black, Harris, Rowan, Suydam, Kelly, Ducey, and Kraft, respectively. The amount of distributions, including profits and return of capital to our directors and executive officers (and their estate planning vehicles) during 2016 was $10,751,106, $10,193,345, $4,811,152, $1,638,505, $113,716, $273,917 and $741,690 for Messrs. Black, Harris, Rowan, Suydam, Kelly, Ducey, and Kraft, respectively.

Sub-Advisory Arrangements and Strategic Investment Accounts

From time to time, we have entered into sub-advisory arrangements with, or established strategic investment accounts for, certain of our directors and executive officers or vehicles they manage. Such arrangements have been approved in advance in accordance with our policy regarding transactions with related persons. In addition, such sub-advisory arrangements or strategic investment accounts have been 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, have been on an arms-length basis. The amount of such fees paid by our directors and executive officers or vehicles they manage to the Company during 2016 was $140,830 for Mr. Rowan and $152,881 for Mr. Harris.

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, 2016 and 2015.

	Year Ended December 31,	
	2016	2015
	(in thousands)	
Audit fees	$ 9,506 (1)	$ 10,185 (1)
Audit fees for Apollo fund entities	20,920 (2)	20,389 (2)
Audit-related fees	1,548 (3)(4)	6,138 (3)(4)
Tax fees	3,483 (5)	2,188 (5)
Tax fees for Apollo fund entities	23,367 (2)	19,150 (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 $0.9 million for the years ended December 31, 2016 and 2015, 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 (incorporated by reference to Exhibit 4.5 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
4.6	Third Supplemental Indenture dated as of February 1, 2016, among Apollo Management Holdings, L.P., the Guarantors party thereto, Apollo Principal Holdings XI, LLC and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Registrant's Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).
4.7	Fourth Supplemental Indenture dated as of May 27, 2016, among Apollo Management Holdings, L.P., the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 27, 2016 (File No. 001-35107)).
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)).

Exhibit Number	Exhibit Description
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	Fourth Amended and Restated Exchange Agreement, dated as of May 5, 2016, 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., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, AMH Holdings (Cayman), L.P. and the Apollo Principal Holders (as defined therein) from time to time party thereto (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q for the period ended March 31, 2016 (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 10.10 to the Registrant's Form 10-Q for the period ended June 30, 2016 (File No. 001-35107)).
*10.11	Employment Agreement with Leon D. Black dated January 4, 2017.
*10.12	Employment Agreement with Marc J. Rowan dated January 4, 2017.
*10.13	Employment Agreement with Joshua J. Harris dated January 4, 2017.

Exhibit Number	Exhibit Description
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	Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings X, L.P. dated as of April 8, 2015 (incorporated by reference to Exhibit 10.19 to the Registrant's Form 10-Q for the period ended March 31, 2015 (File No. 001-35107)).
10.20	Amended and Restated Limited Liability Company Agreement of Apollo Principal Holdings XI, LLC dated as of April 11, 2016 (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).
10.21	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 period ended March 31, 2013 (File No. 001-35107)).
10.22	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)).
10.23	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)).
10.24	Joinder, dated as of May 5, 2016, to the Shareholders Agreement, dated as of July 13, 2007, as amended by the First Amendment and Joinder dated as of August 18, 2009, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, MJH Partners, L.P., Leon D. Black, Marc J. Rowan and Joshua J. Harris, and, solely in connection with Article VII of the Agreement, APO Corp., APO Asset Co., LLC, APO (FC), 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. and Apollo Management Holdings, L.P. (incorporated by reference to Exhibit 10.24 to the Registrant's Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).

Exhibit Number	Exhibit Description
10.25	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)).
+10.26	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)).
+10.27	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)).
+10.28	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 Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.29	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 Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.30	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 Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.31	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 Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
+10.32	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)).
+10.33	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)).
10.34	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)).
+10.35	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)).
10.36	Second Amended and Restated Exempted Limited Partnership Agreement of AMH Holdings (Cayman), L.P., dated November 30, 2012 (incorporated by reference to Exhibit 10.38 to the Registrant's Form 10-Q for the period ended June 30, 2015 (File No. 001-35107)).

Exhibit Number	Exhibit Description
+10.37	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)).
+10.38	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)).
+10.39	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)).
+10.40	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)).
+10.41	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)).
+10.42	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)).
+10.43	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)).
+10.44	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)).
+10.45	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)).
10.46	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)).

Exhibit Number	Exhibit Description
10.47	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 (incorporated by reference to Exhibit 10.49 to the Registrant's Form 10-Q for the period ended March 31, 2015 (File No. 001-35107)).
10.48	Guarantor Joinder Agreement, dated as of February 1, 2016, by Apollo Principal Holdings XI, LLC 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 (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).
10.49	Amendment No. 1, dated as of March 11, 2016, to the Credit Agreement, dated as of December 18, 2013, among Apollo Management Holdings, L.P., 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., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, ST Holdings GP, LLC and ST Management Holdings, LLC, the guarantors party thereto, the lenders party thereto, the issuing banks party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 15, 2016 (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 Registrant's 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 Registrant's 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 (incorporated by reference to Exhibit 10.52 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
+10.53	First Amended and Restated Exempted Limited Partnership Agreement of Apollo EPF Advisors II, L.P. dated as of April 9, 2012 (incorporated by reference to Exhibit 10.53 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
+10.54	Amended and Restated Agreement of Exempted Limited Partnership of Apollo CIP Partner Pool, L.P., dated as of December 18, 2014 (incorporated by reference to Exhibit 10.54 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
+10.55	Form of Award Letter under the Amended and Restated Agreement of Exempted Limited Partnership Agreement of Apollo CIP Partner Pool, L.P. (incorporated by reference to Exhibit 10.55 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).

Exhibit Number	Exhibit Description
+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 (incorporated by reference to Exhibit 10.56 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
+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. (incorporated by reference to Exhibit 10.57 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
*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 13, 2017

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 13, 2017
/s/ Martin Kelly Martin Kelly	Chief Financial Officer (principal financial officer)	February 13, 2017
/s/ Elliott Russell Elliott Russell	Chief Accounting Officer (principal accounting officer)	February 13, 2017
/s/ Joshua Harris Joshua Harris	Senior Managing Director and Director	February 13, 2017
/s/ Marc Rowan Marc Rowan	Senior Managing Director and Director	February 13, 2017
/s/ Michael Ducey Michael Ducey	Director	February 13, 2017
/s/ Paul Fribourg Paul Fribourg	Director	February 13, 2017
/s/ Robert Kraft Robert Kraft	Director	February 13, 2017
/s/ AB Krongard AB Krongard	Director	February 13, 2017
/s/ Pauline Richards Pauline Richards	Director	February 13, 2017

APOLLO GLOBAL MANAGEMENT, LLC
EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this " **Agreement**") is made and entered into as of January 4, 2017 (the "**Effective Date**"), by and between Apollo Global Management, LLC, a Delaware limited liability company (the "**Company**"), and Leon D. Black ("**Executive**"). Where the context permits, references to the "Company" shall include the Company and any successor of the Company. Capitalized terms used herein that are not defined in the paragraph in which they first appear are defined in Section 5(b) or in the Agreement Among Principals.

WITNESSETH:

WHEREAS, the Company desires to secure the continued services of Executive for the benefit of the Company and its Affiliates (as defined below) from and after the Effective Date hereof; and

WHEREAS, Executive desires to continue to provide such services.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, together with other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1 . SERVICES AND DUTIES . From and after the Effective Date, Executive shall be employed by the Company in the capacity of its Chairman and Chief Executive Officer. Executive shall be a full-time employee of the Company and shall dedicate substantially all of Executive's working time to the Company and its Affiliates and shall have no other employment and no other business ventures which either are undisclosed to the Company or conflict with Executive's duties under this Agreement. Executive will perform such duties as are required by the Company from time to time and normally associated with Executive's position, together with such additional duties, commensurate with Executive's positions with the Company and with its Affiliates, as may be assigned to Executive from time to time by the Governing Body. The "**Governing Body**" means AGM Management, LLC for so long as it is designated as the principal governing body of the Company pursuant to the Shareholders Agreement and thereafter, the Board. Notwithstanding the foregoing, nothing herein shall prohibit Executive from (i) subject to prior approval of the Governing Body, accepting directorships, roles equivalent to that of a non-executive chairman and roles that do not involve day-to-day operational involvement so long as in each case the role does not give rise to any conflicts of interest with the Company or its Affiliates and does not involve a Competing Business (defined below), (ii) accepting directorships, roles equivalent to that of a non-executive chairman and roles that do not involve day-to-day operational involvement so long as in each case the role does not give rise to any conflicts of interest with the Company or its Affiliates or involve a Competing Business and so long as the role is at a company that is an investment made by the Executive or a member of his Group (as defined below) in accordance with the requirements of the Code of Ethics and Clause F in Exhibit A, (iii) being actively involved in personal investing through the Family Office or otherwise so long as such involvement is consistent with the requirements of the Code of Ethics and Clause F in Exhibit A, (iv) engaging and being actively involved in charitable, cultural, educational and civic activities, so long as such outside interests do not interfere with the performance of Executive's duties hereunder, or (v) engaging in a business of the Apollo Operating Group or a member or Subsidiary thereof or of any Person in which a member or Subsidiary of the Apollo Operating Group holds an Investment in each case on behalf of the Apollo Operating Group.

2. TERM. Executive's employment under the terms and conditions of this Agreement will commence on the Effective Date. The term of this Agreement (the "**Term**") shall commence on the Effective Date and end on the third anniversary thereof. If the Term expires and Executive is employed by the Company thereafter, unless a new employment agreement has been entered into, such employment shall be "at-will." Notwithstanding the foregoing provisions of this Section 2, Executive will have the right to voluntarily terminate his employment with the Company at any time, any such termination being effective on the date on which a written notice thereof is delivered to the Company pursuant to Section 8(a) hereof.

3. COMPENSATION.

(a) Base Salary. In consideration of Executive's full and faithful satisfaction of Executive's duties under this Agreement, the Company agrees to pay to Executive a salary in the amount of one hundred thousand dollars ($100,000.00) per annum (the "**Base Salary**"), payable in such installments as the Company pays its similarly placed employees (but not less frequently than each calendar month), subject to usual and customary deductions for withholding taxes and similar charges, and customary employee contributions to the health, welfare and retirement programs in which Executive is enrolled from time to time.

(b) Withholding. All taxable compensation payable to Executive pursuant to this Section 3 or otherwise pursuant to

this Agreement shall be subject to customary deductions for withholding taxes and such other excise or employment taxes as are required under Federal law or the applicable law of any state or governmental body to be collected with respect to compensation paid by the Company to an employee.

4. BENEFITS AND EXPENSE REIMBURSEMENT.

(a) Retirement and Welfare Benefits. During the Term, Executive will be entitled to all the usual benefits offered to employees at Executive's level, including sick time and participation in the Company's medical, dental and insurance programs, subject to the applicable limitations and requirements imposed by the terms of such benefit plans, in each case in accordance with the terms of such plans as in effect from time to time. Nothing in this Section 4, however, shall require the Company to maintain any benefit plan or provide any type or level of benefits to its employees, including Executive.

(b) Vacation/Paid Time Off. Executive will be entitled to vacation and paid time off ("**PTO**") each year on the most favorable basis afforded to any employee pursuant to the Company's policies as in effect from time to time.

(c) Reimbursement of Expenses. The Company shall reimburse Executive for any expenses reasonably incurred by Executive in furtherance of Executive's duties hereunder, including travel, meals and accommodations, upon submission by Executive of vouchers or receipts and in compliance with such rules and policies relating thereto as the Company may from time to time adopt.

5 . TERMINATION. Executive's employment shall be terminated at the earliest to occur of (i) the date on which the Governing Body delivers written notice that Executive is being terminated as a result of a Disability (as defined below), or (ii) the date of Executive's death. In addition, Executive's employment with the Company may be terminated (i) by the Company for Cause (as defined below), effective on the date on which a written notice to such effect is delivered to Executive; or (ii) by Executive at any time, effective on the date on which a written notice to such effect is delivered to the Company. For the avoidance of doubt, this Agreement does not address the consequences of termination of Executive's employment, if any, to the equity interests in the Company or its Affiliates held by Executive or members of his Group.

(a) Termination by the Company with Cause or by Reason of Death or Disability or a Termination by Executive. If Executive's employment with the Company is terminated by the Company with Cause or is terminated voluntarily by Executive or by reason of Executive's death or Disability, Executive shall not be entitled to any further compensation or benefits other than accrued but unpaid Base Salary (payable as provided in Section 3(a) hereof) and accrued and unused PTO pay through the date of such termination.

(b) Definitions. For purposes of this Agreement:

"**Affiliate**" means an affiliate of the Company (or other referenced entity, as the case may be) as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

"**Agreement Among Principals**" means the Agreement Among Principals, by and among Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P., MJR Foundation LLC, MJH Partners, L.P., AP Professional Holdings, L.P. and BRH Holdings, L.P., as may be amended, modified, supplemented or restated from time to time.

"**Cause**" means (i) a final, non-appealable conviction of or plea of *nolo contendere* to a felony prohibiting Executive from continuing to provide services as an investment professional to the Company due to legal restriction or physical confinement; or (ii) ceasing to be eligible to continue performing services as an investment professional on behalf of the Company or any of its material Subsidiaries (as defined below), in each case, pursuant to a final, non-appealable legal restriction (such as a final, non-appealable injunction, but expressly excluding a preliminary injunction or other provisional restriction).

"**Covered Business**" has the meaning ascribed to it in the amended and restated exempted limited partnership agreement of BRH Holdings, L.P., a Cayman Islands exempted limited partnership.

"**Disability**" shall refer to any physical or mental incapacity which prevents Executive from carrying out all or substantially all of his duties under this Agreement for any period of one hundred eighty (180) consecutive days or any aggregate period of eight (8) months in any twelve-month (12) period, as determined, in its sole discretion, by a majority of the members of the Governing Body, including a majority of the Continuing Principals who are members of the Governing Body (but for the sake of clarity, not including the Executive in respect of which the determination is being made).

"**Family Office**" means the organization responsible for the day-to-day administration and management of the Executive's financial and personal affairs, which may include, but is not limited to, wealth management, oversight of investments, tax planning, estate planning and philanthropic endeavors, and includes any entity which holds the personal investments of the Executive.

"**Group**" shall mean with respect to Executive, Executive and (i) Executive's spouse, (ii) a lineal descendant of Executive's parents, the spouse of any such descendant or a lineal descendent of any such spouse, (iii) a Charitable Institution solely controlled by Executive and other members of his Group, (iv) a trustee of a trust (whether *inter vivos* or testamentary), all of the current beneficiaries and presumptive remaindermen of which are one or more of Executive and Persons described in clauses (i) through (iii) of this definition, (v) a corporation, limited liability company or partnership, of which all or substantially all of the outstanding shares of capital stock or interests therein are owned by one or more of Executive and Persons described in clauses (i) through (iv) of this definition provided, that the equity not owned by Executive and Persons described in clauses (i) through (iv) of this definition is owned by current or former service providers of such corporation, limited liability company or partnership, (vi) an individual mandated under a qualified domestic relations order, or (vii) the executor, personal representative or administrator of the estate of such Executive or of the estate of any individual described in clauses (i), (ii) or (vi) above. For purposes of this definition, (x) "lineal descendants" shall not include individuals adopted after attaining the age of eighteen (18) years and such adopted individual's descendants; and (y) "presumptive remaindermen" shall refer to those Persons entitled to a share of a trust's assets if it were then to terminate. Executive shall never be a member of the Group of another Principal.

"**Manager**" means AGM Management, LLC, a Delaware limited liability company.

"**Shareholders Agreement**" means the Shareholders Agreement, dated as of July 13, 2007, by and among the Company, AP Professional Holdings, L.P., Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P. and MJR Foundation LLC.

"**Subsidiary**" means a subsidiary of the Company (or other referenced entity, as the case may be) as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

(c) Resignation as Officer or Director. Upon the termination of employment for any reason, Executive shall be deemed to have resigned each position (if any) that Executive then holds as an officer or director of the Company or any of its Subsidiaries or any Portfolio Company without any further act to be taken by Executive. Additionally, Executive shall execute and deliver to the Company promptly after the Company's written request, any request for a resignation in form and substance reasonably acceptable to Executive. For the sake of clarity, this provision shall not apply to any right Executive may have under the Agreement Among Principals to continue to serve as a member of the Executive Committee following Executive's retirement.

(d) Disability. The parties acknowledge that there may be a delay between the discovery of a condition that results in Executive's employment termination due to Disability, and the effective date of such termination. In such case, the Governing Body may temporarily appoint a Senior Professional to perform the functional responsibilities and duties of Executive until Disability definitively occurs or is determined not to have occurred; *provided*, *however*, (i) the Governing Body may so appoint a Senior Professional only if Executive is unable to perform his responsibilities and duties to the Company (or such successor thereto or such other entity controlled by the Company or its successor as may be Executive's employer at such time), or, as a matter of fiduciary duty, should be prohibited from performing his responsibilities and duties, and (ii) during such period Executive shall continue to serve on the Executive Committee unless otherwise prohibited from doing so pursuant to the Agreement Among Principals.

(e) Section 409A. To the extent required to avoid the imposition of tax under Section 409A of the Code ("**Section 409A**"), if Executive is a "specified employee" for purposes of Section 409A, amounts that would otherwise be payable under this Section 5 during the six-month (6) period immediately following the employment termination date shall instead be paid on the first (1st) business day after the date that is six (6) months following Executive's "separation from service" within the meaning of Section 409A, or, if earlier, the date of Executive's death.

6. RESTRICTIVE COVENANTS. The parties agree that the restrictive covenants set forth in Exhibit A hereto (the "**Restrictive Covenants**") are incorporated herein by reference and shall be deemed to be contained herein. Executive understands, acknowledges and agrees that the Restrictive Covenants apply (i) during his employment under this Agreement, during any period of employment by (x) the Company or (y) any Affiliate following the termination of this Agreement or the expiration of the Term, and (ii) as provided in Exhibit A hereto, during the periods specified following termination of his employment by the Company and by any Affiliate which may have employed him.

7. ASSIGNMENT. This Agreement, and all of the terms and conditions hereof, shall bind the Company and its successors and assigns and shall bind Executive and Executive's heirs, valid assigns, executors and administrators. No transfer or assignment of this Agreement shall release the Company from any obligation to Executive hereunder. Neither this Agreement, nor any of the Company's rights or obligations hereunder, may be assigned or are otherwise subject to hypothecation by Executive. The Company may assign the rights and obligations of the Company hereunder, in whole or in part, to any of the Company's Subsidiaries or Affiliates, or to any other successor or assign in connection with the sale of all or substantially all of the Company's assets or equity or in connection with any merger, acquisition and/or reorganization, provided the assignee assumes the obligations of the Company hereunder and provided further than any such assignment shall not release the Company from its obligations hereunder.

8. GENERAL.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of one (1) business day following personal delivery (including personal delivery by e-mail or recognized overnight courier), or the third (3rd) business day after mailing by first class mail to the recipient at the address indicated below:

To the Company:

Apollo Global Management, LLC
9 West 57th Street
43rd Floor
New York, NY 10019
Attention: Chief Legal Officer

To Executive at the location set forth in the Company's records

or to such other address or to the attention of such other Person as the recipient party may have specified by prior written notice to the sending party.

(b) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found to be invalid or unenforceable in any jurisdiction, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(c) Entire Agreement. This document, together with its attached exhibits, constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Notwithstanding the immediately preceding sentence, this Agreement does not supersede or preempt the Shareholders Agreement, the Agreement Among Principals, the Exchange Agreement, the exempted limited partnership agreement of AP Professional Holdings, L.P., the exempted limited partnership agreement of BRH Holdings, L.P., or any other agreement to which Executive became a party in connection with the Company's initial public offering.

(d) Counterparts. This Agreement may be executed on separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

(e) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by each party hereto. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement.

(f) Survivorship. The provisions of this Agreement necessary to carry out the intention of the parties as expressed herein (including, without limitation, the Restrictive Covenants provided in Section 6 hereof and Exhibit A hereto) shall survive the termination or expiration of the Term.

(g) Waiver. The waiver by either party of the other party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the failure by any party hereto to exercise any right or remedy which it or he may possess hereunder shall not operate nor be construed as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

(h) Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

(i) Construction. The parties acknowledge that this Agreement is the result of arm's-length negotiations between sophisticated parties, each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

(j) Arbitration.

(i) Except as contemplated in Section 8(k) hereof, the parties hereto agree that any dispute, controversy or claim arising out of or relating to this Agreement, whether based on contract, tort, statute, or other legal or equitable theory (including, without limitation, any claim of fraud, intentional misconduct, misrepresentation or fraudulent inducement or any question of validity or effect of this Agreement including this clause) or the breach or termination hereof (the "**Dispute**"), shall be resolved in binding arbitration in accordance with the following provisions:

A. Such Dispute shall be resolved by binding arbitration to be conducted before JAMS in accordance with the provisions of JAMS' Comprehensive Arbitration Rules and Procedures as in effect at the time of the arbitration.

B. The arbitration shall be held before a panel of three arbitrators appointed by JAMS, in accordance with its rules, who are not Affiliates of any party to such arbitration and do not have any actual or reasonable potential for bias or conflict of interest with respect to any of the parties hereto, directly or indirectly, by virtue of any direct or indirect financial interest, family relationship or close friendship.

C. Such arbitration shall be held at such place as the arbitrators appointed by JAMS may determine within the County, City and State of New York, or such other location to which the parties hereto may agree.

D. The arbitrators shall have the authority, taking into account the parties' desire that any arbitration proceeding hereunder be reasonably expedited and efficient, to permit the parties hereto to conduct discovery. Any such discovery shall be (i) guided generally by but be no broader than permitted under the United States Federal Rules of Civil Procedure (the "**FRCP**"), and (ii) subject to the arbitrators and the parties hereto entering into a mutually acceptable confidentiality agreement.

E. The arbitrators shall have the authority to issue subpoenas for the attendance of witnesses and for the production of records and other evidence in connection with discovery and/or at any hearing and may administer oaths. Any such subpoena must be served in the manner for service of subpoenas under the FRCP and enforced in the manner for enforcement of subpoenas under the FRCP.

F. The arbitrators' decision and award in any such arbitration shall be made by majority vote and delivered within thirty (30) calendar days of the conclusion of the evidentiary hearings unless otherwise agreed to by the parties hereto. In addition, the arbitrators shall have the authority to award injunctive relief to any of the parties.

G. The arbitrators' decision shall be in writing and shall be as brief as possible and will include the basis for the arbitrators' decision. A record of the arbitration proceeding shall be kept.

H. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

I. The parties shall share equally all expenses of JAMS (including those of the arbitrators) incurred in connection with any arbitration; provided, however, the arbitrators may award to the prevailing party in such arbitration its or his reasonable expenses incurred (including reasonable legal fees and expenses) and its or his share of JAMS expenses in connection with such arbitration.

J. The parties hereto agree to participate in any arbitration in good faith.

(ii) If JAMS is unable or unwilling to commence arbitration with regard to any such Dispute within thirty (30) calendar days after the parties have met the requirements for commencement as set forth in Rule 5 of the JAMS Comprehensive Arbitration Rules and Procedures, then the Disputes shall be resolved by binding arbitration, in accordance with the International Arbitration Rules of the American Arbitration Association (the " **AAA**"), before a panel of three arbitrators who shall be selected jointly by the parties involved in such Dispute, or if the parties cannot agree on the selection of the arbitrators, shall be selected by the AAA (provided that any arbitrators selected by the AAA shall meet the requirements of Section 8(j)(i)(B) above). Any such arbitration shall be subject to the provisions of Section 8(j)(i)(C) through 8(j)(i)(J) above (as if the AAA were JAMS). If the AAA is unable or unwilling to commence such arbitration within thirty (30) calendar days after the parties have met the requirements for such commencement set forth in the aforementioned rules, then either party may seek resolution of such Dispute through litigation in accordance with Sections 8(k) and 8(l).

(iii) Except as may be necessary to enter judgment upon the award or to the extent required by applicable law, all claims, defenses and proceedings (including, without limiting the generality of the foregoing, the existence of the controversy and the fact that there is an arbitration proceeding) shall be treated in a confidential manner by the arbitrators, the parties and their counsel, and each of their agents, employees and all others acting on behalf of or in concert with them.

Without limiting the generality of the foregoing, no one shall divulge to any Person not directly involved in the arbitration the contents of the pleadings, papers, orders, hearings, trials, or awards in the arbitration, except as may be necessary to enter judgment upon an award or as required by applicable law. Any court proceedings relating to the arbitration hereunder, including, without limiting the generality of the foregoing, to prevent or compel arbitration; discovery; enforcement of a subpoena; or to confirm, correct, vacate or otherwise enforce an arbitration award, shall be filed under seal with the court, to the extent permitted by law.

(k) Governing Law; Equitable Remedies. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF). The parties hereto agree that irreparable damage would occur in the event that any of the provisions of Section 6 or Exhibit A of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of Section 6 or Exhibit A of this Agreement and to enforce specifically the terms and provisions thereof in any of the Selected Courts (as defined below), this being in addition to any other remedy to which they are entitled at law or in equity. In such event, any requirements for the securing or posting of any bond with respect to such remedy are hereby waived by each of the parties hereto. Each party further agrees that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance pursuant to this Section 8(k), it or he will not assert the defense that a remedy at law would be adequate.

(l) Consent to Jurisdiction. It is the desire and intent of the parties hereto that any disputes or controversies arising under or in connection with this Agreement be resolved pursuant to arbitration in accordance with Section 8(j); *provided*, *however*, that, to the extent that Section 8(j) is held to be invalid or unenforceable for any reason, and the result is that the parties hereto are precluded from resolving any claim arising under or in connection with this Agreement pursuant to the terms of Section 8(j) (after giving effect to the terms of Section 8(b)), the following provisions of this Section 8(l) shall govern the resolution of all disputes or controversies arising under this Agreement. With respect to any suit, action or proceeding ("**Proceeding**") arising out of or relating to this Agreement or any transaction contemplated hereby each of the parties hereto hereby irrevocably (i) submits to the exclusive jurisdiction of (A) the United States District Court for the Southern District of New York, or (B) in the event that such court lacks jurisdiction to hear the claim, the state courts of New York located in the borough of Manhattan, New York City (the " **Selected Courts**") and waives any objection to venue being laid in the Selected Courts whether based on the grounds of f*orum non conveniens* or otherwise and hereby agrees not to commence any such Proceeding other than before one of the Selected Courts; *provided*, *however*, that a party may commence any Proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts or the arbitrators; (ii) consents to service of process in any Proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, or by recognized international express carrier or delivery service, to their respective addresses referred to in Section 8(a) hereof; *provided*, *however*, that nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; and (iii) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, WAIVES, AND COVENANTS THAT IT OR HE 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 OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS OR HIS RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS AND WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(m) Third Party Beneficiaries. Except as expressly provided herein, nothing in this Agreement shall confer any rights or remedies upon any Person other than the parties hereto or any and all of Executive's heirs, successors, valid assigns, executors and administrators. In any provision of the Agreement which provides rights or remedies to, or permits the assignment of rights to, Affiliates or Subsidiaries of the Company, the terms "Affiliates" and "Subsidiaries" shall be construed to exclude any Fund or Portfolio Company.

(n) Indemnification.

(i) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, Executive and the Executive's Group (collectively, the "**Indemnified Parties**" and each individually an "**Indemnified Party**") shall be indemnified and held harmless by the Company and its direct and indirect consolidated Subsidiaries from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed third-party claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether

formal or informal and including appeals, directly or indirectly, by reason of or arising from (A) Executive's actions or inactions in connection with the establishment, management, operations or serving on the board of any Covered Business, (B) Executive's actions or inactions with respect to his duties under this Agreement (including resulting from limitations on Executive's actions set forth in Exhibit A), and (C) Executive's actions or inactions with respect to any limited partnership agreement or similar governing document of any Covered Business or any member of the Apollo Operating Group or any direct or indirect Subsidiary, including, for the avoidance of doubt, to the extent related to any breach or alleged breach of this Agreement, any Fund Agreement or the AGM LLC Agreement, whether arising from acts or omissions to act as set forth in this section 8(n)(i) occurring before or after the Effective Date; *provided*, *however*, that the Indemnified Party shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnified Party is seeking indemnification pursuant to this Section 8(n), Executive acted in bad faith or engaged in actual fraud or willful misconduct. For purposes of clarification, because a conveyance may be allegedly or actually void or voidable or deemed "fraudulent" pursuant to the provisions of Title 11 of the U.S. Code or any similar State or foreign statute does not render an Executive's conduct with respect to the conveyance non-indemnifiable, and an Indemnified Party will be entitled to indemnification with respect to such conveyances unless the Executive "acted in bad faith or engaged in actual fraud or willful misconduct" as provided for herein. Notwithstanding the preceding sentence, except as otherwise provided in Section 8(n)(ix), the Company shall be required to indemnify an Indemnified Party in connection with any action, suit or proceeding (or part thereof) commenced by an Indemnified Party only if the commencement of such action, suit or proceeding (or part thereof) by such Indemnified Party was authorized by the Company in its sole discretion.

(ii) To the fullest extent permitted by law, expenses (including reasonable legal fees and expenses) incurred by an Indemnified Party in appearing at, participating in or defending any indemnifiable claim, demand, action, suit or proceeding pursuant to Section 8(n) shall be advanced by the Company on a monthly basis prior to a final and non-appealable determination that the Indemnified Party is not entitled to be indemnified upon receipt by the Company of an undertaking by or on behalf of an Indemnified Party to repay such amount if it ultimately shall be determined that the Indemnified Party is not entitled to be indemnified pursuant to this Section 8(n). Notwithstanding the immediately preceding sentence, except as otherwise provided in Section 8(n)(ix), the Company shall be required to indemnify an Indemnified Party pursuant to the immediately preceding sentence in connection with any action, suit or proceeding (or part thereof) commenced by such Indemnified Party only if the commencement of such action, suit or proceeding (or part thereof) by the Indemnified Party was authorized by the Company in its sole discretion.

(iii) The indemnification provided by this Section 8(n) shall be in addition to any other rights to which the Indemnified Parties may be entitled under any agreement, as a matter of law, in equity or otherwise, both as to actions in Executive's capacity as Executive and as to actions in any other capacity, and shall continue as to the Indemnified Parties if Executive has ceased to serve in such capacity.

(iv) Any indemnification pursuant to this Section 8(n) shall be made only out of the assets of the Company and/or its valid assignees. In no event may the Indemnified Parties subject the members of the Company to personal liability by reason of the indemnification provisions set forth in this Agreement.

(v) No Indemnified Party shall be denied indemnification in whole or in part under this Section 8(n) because such Indemnified Party had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement, including, without limitation, Exhibit A, the Agreement Among Principals, the Limited Liability Company Agreement of the Company or the consent of the Governing Body.

(vi) The provisions of this Section 8(n) are for the benefit of the Indemnified Parties and their heirs, successors, valid assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(vii) Executive shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Company, its Affiliates and their respective direct or indirect Subsidiaries and on such information, opinions, reports or statements presented to any of the foregoing by any of the respective officers, directors or employees, or committees of the board, or by any other Person as to matters that Executive, as the case may be, reasonably believes are within such other Person's professional or expert competence.

(viii) No amendment, modification or repeal of this Section 8(n) or any provision hereof shall in any manner terminate, reduce or impair the right of the Indemnified Parties or any third party beneficiary to be indemnified by the Company, nor the obligations of the Company to indemnify the Indemnified Parties or any third party beneficiary under and in accordance with the provisions of this Section 8(n) as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or-in part, prior to such amendment, modification

or repeal, regardless of when such claims may arise or be asserted.

(ix) If a claim for indemnification (following the final disposition of the action, suit or proceeding for which indemnification is being sought) or advancement of expenses under this Section 8(n) is not paid in full within thirty (30) days after a written claim therefor by an Indemnified Party or any third party beneficiary has been received by the Company, such Indemnified Party or such third party beneficiary, as the case may be, may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expenses of prosecuting such claim, including reasonable attorneys' fees.

(o) Liability of Indemnified Persons. Notwithstanding anything to the contrary herein, no Indemnified Party shall be liable to the Company or any other Persons who have acquired interests in the Company's securities, for any losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission of Executive, or for any breach of contract (including breach of this Agreement) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, Executive acted in bad faith or engaged in actual fraud or willful misconduct. For purposes of clarification, because a conveyance may be allegedly or actually void or voidable or deemed "fraudulent" pursuant to the provisions of Title 11 of the U.S. Code or any similar State or foreign statute does not render an Executive's conduct with respect to the conveyance non-indemnifiable, and an Indemnified Party will be entitled to indemnification with respect to such conveyances unless the Executive "acted in bad faith or engaged in actual fraud or willful misconduct" as provided for herein. Any amendment, modification or repeal of this Section 8(o) or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of an Indemnified Party under this Section 8(o) as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(p) Legal Fees. The Company shall pay or reimburse Executive for all reasonable and documented legal fees and costs incurred by him in connection with the drafting and negotiation of this Agreement and any other agreement or policies directly or indirectly related to Executive's employment arrangement and his rights under Exhibit A.

[Signature page follows]

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND THEREBY, the parties hereto have executed and delivered this Agreement as of the year and date first above written.

APOLLO GLOBAL MANAGEMENT, LLC

By: AGM Management, LLC,
its Manager

By: BRH Holdings GP, Ltd.,
its Sole Member

By: /s/ John J. Suydam
Name: John J. Suydam
Title: Vice President

/s/ Leon D. Black
Leon D. Black

Exhibit A

Restrictive Covenants

Executive understands, acknowledges and agrees that, by virtue of his equity interest in the Company and/or its Affiliates, his previous services to the Company and its Affiliates, and his employment by the Company pursuant to this Agreement, directly or indirectly, he acquired, had access to, or was otherwise exposed to, and shall acquire, have access to or be otherwise exposed to confidential information of the Company and its Affiliates (the Confidential Information, as defined below) and he has met and developed relationships with, and will meet and develop relationships with, the Company's potential and existing financing sources, capital market intermediaries, investors, employees and consultants.

The Company and its Affiliates are engaged throughout the United States and the world in the business of raising, managing, investing the assets of and making investments in private equity funds, hedge funds, publicly traded alternative investment vehicles and other alternative asset investment vehicles (the "**Business**"). Executive acknowledges that (i) the Business is global in nature and Executive is among the limited number of individuals leading the Business, (ii) the Restrictive Covenants set forth in this Exhibit A are an essential part of this Agreement, (iii) he has been fully advised by counsel in connection with the negotiation of this Agreement and the Restrictive Covenants, (iv) he is familiar with the laws which govern the enforceability of restrictive covenants in the jurisdictions where the Business is carried on, and agrees that these Restrictive Covenants, including, without limitation, the non-competition covenant, are reasonable, valid and enforceable in the context of this Agreement, and (v) compliance with the Restrictive Covenants, including, without limitation, the non-competition covenant, will not create any hardship for Executive as he has independent means and sufficient income to be fully self-supporting without competing with the Company in the Business or violating any of the Restrictive Covenants.

A . Non-competition. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period (as defined below), Executive shall not, directly or indirectly, either as a principal, agent, employee, employer, consultant, partner, member, shareholder of a closely held corporation or shareholder in excess of three percent (3%) of a publicly traded corporation, corporate officer or director, or in any other individual or representative capacity, engage or otherwise participate in any manner or fashion in any business that is a Competing Business (as defined below), either in the United States or in any other place in the world where the Company or any of its Affiliates, successors or assigns engages in the Business. Notwithstanding anything to the contrary contained in this Clause A of this Exhibit A, (i) activities permitted by clause 1 (Services and Duties) of the Employment, Non-Competition and Non-Solicitation Agreement and (ii) investments described in Clause F of this Exhibit A, are permitted.

Solely for purposes of this Exhibit A: "**Competing Business**" means any alternative asset management business (other than the Business of the Company, its successors or assigns or Affiliates) Primarily for 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, business development corporations, special purpose acquisition companies or other alternative asset investment vehicles, or the Persons who manage, advise or own such investment vehicles. "**Primarily**" means with respect to more than fifty percent (50%) of the capital in question. "**Third Party**" means a Person other than Executive or any member of Executive's Group. "**Restricted Period**" means, the period commencing on the date hereof and terminating one (1) year following Executive's termination of employment.

B. Non-solicitation of Employees, Etc. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period, Executive shall not, directly or indirectly, (i) solicit or induce any officer, director, employee, agent or consultant of the Company or any of its successors, assigns or Affiliates to terminate his, her or its employment or other relationship with the Company or its successors, assigns or Affiliates for the purpose of associating with any Competing Business, or otherwise encourage any such Person to leave or sever his, her or its employment or other relationship with the Company or its successors, assigns or Affiliates, for any other reason, or (ii) hire any such individual who, at the time of hire, Executive knows left the employ of the Company or any of its Affiliates during the immediately preceding twelve (12) months. This provision shall not prohibit Executive from soliciting or hiring the Persons serving as his personal assistant or assistants at or prior to the time of his departure. For purposes of these Clauses B and C of this Exhibit A, "Affiliates" shall not include any Portfolio Company.

C . Non-solicitation of Investors, Etc. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period, Executive shall not, directly or indirectly, solicit or induce any investors, financing sources or capital market intermediaries of the Company or its successors, assigns or Affiliates to terminate (or diminish in any respect) his, her or its relationship with the Company or its successors, assigns or Affiliates. Nothing in this paragraph applies to those investors, financing sources, or capital market intermediaries who did not conduct business with the Company, or its successors, assigns or Affiliates during Executive's employment with, or the period in which Executive held, directly or indirectly, an ownership interest in, the Company or any Affiliate.

D . Confidentiality. Executive agrees to be bound by Section 5.8 ("**Confidential Information**") of the Agreement Among

Principals.

E . Disparaging Comments. Executive agrees that he shall not, 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. The Company agrees that it shall not, and it shall ensure that its Continuing Principals shall not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any Person that disparages Executive, either professionally or personally. The obligations under this paragraph shall not apply to (i) disclosures compelled by applicable law or order of any court or (ii) any statements or disclosures reasonably necessary to be made directly in connection with any legal proceeding, arbitration or investigation, whether or not compelled (but subject to any confidentiality agreements or orders that may govern such proceeding, arbitration or investigation).

F. Code of Ethics, Family Offices and Personal Investing.

(1) In no event shall Executive make, or assist a member of his Group in making, any investment that violates or conflicts with the Company's then-current code of ethics (the "**Code of Ethics**") or any trading policies of the Company (it being understood that the terms and restrictions of any such policy may be more restrictive than required by applicable law). The Company will notify Executive promptly of any changes to the Code of Ethics or to any of its trading policies. As required by the Code of Ethics, all statements of holdings by the Family Office shall be provided to the Company compliance department ("**Company Compliance**") and all trades by the Family Office that are required to be pre-cleared under the Code of Ethics will be pre-cleared by Company Compliance, except as noted below.

(2) Transactions in the following by the Family Office shall be considered "fully-managed accounts" for purposes of Section 8.2.2 of the Code of Ethics (or any successor section) provided that a certificate is delivered to the Company's Chief Compliance Officer (the "**CCO**") on a quarterly basis from the relevant portfolio manager or the Chief Executive Officer, as applicable (the "Portfolio Manager") of Executive's Family Office and Executive stating that Executive continues to have no investment control, influence or discretion over such investments:

- Bank loans; and
- Equity securities of publicly traded companies with a market capitalization of more than $100 million and less than $10 billion so long as the investment will not result in the Family Office owning more than 3% of the outstanding publicly traded securities of any issuer.

Although the foregoing shall be considered "fully-managed accounts" under the Code of Ethics and thus do not require pre-clearance, the Executive shall nonetheless cause his Family Office to pre-clear with Company Compliance all transactions in equity securities in publicly traded companies with a market capitalization of more than $100 million and less than $10 billion (but not bank loans) to ensure that the Company is not in possession of material non-public information ("**MNPI**") concerning the issuer of the securities.

(3) The provision contained in Section 8.3 of the Code of Ethics which requires Company Compliance to consider whether a "transaction would usurp an opportunity that properly belongs to the Company's clients" is considered satisfied with respect to any investment (including anticipated follow-on investments) that is below the threshold size listed in the attached Schedule I for the type of investment listed (because these investments do not usurp the Company's client opportunities). For avoidance of doubt, such transactions would remain subject to pre-clearance by Company Compliance for MNPI or conflicts purposes.

(4) Investments in the following categories are unlikely to usurp an opportunity that properly belongs to the Company's clients and therefore, Company Compliance will endeavor to expedite any pre-clearance request with respect to these investments:

- Investments in sports teams, leagues or organizations (because these investments are not considered appropriate investments for the Company's clients); and
- Private investments that were introduced to the Family Office by persons other than Executive or sourced by the Family Office and not Executive so long as the Portfolio Manager of Executive's Family Office and Executive deliver a certificate in the form attached as Schedule 2 to the Company's CCO prior to making such investment stating that such investment was introduced to the Family Office by persons other than Executive or sourced by employees or other service providers of the Family Office and not Executive, that Executive was not aware of such investment prior to the Family Office being introduced to or sourcing such investment and that neither the Company nor its employees (including Executive) participated in sourcing such investment. For the avoidance of doubt, once the Family Office is introduced to or sources the investment, Executive may be involved in analyzing the investment and participating in the decision as to whether the Family Office should make such investment.

For the avoidance of doubt, the other factors to be considered in a pre-clearance decision (i.e., the restricted list, MNPI, etc.) remain applicable to the investments listed above in this paragraph F(4).

(5) Any request for pre-clearance to Company Compliance shall include information about anticipated follow-on investments with respect to the investment. If a follow-on investment is pre-cleared at the time of the original investment it shall not require another pre-clearance at the time of actual investment (although sales of such investment may be required to be pre-cleared as provided in the Code of Ethics). If a follow-on investment was not anticipated at the time of the original investment, Executive or his Family Office shall certify that such subsequent funding is required to protect the value of the existing investment and was not contemplated and pre-cleared at the time of the initial investment.

(6) As required by the Code of Ethics, when requesting pre-clearance, Executive's Family Office shall provide sufficient information such that the Company can make a decision but such Family Office will not be obligated to create an investment memorandum solely for pre-clearance purposes.

(7) Where possible, responses to pre-clearance requests shall be granted to Executive's Family Office within 48 hours of the request.

(8) Before agreeing to receive MNPI with respect to an investment, Company Compliance shall check its most recent statement of the Family Office's holdings, and if the receipt of the MNPI could cause the Family Office to restrict its investment, Company Compliance, if practicable, will provide notice to the Family Office that the Company may receive MNPI so that the Family Office has an opportunity to exit the position before the MNPI is received. If the Family Office chooses to exit the position, the Family Office shall request pre-clearance from Company Compliance and Company Compliance may or may not grant approval. Once Company Compliance has completed its internal decision-making about whether to accept MNPI (normally approximately 48 hours later) the Company shall notify the Family Office of its decision, and if the Family Office has not sold its position, it will be subject to restriction on sale.

G . Conflicts of Interest. Executive hereby agrees to promptly disclose to the Governing Body any potential conflict of interest involving Executive, his Group or his Family Office or the Company upon Executive obtaining actual knowledge of such conflict or potential conflict.

H . Director's Fees and Other Sources of Compensation from the Company. All directors' and other fees payable to Executive after July 13, 2012 or equity incentives granted to Executive after July 13, 2012 by a portfolio company shall be transferred to the Company or its designee without any additional consideration therefor. Other than the compensation set forth in this Agreement, Executive will not accept any compensation, director fees, other fees or equity interests from the Company or any of its Subsidiaries.

I. Continuing Obligations to the Company and its Subsidiaries. Commencing on the Effective Date, Executive will cooperate in all reasonable respects with the Company and its Subsidiaries in connection with any and all existing or future litigation, actions or proceedings (whether civil, criminal, administrative, regulatory or otherwise) brought by or against the Company or any of its Affiliates, to the extent the Company reasonably deems Executive's cooperation necessary. Executive shall be reimbursed for all out-of-pocket expenses incurred by him as a result of such cooperation.

J . Acknowledgement. Executive agrees and acknowledges that each Restrictive Covenant herein is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of the Company and its Affiliates, imposes no undue hardship on Executive, is not injurious to the public, and that any violation of any of these Restrictive Covenants shall be specifically enforceable in any court with jurisdiction upon short notice. Executive agrees and acknowledges that a portion of the compensation paid to Executive under this Agreement to which this Exhibit A is attached will be paid in consideration of the covenants contained in this Exhibit A, the sufficiency of which consideration is hereby acknowledged. If any provision of this Exhibit A as applied to Executive or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Exhibit A. If the scope of any such provision, or any part thereof, is too broad to permit enforcement of such provision to its full extent, Executive agrees that the court making such determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, to the extent necessary to permit enforcement, and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive agrees and acknowledges that the breach of this Exhibit A will cause irreparable injury to the Company and upon breach of any provision of this Exhibit A, the Company shall be entitled to injunctive relief, specific performance or other equitable relief; *provided*, *however*, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages). The Company shall not bring any claim or action for breach of any provision of this Exhibit A unless (i) it has provided written notice of such alleged claim and provided Executive with at least thirty (30) days to correct or cure the conduct in question and (ii) during such period, Executive has not corrected or cured such conduct. Each of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in this Agreement to which it is attached, other than the consideration for such covenant provided in this Agreement.

APOLLO GLOBAL MANAGEMENT, LLC
EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this " **Agreement**") is made and entered into as of January 4, 2017 (the "**Effective Date**"), by and between Apollo Global Management, LLC, a Delaware limited liability company (the "**Company**"), and Marc J. Rowan ("**Executive**"). Where the context permits, references to the "Company" shall include the Company and any successor of the Company. Capitalized terms used herein that are not defined in the paragraph in which they first appear are defined in Section 5(b) or in the Agreement Among Principals.

WITNESSETH:

WHEREAS, the Company desires to secure the continued services of Executive for the benefit of the Company and its Affiliates (as defined below) from and after the Effective Date hereof; and

WHEREAS, Executive desires to continue to provide such services.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, together with other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1 . SERVICES AND DUTIES . From and after the Effective Date, Executive shall be employed by the Company in the capacity of its Senior Managing Director. Executive shall be a full-time employee of the Company and shall dedicate substantially all of Executive's working time to the Company and its Affiliates and shall have no other employment and no other business ventures which either are undisclosed to the Company or conflict with Executive's duties under this Agreement. Executive will perform such duties as are required by the Company from time to time and normally associated with Executive's position, together with such additional duties, commensurate with Executive's positions with the Company and with its Affiliates, as may be assigned to Executive from time to time by the Governing Body. The "**Governing Body**" means AGM Management, LLC for so long as it is designated as the principal governing body of the Company pursuant to the Shareholders Agreement and thereafter, the Board. Notwithstanding the foregoing, nothing herein shall prohibit Executive from (i) subject to prior approval of the Governing Body, accepting directorships, roles equivalent to that of a non-executive chairman and roles that do not involve day-to-day operational involvement so long as in each case the role does not give rise to any conflicts of interest with the Company or its Affiliates and does not involve a Competing Business (defined below), (ii) accepting directorships, roles equivalent to that of a non-executive chairman and roles that do not involve day-to-day operational involvement so long as in each case the role does not give rise to any conflicts of interest with the Company or its Affiliates or involve a Competing Business and so long as the role is at a company that is an investment made by the Executive or a member of his Group (as defined below) in accordance with the requirements of the Code of Ethics and Clause F in Exhibit A, (iii) being actively involved in personal investing through the Family Office or otherwise so long as such involvement is consistent with the requirements of the Code of Ethics and Clause F in Exhibit A, (iv) engaging and being actively involved in charitable, cultural, educational and civic activities, so long as such outside interests do not interfere with the performance of Executive's duties hereunder, or (v) engaging in a business of the Apollo Operating Group or a member or Subsidiary thereof or of any Person in which a member or Subsidiary of the Apollo Operating Group holds an Investment in each case on behalf of the Apollo Operating Group.

2. TERM. Executive's employment under the terms and conditions of this Agreement will commence on the Effective Date. The term of this Agreement (the "**Term**") shall commence on the Effective Date and end on the third anniversary thereof. If the Term expires and Executive is employed by the Company thereafter, unless a new employment agreement has been entered into, such employment shall be "at-will." Notwithstanding the foregoing provisions of this Section 2, Executive will have the right to voluntarily terminate his employment with the Company at any time, any such termination being effective on the date on which a written notice thereof is delivered to the Company pursuant to Section 8(a) hereof.

3. COMPENSATION.

(a) Base Salary. In consideration of Executive's full and faithful satisfaction of Executive's duties under this Agreement, the Company agrees to pay to Executive a salary in the amount of one hundred thousand dollars ($100,000.00) per annum (the "**Base Salary**"), payable in such installments as the Company pays its similarly placed employees (but not less frequently than each calendar month), subject to usual and customary deductions for withholding taxes and similar charges, and customary employee contributions to the health, welfare and retirement programs in which Executive is enrolled from time to time.

(b) Withholding. All taxable compensation payable to Executive pursuant to this Section 3 or otherwise pursuant to this Agreement shall be subject to customary deductions for withholding taxes and such other excise or employment taxes as are

required under Federal law or the applicable law of any state or governmental body to be collected with respect to compensation paid by the Company to an employee.

4. BENEFITS AND EXPENSE REIMBURSEMENT.

(a) Retirement and Welfare Benefits. During the Term, Executive will be entitled to all the usual benefits offered to employees at Executive's level, including sick time and participation in the Company's medical, dental and insurance programs, subject to the applicable limitations and requirements imposed by the terms of such benefit plans, in each case in accordance with the terms of such plans as in effect from time to time. Nothing in this Section 4, however, shall require the Company to maintain any benefit plan or provide any type or level of benefits to its employees, including Executive.

(b) Vacation/Paid Time Off. Executive will be entitled to vacation and paid time off ("**PTO**") each year on the most favorable basis afforded to any employee pursuant to the Company's policies as in effect from time to time.

(c) Reimbursement of Expenses. The Company shall reimburse Executive for any expenses reasonably incurred by Executive in furtherance of Executive's duties hereunder, including travel, meals and accommodations, upon submission by Executive of vouchers or receipts and in compliance with such rules and policies relating thereto as the Company may from time to time adopt.

5 . TERMINATION. Executive's employment shall be terminated at the earliest to occur of (i) the date on which the Governing Body delivers written notice that Executive is being terminated as a result of a Disability (as defined below), or (ii) the date of Executive's death. In addition, Executive's employment with the Company may be terminated (i) by the Company for Cause (as defined below), effective on the date on which a written notice to such effect is delivered to Executive; or (ii) by Executive at any time, effective on the date on which a written notice to such effect is delivered to the Company. For the avoidance of doubt, this Agreement does not address the consequences of termination of Executive's employment, if any, to the equity interests in the Company or its Affiliates held by Executive or members of his Group.

(a) Termination by the Company with Cause or by Reason of Death or Disability or a Termination by Executive. If Executive's employment with the Company is terminated by the Company with Cause or is terminated voluntarily by Executive or by reason of Executive's death or Disability, Executive shall not be entitled to any further compensation or benefits other than accrued but unpaid Base Salary (payable as provided in Section 3(a) hereof) and accrued and unused PTO pay through the date of such termination.

(b) Definitions. For purposes of this Agreement:

"**Affiliate**" means an affiliate of the Company (or other referenced entity, as the case may be) as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

"**Agreement Among Principals**" means the Agreement Among Principals, by and among Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P., MJR Foundation LLC, MJH Partners, L.P., AP Professional Holdings, L.P. and BRH Holdings, L.P., as may be amended, modified, supplemented or restated from time to time.

"**Cause**" means (i) a final, non-appealable conviction of or plea of *nolo contendere* to a felony prohibiting Executive from continuing to provide services as an investment professional to the Company due to legal restriction or physical confinement; or (ii) ceasing to be eligible to continue performing services as an investment professional on behalf of the Company or any of its material Subsidiaries (as defined below), in each case, pursuant to a final, non-appealable legal restriction (such as a final, non-appealable injunction, but expressly excluding a preliminary injunction or other provisional restriction).

"**Covered Business**" has the meaning ascribed to it in the amended and restated exempted limited partnership agreement of BRH Holdings, L.P., a Cayman Islands exempted limited partnership.

"**Disability**" shall refer to any physical or mental incapacity which prevents Executive from carrying out all or substantially all of his duties under this Agreement for any period of one hundred eighty (180) consecutive days or any aggregate period of eight (8) months in any twelve-month (12) period, as determined, in its sole discretion, by a majority of the members of the Governing Body, including a majority of the Continuing Principals who are members of the Governing Body (but for the sake of clarity, not including the Executive in respect of which the determination is being made).

"**Family Office**" means the organization responsible for the day-to-day administration and management of the Executive's financial and personal affairs, which may include, but is not limited to, wealth management, oversight of investments, tax planning, estate planning and philanthropic endeavors, and includes any entity which holds the personal investments of the Executive.

"**Group**" shall mean with respect to Executive, Executive and (i) Executive's spouse, (ii) a lineal descendant of Executive's

parents, the spouse of any such descendant or a lineal descendent of any such spouse, (iii) a Charitable Institution solely controlled by Executive and other members of his Group, (iv) a trustee of a trust (whether *inter vivos* or testamentary), all of the current beneficiaries and presumptive remaindermen of which are one or more of Executive and Persons described in clauses (i) through (iii) of this definition, (v) a corporation, limited liability company or partnership, of which all or substantially all of the outstanding shares of capital stock or interests therein are owned by one or more of Executive and Persons described in clauses (i) through (iv) of this definition provided, that the equity not owned by Executive and Persons described in clauses (i) through (iv) of this definition is owned by current or former service providers of such corporation, limited liability company or partnership, (vi) an individual mandated under a qualified domestic relations order, or (vii) the executor, personal representative or administrator of the estate of such Executive or of the estate of any individual described in clauses (i), (ii) or (vi) above. For purposes of this definition, (x) "lineal descendants" shall not include individuals adopted after attaining the age of eighteen (18) years and such adopted individual's descendants; and (y) "presumptive remaindermen" shall refer to those Persons entitled to a share of a trust's assets if it were then to terminate. Executive shall never be a member of the Group of another Principal.

"**Manager**" means AGM Management, LLC, a Delaware limited liability company.

"**Shareholders Agreement**" means the Shareholders Agreement, dated as of July 13, 2007, by and among the Company, AP Professional Holdings, L.P., Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P. and MJR Foundation LLC.

"**Subsidiary**" means a subsidiary of the Company (or other referenced entity, as the case may be) as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

(c) Resignation as Officer or Director. Upon the termination of employment for any reason, Executive shall be deemed to have resigned each position (if any) that Executive then holds as an officer or director of the Company or any of its Subsidiaries or any Portfolio Company without any further act to be taken by Executive. Additionally, Executive shall execute and deliver to the Company promptly after the Company's written request, any request for a resignation in form and substance reasonably acceptable to Executive. For the sake of clarity, this provision shall not apply to any right Executive may have under the Agreement Among Principals to continue to serve as a member of the Executive Committee following Executive's retirement.

(d) Disability. The parties acknowledge that there may be a delay between the discovery of a condition that results in Executive's employment termination due to Disability, and the effective date of such termination. In such case, the Governing Body may temporarily appoint a Senior Professional to perform the functional responsibilities and duties of Executive until Disability definitively occurs or is determined not to have occurred; *provided*, *however*, (i) the Governing Body may so appoint a Senior Professional only if Executive is unable to perform his responsibilities and duties to the Company (or such successor thereto or such other entity controlled by the Company or its successor as may be Executive's employer at such time), or, as a matter of fiduciary duty, should be prohibited from performing his responsibilities and duties, and (ii) during such period Executive shall continue to serve on the Executive Committee unless otherwise prohibited from doing so pursuant to the Agreement Among Principals.

(e) Section 409A. To the extent required to avoid the imposition of tax under Section 409A of the Code ("**Section 409A**"), if Executive is a "specified employee" for purposes of Section 409A, amounts that would otherwise be payable under this Section 5 during the six-month (6) period immediately following the employment termination date shall instead be paid on the first (1st) business day after the date that is six (6) months following Executive's "separation from service" within the meaning of Section 409A, or, if earlier, the date of Executive's death.

6. RESTRICTIVE COVENANTS. The parties agree that the restrictive covenants set forth in Exhibit A hereto (the "**Restrictive Covenants**") are incorporated herein by reference and shall be deemed to be contained herein. Executive understands, acknowledges and agrees that the Restrictive Covenants apply (i) during his employment under this Agreement, during any period of employment by (x) the Company or (y) any Affiliate following the termination of this Agreement or the expiration of the Term, and (ii) as provided in Exhibit A hereto, during the periods specified following termination of his employment by the Company and by any Affiliate which may have employed him.

7. ASSIGNMENT. This Agreement, and all of the terms and conditions hereof, shall bind the Company and its successors and assigns and shall bind Executive and Executive's heirs, valid assigns, executors and administrators. No transfer or assignment of this Agreement shall release the Company from any obligation to Executive hereunder. Neither this Agreement, nor any of the Company's rights or obligations hereunder, may be assigned or are otherwise subject to hypothecation by Executive. The Company may assign the rights and obligations of the Company hereunder, in whole or in part, to any of the Company's Subsidiaries or Affiliates, or to any other successor or assign in connection with the sale of all or substantially all of the Company's assets or equity or in connection with any merger, acquisition and/or reorganization, provided the assignee assumes the obligations of the Company hereunder and provided further than any such assignment shall not release the Company from its obligations hereunder.

8. GENERAL.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of one (1) business day following personal delivery (including personal delivery by e-mail or recognized overnight courier), or the third (3rd) business day after mailing by first class mail to the recipient at the address indicated below:

To the Company:

Apollo Global Management, LLC
9 West 57th Street
43rd Floor
New York, NY 10019
Attention: Chief Legal Officer

To Executive at the location set forth in the Company's records

or to such other address or to the attention of such other Person as the recipient party may have specified by prior written notice to the sending party.

(b) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found to be invalid or unenforceable in any jurisdiction, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(c) Entire Agreement. This document, together with its attached exhibits, constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Notwithstanding the immediately preceding sentence, this Agreement does not supersede or preempt the Shareholders Agreement, the Agreement Among Principals, the Exchange Agreement, the exempted limited partnership agreement of AP Professional Holdings, L.P., the exempted limited partnership agreement of BRH Holdings, L.P., or any other agreement to which Executive became a party in connection with the Company's initial public offering.

(d) Counterparts. This Agreement may be executed on separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

(e) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by each party hereto. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement.

(f) Survivorship. The provisions of this Agreement necessary to carry out the intention of the parties as expressed herein (including, without limitation, the Restrictive Covenants provided in Section 6 hereof and Exhibit A hereto) shall survive the termination or expiration of the Term.

(g) Waiver. The waiver by either party of the other party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the failure by any party hereto to exercise any right or remedy which it or he may possess hereunder shall not operate nor be construed as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

(h) Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

(i) Construction. The parties acknowledge that this Agreement is the result of arm's-length negotiations between sophisticated parties, each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

(j) Arbitration.

(i) Except as contemplated in Section 8(k) hereof, the parties hereto agree that any dispute, controversy or claim arising out of or relating to this Agreement, whether based on contract, tort, statute, or other legal or equitable theory (including, without limitation, any claim of fraud, intentional misconduct, misrepresentation or fraudulent inducement or any question of validity or effect of this Agreement including this clause) or the breach or termination hereof (the "**Dispute**"), shall be resolved in binding arbitration in accordance with the following provisions:

A. Such Dispute shall be resolved by binding arbitration to be conducted before JAMS in accordance with the provisions of JAMS' Comprehensive Arbitration Rules and Procedures as in effect at the time of the arbitration.

B. The arbitration shall be held before a panel of three arbitrators appointed by JAMS, in accordance with its rules, who are not Affiliates of any party to such arbitration and do not have any actual or reasonable potential for bias or conflict of interest with respect to any of the parties hereto, directly or indirectly, by virtue of any direct or indirect financial interest, family relationship or close friendship.

C. Such arbitration shall be held at such place as the arbitrators appointed by JAMS may determine within the County, City and State of New York, or such other location to which the parties hereto may agree.

D. The arbitrators shall have the authority, taking into account the parties' desire that any arbitration proceeding hereunder be reasonably expedited and efficient, to permit the parties hereto to conduct discovery. Any such discovery shall be (i) guided generally by but be no broader than permitted under the United States Federal Rules of Civil Procedure (the "**FRCP**"), and (ii) subject to the arbitrators and the parties hereto entering into a mutually acceptable confidentiality agreement.

E. The arbitrators shall have the authority to issue subpoenas for the attendance of witnesses and for the production of records and other evidence in connection with discovery and/or at any hearing and may administer oaths. Any such subpoena must be served in the manner for service of subpoenas under the FRCP and enforced in the manner for enforcement of subpoenas under the FRCP.

F. The arbitrators' decision and award in any such arbitration shall be made by majority vote and delivered within thirty (30) calendar days of the conclusion of the evidentiary hearings unless otherwise agreed to by the parties hereto. In addition, the arbitrators shall have the authority to award injunctive relief to any of the parties.

G. The arbitrators' decision shall be in writing and shall be as brief as possible and will include the basis for the arbitrators' decision. A record of the arbitration proceeding shall be kept.

H. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

I. The parties shall share equally all expenses of JAMS (including those of the arbitrators) incurred in connection with any arbitration; provided, however, the arbitrators may award to the prevailing party in such arbitration its or his reasonable expenses incurred (including reasonable legal fees and expenses) and its or his share of JAMS expenses in connection with such arbitration.

J. The parties hereto agree to participate in any arbitration in good faith.

(ii) If JAMS is unable or unwilling to commence arbitration with regard to any such Dispute within thirty (30) calendar days after the parties have met the requirements for commencement as set forth in Rule 5 of the JAMS Comprehensive Arbitration Rules and Procedures, then the Disputes shall be resolved by binding arbitration, in accordance with the International Arbitration Rules of the American Arbitration Association (the " **AAA**"), before a panel of three arbitrators who shall be selected jointly by the parties involved in such Dispute, or if the parties cannot agree on the selection of the arbitrators, shall be selected by the AAA (provided that any arbitrators selected by the AAA shall meet the requirements of Section 8(j)(i)(B) above). Any such arbitration shall be subject to the provisions of Section 8(j)(i)(C) through 8(j)(i)(J) above (as if the AAA were JAMS). If the AAA is unable or unwilling to commence such arbitration within thirty (30) calendar days after the parties have met the requirements for such commencement set forth in the aforementioned rules, then either party may seek resolution of such Dispute through litigation in accordance with Sections 8(k) and 8(l).

(iii) Except as may be necessary to enter judgment upon the award or to the extent required by applicable law, all claims, defenses and proceedings (including, without limiting the generality of the foregoing, the existence of the controversy and the fact that there is an arbitration proceeding) shall be treated in a confidential manner by the arbitrators, the

parties and their counsel, and each of their agents, employees and all others acting on behalf of or in concert with them. Without limiting the generality of the foregoing, no one shall divulge to any Person not directly involved in the arbitration the contents of the pleadings, papers, orders, hearings, trials, or awards in the arbitration, except as may be necessary to enter judgment upon an award or as required by applicable law. Any court proceedings relating to the arbitration hereunder, including, without limiting the generality of the foregoing, to prevent or compel arbitration; discovery; enforcement of a subpoena; or to confirm, correct, vacate or otherwise enforce an arbitration award, shall be filed under seal with the court, to the extent permitted by law.

(k) Governing Law; Equitable Remedies. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF). The parties hereto agree that irreparable damage would occur in the event that any of the provisions of Section 6 or Exhibit A of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of Section 6 or Exhibit A of this Agreement and to enforce specifically the terms and provisions thereof in any of the Selected Courts (as defined below), this being in addition to any other remedy to which they are entitled at law or in equity. In such event, any requirements for the securing or posting of any bond with respect to such remedy are hereby waived by each of the parties hereto. Each party further agrees that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance pursuant to this Section 8(k), it or he will not assert the defense that a remedy at law would be adequate.

(l) Consent to Jurisdiction. It is the desire and intent of the parties hereto that any disputes or controversies arising under or in connection with this Agreement be resolved pursuant to arbitration in accordance with Section 8(j); *provided*, *however*, that, to the extent that Section 8(j) is held to be invalid or unenforceable for any reason, and the result is that the parties hereto are precluded from resolving any claim arising under or in connection with this Agreement pursuant to the terms of Section 8(j) (after giving effect to the terms of Section 8(b)), the following provisions of this Section 8(l) shall govern the resolution of all disputes or controversies arising under this Agreement. With respect to any suit, action or proceeding ("**Proceeding**") arising out of or relating to this Agreement or any transaction contemplated hereby each of the parties hereto hereby irrevocably (i) submits to the exclusive jurisdiction of (A) the United States District Court for the Southern District of New York, or (B) in the event that such court lacks jurisdiction to hear the claim, the state courts of New York located in the borough of Manhattan, New York City (the " **Selected Courts**") and waives any objection to venue being laid in the Selected Courts whether based on the grounds of f*orum non conveniens* or otherwise and hereby agrees not to commence any such Proceeding other than before one of the Selected Courts; *provided*, *however*, that a party may commence any Proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts or the arbitrators; (ii) consents to service of process in any Proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, or by recognized international express carrier or delivery service, to their respective addresses referred to in Section 8(a) hereof; *provided*, *however*, that nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; and (iii) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, WAIVES, AND COVENANTS THAT IT OR HE 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 OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS OR HIS RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS AND WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(m) Third Party Beneficiaries. Except as expressly provided herein, nothing in this Agreement shall confer any rights or remedies upon any Person other than the parties hereto or any and all of Executive's heirs, successors, valid assigns, executors and administrators. In any provision of the Agreement which provides rights or remedies to, or permits the assignment of rights to, Affiliates or Subsidiaries of the Company, the terms "Affiliates" and "Subsidiaries" shall be construed to exclude any Fund or Portfolio Company.

(n) Indemnification.

(i) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, Executive and the Executive's Group (collectively, the "**Indemnified Parties**" and each individually an "**Indemnified Party**") shall be indemnified and held harmless by the Company and its direct and indirect consolidated Subsidiaries from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed

third-party claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, directly or indirectly, by reason of or arising from (A) Executive's actions or inactions in connection with the establishment, management, operations or serving on the board of any Covered Business, (B) Executive's actions or inactions with respect to his duties under this Agreement (including resulting from limitations on Executive's actions set forth in Exhibit A), and (C) Executive's actions or inactions with respect to any limited partnership agreement or similar governing document of any Covered Business or any member of the Apollo Operating Group or any direct or indirect Subsidiary, including, for the avoidance of doubt, to the extent related to any breach or alleged breach of this Agreement, any Fund Agreement or the AGM LLC Agreement, whether arising from acts or omissions to act as set forth in this section 8(n)(i) occurring before or after the Effective Date; *provided*, *however*, that the Indemnified Party shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnified Party is seeking indemnification pursuant to this Section 8(n), Executive acted in bad faith or engaged in actual fraud or willful misconduct. For purposes of clarification, because a conveyance may be allegedly or actually void or voidable or deemed "fraudulent" pursuant to the provisions of Title 11 of the U.S. Code or any similar State or foreign statute does not render an Executive's conduct with respect to the conveyance non-indemnifiable, and an Indemnified Party will be entitled to indemnification with respect to such conveyances unless the Executive "acted in bad faith or engaged in actual fraud or willful misconduct" as provided for herein. Notwithstanding the preceding sentence, except as otherwise provided in Section 8(n)(ix), the Company shall be required to indemnify an Indemnified Party in connection with any action, suit or proceeding (or part thereof) commenced by an Indemnified Party only if the commencement of such action, suit or proceeding (or part thereof) by such Indemnified Party was authorized by the Company in its sole discretion.

(ii) To the fullest extent permitted by law, expenses (including reasonable legal fees and expenses) incurred by an Indemnified Party in appearing at, participating in or defending any indemnifiable claim, demand, action, suit or proceeding pursuant to Section 8(n) shall be advanced by the Company on a monthly basis prior to a final and non-appealable determination that the Indemnified Party is not entitled to be indemnified upon receipt by the Company of an undertaking by or on behalf of an Indemnified Party to repay such amount if it ultimately shall be determined that the Indemnified Party is not entitled to be indemnified pursuant to this Section 8(n). Notwithstanding the immediately preceding sentence, except as otherwise provided in Section 8(n)(ix), the Company shall be required to indemnify an Indemnified Party pursuant to the immediately preceding sentence in connection with any action, suit or proceeding (or part thereof) commenced by such Indemnified Party only if the commencement of such action, suit or proceeding (or part thereof) by the Indemnified Party was authorized by the Company in its sole discretion.

(iii) The indemnification provided by this Section 8(n) shall be in addition to any other rights to which the Indemnified Parties may be entitled under any agreement, as a matter of law, in equity or otherwise, both as to actions in Executive's capacity as Executive and as to actions in any other capacity, and shall continue as to the Indemnified Parties if Executive has ceased to serve in such capacity.

(iv) Any indemnification pursuant to this Section 8(n) shall be made only out of the assets of the Company and/or its valid assignees. In no event may the Indemnified Parties subject the members of the Company to personal liability by reason of the indemnification provisions set forth in this Agreement.

(v) No Indemnified Party shall be denied indemnification in whole or in part under this Section 8(n) because such Indemnified Party had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement, including, without limitation, Exhibit A, the Agreement Among Principals, the Limited Liability Company Agreement of the Company or the consent of the Governing Body.

(vi) The provisions of this Section 8(n) are for the benefit of the Indemnified Parties and their heirs, successors, valid assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(vii) Executive shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Company, its Affiliates and their respective direct or indirect Subsidiaries and on such information, opinions, reports or statements presented to any of the foregoing by any of the respective officers, directors or employees, or committees of the board, or by any other Person as to matters that Executive, as the case may be, reasonably believes are within such other Person's professional or expert competence.

(viii) No amendment, modification or repeal of this Section 8(n) or any provision hereof shall in any manner terminate, reduce or impair the right of the Indemnified Parties or any third party beneficiary to be indemnified by the Company, nor the obligations of the Company to indemnify the Indemnified Parties or any third party beneficiary under and in accordance with the provisions of this Section 8(n) as in effect immediately prior to such amendment, modification or repeal

with respect to claims arising from or relating to matters occurring, in whole or-in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(ix) If a claim for indemnification (following the final disposition of the action, suit or proceeding for which indemnification is being sought) or advancement of expenses under this Section 8(n) is not paid in full within thirty (30) days after a written claim therefor by an Indemnified Party or any third party beneficiary has been received by the Company, such Indemnified Party or such third party beneficiary, as the case may be, may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expenses of prosecuting such claim, including reasonable attorneys' fees.

(o) Liability of Indemnified Persons. Notwithstanding anything to the contrary herein, no Indemnified Party shall be liable to the Company or any other Persons who have acquired interests in the Company's securities, for any losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission of Executive, or for any breach of contract (including breach of this Agreement) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, Executive acted in bad faith or engaged in actual fraud or willful misconduct. For purposes of clarification, because a conveyance may be allegedly or actually void or voidable or deemed "fraudulent" pursuant to the provisions of Title 11 of the U.S. Code or any similar State or foreign statute does not render an Executive's conduct with respect to the conveyance non-indemnifiable, and an Indemnified Party will be entitled to indemnification with respect to such conveyances unless the Executive "acted in bad faith or engaged in actual fraud or willful misconduct" as provided for herein. Any amendment, modification or repeal of this Section 8(o) or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of an Indemnified Party under this Section 8(o) as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(p) Legal Fees. The Company shall pay or reimburse Executive for all reasonable and documented legal fees and costs incurred by him in connection with the drafting and negotiation of this Agreement and any other agreement or policies directly or indirectly related to Executive's employment arrangement and his rights under Exhibit A.

[Signature page follows]

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND THEREBY, the parties hereto have executed and delivered this Agreement as of the year and date first above written.

APOLLO GLOBAL MANAGEMENT, LLC

By: AGM Management, LLC,
its Manager

By: BRH Holdings GP, Ltd.,
its Sole Member

By: /s/ John J. Suydam
Name: John J. Suydam
Title: Vice President

/s/ Marc J. Rowan
Marc J. Rowan

Exhibit A

Restrictive Covenants

Executive understands, acknowledges and agrees that, by virtue of his equity interest in the Company and/or its Affiliates, his previous services to the Company and its Affiliates, and his employment by the Company pursuant to this Agreement, directly or indirectly, he acquired, had access to, or was otherwise exposed to, and shall acquire, have access to or be otherwise exposed to confidential information of the Company and its Affiliates (the Confidential Information, as defined below) and he has met and developed relationships with, and will meet and develop relationships with, the Company's potential and existing financing sources, capital market intermediaries, investors, employees and consultants.

The Company and its Affiliates are engaged throughout the United States and the world in the business of raising, managing, investing the assets of and making investments in private equity funds, hedge funds, publicly traded alternative investment vehicles and other alternative asset investment vehicles (the "**Business**"). Executive acknowledges that (i) the Business is global in nature and Executive is among the limited number of individuals leading the Business, (ii) the Restrictive Covenants set forth in this Exhibit A are an essential part of this Agreement, (iii) he has been fully advised by counsel in connection with the negotiation of this Agreement and the Restrictive Covenants, (iv) he is familiar with the laws which govern the enforceability of restrictive covenants in the jurisdictions where the Business is carried on, and agrees that these Restrictive Covenants, including, without limitation, the non-competition covenant, are reasonable, valid and enforceable in the context of this Agreement, and (v) compliance with the Restrictive Covenants, including, without limitation, the non-competition covenant, will not create any hardship for Executive as he has independent means and sufficient income to be fully self-supporting without competing with the Company in the Business or violating any of the Restrictive Covenants.

A . Non-competition. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period (as defined below), Executive shall not, directly or indirectly, either as a principal, agent, employee, employer, consultant, partner, member, shareholder of a closely held corporation or shareholder in excess of three percent (3%) of a publicly traded corporation, corporate officer or director, or in any other individual or representative capacity, engage or otherwise participate in any manner or fashion in any business that is a Competing Business (as defined below), either in the United States or in any other place in the world where the Company or any of its Affiliates, successors or assigns engages in the Business. Notwithstanding anything to the contrary contained in this Clause A of this Exhibit A, (i) activities permitted by clause 1 (Services and Duties) of the Employment, Non-Competition and Non-Solicitation Agreement and (ii) investments described in Clause F of this Exhibit A, are permitted.

Solely for purposes of this Exhibit A: "**Competing Business**" means any alternative asset management business (other than the Business of the Company, its successors or assigns or Affiliates) Primarily for 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, business development corporations, special purpose acquisition companies or other alternative asset investment vehicles, or the Persons who manage, advise or own such investment vehicles. "**Primarily**" means with respect to more than fifty percent (50%) of the capital in question. "**Third Party**" means a Person other than Executive or any member of Executive's Group. "**Restricted Period**" means, the period commencing on the date hereof and terminating one (1) year following Executive's termination of employment.

B. Non-solicitation of Employees, Etc. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period, Executive shall not, directly or indirectly, (i) solicit or induce any officer, director, employee, agent or consultant of the Company or any of its successors, assigns or Affiliates to terminate his, her or its employment or other relationship with the Company or its successors, assigns or Affiliates for the purpose of associating with any Competing Business, or otherwise encourage any such Person to leave or sever his, her or its employment or other relationship with the Company or its successors, assigns or Affiliates, for any other reason, or (ii) hire any such individual who, at the time of hire, Executive knows left the employ of the Company or any of its Affiliates during the immediately preceding twelve (12) months. This provision shall not prohibit Executive from soliciting or hiring the Persons serving as his personal assistant or assistants at or prior to the time of his departure. For purposes of these Clauses B and C of this Exhibit A, "Affiliates" shall not include any Portfolio Company.

C . Non-solicitation of Investors, Etc. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period, Executive shall not, directly or indirectly, solicit or induce any investors, financing sources or capital market intermediaries of the Company or its successors, assigns or Affiliates to terminate (or diminish in any respect) his, her or its relationship with the Company or its successors, assigns or Affiliates. Nothing in this paragraph applies to those investors, financing sources, or capital market intermediaries who did not conduct business with the Company, or its successors, assigns or Affiliates during Executive's employment with, or the period in which Executive held, directly or indirectly, an ownership interest in, the Company or any Affiliate.

D . Confidentiality. Executive agrees to be bound by Section 5.8 ("**Confidential Information**") of the Agreement Among Principals.

E . Disparaging Comments. Executive agrees that he shall not, 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. The Company agrees that it shall not, and it shall ensure that its Continuing Principals shall not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any Person that disparages Executive, either professionally or personally. The obligations under this paragraph shall not apply to (i) disclosures compelled by applicable law or order of any court or (ii) any statements or disclosures reasonably necessary to be made directly in connection with any legal proceeding, arbitration or investigation, whether or not compelled (but subject to any confidentiality agreements or orders that may govern such proceeding, arbitration or investigation).

F. Code of Ethics, Family Offices and Personal Investing.

(1) In no event shall Executive make, or assist a member of his Group in making, any investment that violates or conflicts with the Company's then-current code of ethics (the "**Code of Ethics**") or any trading policies of the Company (it being understood that the terms and restrictions of any such policy may be more restrictive than required by applicable law). The Company will notify Executive promptly of any changes to the Code of Ethics or to any of its trading policies. As required by the Code of Ethics, all statements of holdings by the Family Office shall be provided to the Company compliance department ("**Company Compliance**") and all trades by the Family Office that are required to be pre-cleared under the Code of Ethics will be pre-cleared by Company Compliance, except as noted below.

(2) Transactions in the following by the Family Office shall be considered "fully-managed accounts" for purposes of Section 8.2.2 of the Code of Ethics (or any successor section) provided that a certificate is delivered to the Company's Chief Compliance Officer (the "**CCO**") on a quarterly basis from the relevant portfolio manager or the Chief Executive Officer, as applicable (the "Portfolio Manager") of Executive's Family Office and Executive stating that Executive continues to have no investment control, influence or discretion over such investments:

- Bank loans; and
- Equity securities of publicly traded companies with a market capitalization of more than $100 million and less than $10 billion so long as the investment will not result in the Family Office owning more than 3% of the outstanding publicly traded securities of any issuer.

Although the foregoing shall be considered "fully-managed accounts" under the Code of Ethics and thus do not require pre-clearance, the Executive shall nonetheless cause his Family Office to pre-clear with Company Compliance all transactions in equity securities in publicly traded companies with a market capitalization of more than $100 million and less than $10 billion (but not bank loans) to ensure that the Company is not in possession of material non-public information ("**MNPI**") concerning the issuer of the securities.

(3) The provision contained in Section 8.3 of the Code of Ethics which requires Company Compliance to consider whether a "transaction would usurp an opportunity that properly belongs to the Company's clients" is considered satisfied with respect to any investment (including anticipated follow-on investments) that is below the threshold size listed in the attached Schedule I for the type of investment listed (because these investments do not usurp the Company's client opportunities). For avoidance of doubt, such transactions would remain subject to pre-clearance by Company Compliance for MNPI or conflicts purposes.

(4) Investments in the following categories are unlikely to usurp an opportunity that properly belongs to the Company's clients and therefore, Company Compliance will endeavor to expedite any pre-clearance request with respect to these investments:

- Investments in sports teams, leagues or organizations (because these investments are not considered appropriate investments for the Company's clients); and

- Private investments that were introduced to the Family Office by persons other than Executive or sourced by the Family Office and not Executive so long as the Portfolio Manager of Executive's Family Office and Executive deliver a certificate in the form attached as Schedule 2 to the Company's CCO prior to making such investment stating that such investment was introduced to the Family Office by persons other than Executive or sourced by employees or other service providers of the Family Office and not Executive, that Executive was not aware of such investment prior to the Family Office being introduced to or sourcing such investment and that neither the Company nor its employees (including Executive) participated in sourcing such investment. For the avoidance of doubt, once the Family Office is introduced to or sources the investment, Executive may be involved in analyzing the investment and participating in the decision as to whether the Family Office should make such investment.

For the avoidance of doubt, the other factors to be considered in a pre-clearance decision (i.e., the restricted list, MNPI, etc.) remain applicable to the investments listed above in this paragraph F(4).

(5) Any request for pre-clearance to Company Compliance shall include information about anticipated follow-on investments with respect to the investment. If a follow-on investment is pre-cleared at the time of the original investment it shall not require another pre-clearance at the time of actual investment (although sales of such investment may be required to be pre-cleared as provided in the Code of Ethics). If a follow-on investment was not anticipated at the time of the original investment, Executive or his Family Office shall certify that such subsequent funding is required to protect the value of the existing investment and was not contemplated and pre-cleared at the time of the initial investment.

(6) As required by the Code of Ethics, when requesting pre-clearance, Executive's Family Office shall provide sufficient information such that the Company can make a decision but such Family Office will not be obligated to create an investment memorandum solely for pre-clearance purposes.

(7) Where possible, responses to pre-clearance requests shall be granted to Executive's Family Office within 48 hours of the request.

(8) Before agreeing to receive MNPI with respect to an investment, Company Compliance shall check its most recent statement of the Family Office's holdings, and if the receipt of the MNPI could cause the Family Office to restrict its investment, Company Compliance, if practicable, will provide notice to the Family Office that the Company may receive MNPI so that the Family Office has an opportunity to exit the position before the MNPI is received. If the Family Office chooses to exit the position, the Family Office shall request pre-clearance from Company Compliance and Company Compliance may or may not grant approval. Once Company Compliance has completed its internal decision-making about whether to accept MNPI (normally approximately 48 hours later) the Company shall notify the Family Office of its decision, and if the Family Office has not sold its position, it will be subject to restriction on sale.

G . Conflicts of Interest. Executive hereby agrees to promptly disclose to the Governing Body any potential conflict of interest involving Executive, his Group or his Family Office or the Company upon Executive obtaining actual knowledge of such conflict or potential conflict.

H . Director's Fees and Other Sources of Compensation from the Company. All directors' and other fees payable to Executive after July 13, 2012 or equity incentives granted to Executive after July 13, 2012 by a portfolio company shall be transferred to the Company or its designee without any additional consideration therefor. Other than the compensation set forth in this Agreement, Executive will not accept any compensation, director fees, other fees or equity interests from the Company or any of its Subsidiaries.

I. Continuing Obligations to the Company and its Subsidiaries. Commencing on the Effective Date, Executive will cooperate in all reasonable respects with the Company and its Subsidiaries in connection with any and all existing or future litigation, actions or proceedings (whether civil, criminal, administrative, regulatory or otherwise) brought by or against the Company or any of its Affiliates, to the extent the Company reasonably deems Executive's cooperation necessary. Executive shall be reimbursed for all out-of-pocket expenses incurred by him as a result of such cooperation.

J . Acknowledgement. Executive agrees and acknowledges that each Restrictive Covenant herein is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of the Company and its Affiliates, imposes no undue hardship on Executive, is not injurious to the public, and that any violation of any of these Restrictive Covenants shall be specifically enforceable in any court with jurisdiction upon short notice. Executive agrees and acknowledges that a portion of the compensation paid to Executive under this Agreement to which this Exhibit A is attached will be paid in consideration of the covenants contained in this Exhibit A, the sufficiency of which consideration is hereby acknowledged. If any provision of this Exhibit A as applied to Executive or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Exhibit A. If the scope of any such provision, or any part thereof, is too broad to permit enforcement of such provision to its full extent, Executive agrees that the court making such

determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, to the extent necessary to permit enforcement, and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive agrees and acknowledges that the breach of this Exhibit A will cause irreparable injury to the Company and upon breach of any provision of this Exhibit A, the Company shall be entitled to injunctive relief, specific performance or other equitable relief; *provided*, *however*, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages). The Company shall not bring any claim or action for breach of any provision of this Exhibit A unless (i) it has provided written notice of such alleged claim and provided Executive with at least thirty (30) days to correct or cure the conduct in question and (ii) during such period, Executive has not corrected or cured such conduct. Each of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in this Agreement to which it is attached, other than the consideration for such covenant provided in this Agreement.

APOLLO GLOBAL MANAGEMENT, LLC
EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

THIS EMPLOYMENT, NON-COMPETITION AND NON-SOLICITATION AGREEMENT (this " **Agreement**") is made and entered into as of January 4, 2017 (the "**Effective Date**"), by and between Apollo Global Management, LLC, a Delaware limited liability company (the "**Company**"), and Joshua J. Harris ("**Executive**"). Where the context permits, references to the "Company" shall include the Company and any successor of the Company. Capitalized terms used herein that are not defined in the paragraph in which they first appear are defined in Section 5(b) or in the Agreement Among Principals.

WITNESSETH:

WHEREAS, the Company desires to secure the continued services of Executive for the benefit of the Company and its Affiliates (as defined below) from and after the Effective Date hereof; and

WHEREAS, Executive desires to continue to provide such services.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements herein contained, together with other good and valuable consideration the receipt of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1 . SERVICES AND DUTIES . From and after the Effective Date, Executive shall be employed by the Company in the capacity of its Senior Managing Director. Executive shall be a full-time employee of the Company and shall dedicate substantially all of Executive's working time to the Company and its Affiliates and shall have no other employment and no other business ventures which either are undisclosed to the Company or conflict with Executive's duties under this Agreement. Executive will perform such duties as are required by the Company from time to time and normally associated with Executive's position, together with such additional duties, commensurate with Executive's positions with the Company and with its Affiliates, as may be assigned to Executive from time to time by the Governing Body. The "**Governing Body**" means AGM Management, LLC for so long as it is designated as the principal governing body of the Company pursuant to the Shareholders Agreement and thereafter, the Board. Notwithstanding the foregoing, nothing herein shall prohibit Executive from (i) subject to prior approval of the Governing Body, accepting directorships, roles equivalent to that of a non-executive chairman and roles that do not involve day-to-day operational involvement so long as in each case the role does not give rise to any conflicts of interest with the Company or its Affiliates and does not involve a Competing Business (defined below), (ii) accepting directorships, roles equivalent to that of a non-executive chairman and roles that do not involve day-to-day operational involvement so long as in each case the role does not give rise to any conflicts of interest with the Company or its Affiliates or involve a Competing Business and so long as the role is at a company that is an investment made by the Executive or a member of his Group (as defined below) in accordance with the requirements of the Code of Ethics and Clause F in Exhibit A, (iii) being actively involved in personal investing through the Family Office or otherwise so long as such involvement is consistent with the requirements of the Code of Ethics and Clause F in Exhibit A, (iv) engaging and being actively involved in charitable, cultural, educational and civic activities, so long as such outside interests do not interfere with the performance of Executive's duties hereunder, or (v) engaging in a business of the Apollo Operating Group or a member or Subsidiary thereof or of any Person in which a member or Subsidiary of the Apollo Operating Group holds an Investment in each case on behalf of the Apollo Operating Group.

2. TERM. Executive's employment under the terms and conditions of this Agreement will commence on the Effective Date. The term of this Agreement (the "**Term**") shall commence on the Effective Date and end on the third anniversary thereof. If the Term expires and Executive is employed by the Company thereafter, unless a new employment agreement has been entered into, such employment shall be "at-will." Notwithstanding the foregoing provisions of this Section 2, Executive will have the right to voluntarily terminate his employment with the Company at any time, any such termination being effective on the date on which a written notice thereof is delivered to the Company pursuant to Section 8(a) hereof.

3. COMPENSATION.

(a) Base Salary. In consideration of Executive's full and faithful satisfaction of Executive's duties under this Agreement, the Company agrees to pay to Executive a salary in the amount of one hundred thousand dollars ($100,000.00) per annum (the "**Base Salary**"), payable in such installments as the Company pays its similarly placed employees (but not less frequently than each calendar month), subject to usual and customary deductions for withholding taxes and similar charges, and customary employee contributions to the health, welfare and retirement programs in which Executive is enrolled from time to time.

(b) Withholding. All taxable compensation payable to Executive pursuant to this Section 3 or otherwise pursuant to this Agreement shall be subject to customary deductions for withholding taxes and such other excise or employment taxes as are

required under Federal law or the applicable law of any state or governmental body to be collected with respect to compensation paid by the Company to an employee.

4. BENEFITS AND EXPENSE REIMBURSEMENT.

(a) Retirement and Welfare Benefits. During the Term, Executive will be entitled to all the usual benefits offered to employees at Executive's level, including sick time and participation in the Company's medical, dental and insurance programs, subject to the applicable limitations and requirements imposed by the terms of such benefit plans, in each case in accordance with the terms of such plans as in effect from time to time. Nothing in this Section 4, however, shall require the Company to maintain any benefit plan or provide any type or level of benefits to its employees, including Executive.

(b) Vacation/Paid Time Off. Executive will be entitled to vacation and paid time off ("**PTO**") each year on the most favorable basis afforded to any employee pursuant to the Company's policies as in effect from time to time.

(c) Reimbursement of Expenses. The Company shall reimburse Executive for any expenses reasonably incurred by Executive in furtherance of Executive's duties hereunder, including travel, meals and accommodations, upon submission by Executive of vouchers or receipts and in compliance with such rules and policies relating thereto as the Company may from time to time adopt.

5 . TERMINATION. Executive's employment shall be terminated at the earliest to occur of (i) the date on which the Governing Body delivers written notice that Executive is being terminated as a result of a Disability (as defined below), or (ii) the date of Executive's death. In addition, Executive's employment with the Company may be terminated (i) by the Company for Cause (as defined below), effective on the date on which a written notice to such effect is delivered to Executive; or (ii) by Executive at any time, effective on the date on which a written notice to such effect is delivered to the Company. For the avoidance of doubt, this Agreement does not address the consequences of termination of Executive's employment, if any, to the equity interests in the Company or its Affiliates held by Executive or members of his Group.

(a) Termination by the Company with Cause or by Reason of Death or Disability or a Termination by Executive. If Executive's employment with the Company is terminated by the Company with Cause or is terminated voluntarily by Executive or by reason of Executive's death or Disability, Executive shall not be entitled to any further compensation or benefits other than accrued but unpaid Base Salary (payable as provided in Section 3(a) hereof) and accrued and unused PTO pay through the date of such termination.

(b) Definitions. For purposes of this Agreement:

"**Affiliate**" means an affiliate of the Company (or other referenced entity, as the case may be) as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

"**Agreement Among Principals**" means the Agreement Among Principals, by and among Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P., MJR Foundation LLC, MJH Partners, L.P., AP Professional Holdings, L.P. and BRH Holdings, L.P., as may be amended, modified, supplemented or restated from time to time.

"**Cause**" means (i) a final, non-appealable conviction of or plea of *nolo contendere* to a felony prohibiting Executive from continuing to provide services as an investment professional to the Company due to legal restriction or physical confinement; or (ii) ceasing to be eligible to continue performing services as an investment professional on behalf of the Company or any of its material Subsidiaries (as defined below), in each case, pursuant to a final, non-appealable legal restriction (such as a final, non-appealable injunction, but expressly excluding a preliminary injunction or other provisional restriction).

"**Covered Business**" has the meaning ascribed to it in the amended and restated exempted limited partnership agreement of BRH Holdings, L.P., a Cayman Islands exempted limited partnership.

"**Disability**" shall refer to any physical or mental incapacity which prevents Executive from carrying out all or substantially all of his duties under this Agreement for any period of one hundred eighty (180) consecutive days or any aggregate period of eight (8) months in any twelve-month (12) period, as determined, in its sole discretion, by a majority of the members of the Governing Body, including a majority of the Continuing Principals who are members of the Governing Body (but for the sake of clarity, not including the Executive in respect of which the determination is being made).

"**Family Office**" means the organization responsible for the day-to-day administration and management of the Executive's financial and personal affairs, which may include, but is not limited to, wealth management, oversight of investments, tax planning, estate planning and philanthropic endeavors, and includes any entity which holds the personal investments of the Executive.

"**Group**" shall mean with respect to Executive, Executive and (i) Executive's spouse, (ii) a lineal descendant of Executive's

parents, the spouse of any such descendant or a lineal descendent of any such spouse, (iii) a Charitable Institution solely controlled by Executive and other members of his Group, (iv) a trustee of a trust (whether *inter vivos* or testamentary), all of the current beneficiaries and presumptive remaindermen of which are one or more of Executive and Persons described in clauses (i) through (iii) of this definition, (v) a corporation, limited liability company or partnership, of which all or substantially all of the outstanding shares of capital stock or interests therein are owned by one or more of Executive and Persons described in clauses (i) through (iv) of this definition provided, that the equity not owned by Executive and Persons described in clauses (i) through (iv) of this definition is owned by current or former service providers of such corporation, limited liability company or partnership, (vi) an individual mandated under a qualified domestic relations order, or (vii) the executor, personal representative or administrator of the estate of such Executive or of the estate of any individual described in clauses (i), (ii) or (vi) above. For purposes of this definition, (x) "lineal descendants" shall not include individuals adopted after attaining the age of eighteen (18) years and such adopted individual's descendants; and (y) "presumptive remaindermen" shall refer to those Persons entitled to a share of a trust's assets if it were then to terminate. Executive shall never be a member of the Group of another Principal.

"**Manager**" means AGM Management, LLC, a Delaware limited liability company.

"**Shareholders Agreement**" means the Shareholders Agreement, dated as of July 13, 2007, by and among the Company, AP Professional Holdings, L.P., Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P. and MJR Foundation LLC.

"**Subsidiary**" means a subsidiary of the Company (or other referenced entity, as the case may be) as defined in Rule 405 promulgated under the Securities Act of 1933, as amended.

(c) Resignation as Officer or Director. Upon the termination of employment for any reason, Executive shall be deemed to have resigned each position (if any) that Executive then holds as an officer or director of the Company or any of its Subsidiaries or any Portfolio Company without any further act to be taken by Executive. Additionally, Executive shall execute and deliver to the Company promptly after the Company's written request, any request for a resignation in form and substance reasonably acceptable to Executive. For the sake of clarity, this provision shall not apply to any right Executive may have under the Agreement Among Principals to continue to serve as a member of the Executive Committee following Executive's retirement.

(d) Disability. The parties acknowledge that there may be a delay between the discovery of a condition that results in Executive's employment termination due to Disability, and the effective date of such termination. In such case, the Governing Body may temporarily appoint a Senior Professional to perform the functional responsibilities and duties of Executive until Disability definitively occurs or is determined not to have occurred; *provided*, *however*, (i) the Governing Body may so appoint a Senior Professional only if Executive is unable to perform his responsibilities and duties to the Company (or such successor thereto or such other entity controlled by the Company or its successor as may be Executive's employer at such time), or, as a matter of fiduciary duty, should be prohibited from performing his responsibilities and duties, and (ii) during such period Executive shall continue to serve on the Executive Committee unless otherwise prohibited from doing so pursuant to the Agreement Among Principals.

(e) Section 409A. To the extent required to avoid the imposition of tax under Section 409A of the Code ("**Section 409A**"), if Executive is a "specified employee" for purposes of Section 409A, amounts that would otherwise be payable under this Section 5 during the six-month (6) period immediately following the employment termination date shall instead be paid on the first (1st) business day after the date that is six (6) months following Executive's "separation from service" within the meaning of Section 409A, or, if earlier, the date of Executive's death.

6. RESTRICTIVE COVENANTS. The parties agree that the restrictive covenants set forth in Exhibit A hereto (the "**Restrictive Covenants**") are incorporated herein by reference and shall be deemed to be contained herein. Executive understands, acknowledges and agrees that the Restrictive Covenants apply (i) during his employment under this Agreement, during any period of employment by (x) the Company or (y) any Affiliate following the termination of this Agreement or the expiration of the Term, and (ii) as provided in Exhibit A hereto, during the periods specified following termination of his employment by the Company and by any Affiliate which may have employed him.

7. ASSIGNMENT. This Agreement, and all of the terms and conditions hereof, shall bind the Company and its successors and assigns and shall bind Executive and Executive's heirs, valid assigns, executors and administrators. No transfer or assignment of this Agreement shall release the Company from any obligation to Executive hereunder. Neither this Agreement, nor any of the Company's rights or obligations hereunder, may be assigned or are otherwise subject to hypothecation by Executive. The Company may assign the rights and obligations of the Company hereunder, in whole or in part, to any of the Company's Subsidiaries or Affiliates, or to any other successor or assign in connection with the sale of all or substantially all of the Company's assets or equity or in connection with any merger, acquisition and/or reorganization, provided the assignee assumes the obligations of the Company hereunder and provided further than any such assignment shall not release the Company from its obligations hereunder.

8. GENERAL.

(a) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of one (1) business day following personal delivery (including personal delivery by e-mail or recognized overnight courier), or the third (3rd) business day after mailing by first class mail to the recipient at the address indicated below:

To the Company:

Apollo Global Management, LLC
9 West 57th Street
43rd Floor
New York, NY 10019
Attention: Chief Legal Officer

To Executive at the location set forth in the Company's records

or to such other address or to the attention of such other Person as the recipient party may have specified by prior written notice to the sending party.

(b) Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found to be invalid or unenforceable in any jurisdiction, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

(c) Entire Agreement. This document, together with its attached exhibits, constitutes the final, complete, and exclusive embodiment of the entire agreement and understanding between the parties related to the subject matter hereof and supersedes and preempts any prior or contemporaneous understandings, agreements, or representations by or between the parties, written or oral. Notwithstanding the immediately preceding sentence, this Agreement does not supersede or preempt the Shareholders Agreement, the Agreement Among Principals, the Exchange Agreement, the exempted limited partnership agreement of AP Professional Holdings, L.P., the exempted limited partnership agreement of BRH Holdings, L.P., or any other agreement to which Executive became a party in connection with the Company's initial public offering.

(d) Counterparts. This Agreement may be executed on separate counterparts, any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same agreement.

(e) Amendments. No amendments or other modifications to this Agreement may be made except by a writing signed by each party hereto. No amendment or waiver of this Agreement requires the consent of any individual, partnership, corporation or other entity not a party to this Agreement.

(f) Survivorship. The provisions of this Agreement necessary to carry out the intention of the parties as expressed herein (including, without limitation, the Restrictive Covenants provided in Section 6 hereof and Exhibit A hereto) shall survive the termination or expiration of the Term.

(g) Waiver. The waiver by either party of the other party's prompt and complete performance, or breach or violation, of any provision of this Agreement shall not operate nor be construed as a waiver of any subsequent breach or violation, and the failure by any party hereto to exercise any right or remedy which it or he may possess hereunder shall not operate nor be construed as a bar to the exercise of such right or remedy by such party upon the occurrence of any subsequent breach or violation. No waiver shall be deemed to have occurred unless set forth in a writing executed by or on behalf of the waiving party. No such written waiver shall be deemed a continuing waiver unless specifically stated therein, and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

(h) Captions. The captions of this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement or the intent of any provision hereof.

(i) Construction. The parties acknowledge that this Agreement is the result of arm's-length negotiations between sophisticated parties, each afforded representation by legal counsel. Each and every provision of this Agreement shall be construed as though both parties participated equally in the drafting of the same, and any rule of construction that a document shall be construed against the drafting party shall not be applicable to this Agreement.

(j) Arbitration.

(i) Except as contemplated in Section 8(k) hereof, the parties hereto agree that any dispute, controversy or claim arising out of or relating to this Agreement, whether based on contract, tort, statute, or other legal or equitable theory (including, without limitation, any claim of fraud, intentional misconduct, misrepresentation or fraudulent inducement or any question of validity or effect of this Agreement including this clause) or the breach or termination hereof (the "**Dispute**"), shall be resolved in binding arbitration in accordance with the following provisions:

A. Such Dispute shall be resolved by binding arbitration to be conducted before JAMS in accordance with the provisions of JAMS' Comprehensive Arbitration Rules and Procedures as in effect at the time of the arbitration.

B. The arbitration shall be held before a panel of three arbitrators appointed by JAMS, in accordance with its rules, who are not Affiliates of any party to such arbitration and do not have any actual or reasonable potential for bias or conflict of interest with respect to any of the parties hereto, directly or indirectly, by virtue of any direct or indirect financial interest, family relationship or close friendship.

C. Such arbitration shall be held at such place as the arbitrators appointed by JAMS may determine within the County, City and State of New York, or such other location to which the parties hereto may agree.

D. The arbitrators shall have the authority, taking into account the parties' desire that any arbitration proceeding hereunder be reasonably expedited and efficient, to permit the parties hereto to conduct discovery. Any such discovery shall be (i) guided generally by but be no broader than permitted under the United States Federal Rules of Civil Procedure (the "**FRCP**"), and (ii) subject to the arbitrators and the parties hereto entering into a mutually acceptable confidentiality agreement.

E. The arbitrators shall have the authority to issue subpoenas for the attendance of witnesses and for the production of records and other evidence in connection with discovery and/or at any hearing and may administer oaths. Any such subpoena must be served in the manner for service of subpoenas under the FRCP and enforced in the manner for enforcement of subpoenas under the FRCP.

F. The arbitrators' decision and award in any such arbitration shall be made by majority vote and delivered within thirty (30) calendar days of the conclusion of the evidentiary hearings unless otherwise agreed to by the parties hereto. In addition, the arbitrators shall have the authority to award injunctive relief to any of the parties.

G. The arbitrators' decision shall be in writing and shall be as brief as possible and will include the basis for the arbitrators' decision. A record of the arbitration proceeding shall be kept.

H. Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

I. The parties shall share equally all expenses of JAMS (including those of the arbitrators) incurred in connection with any arbitration; provided, however, the arbitrators may award to the prevailing party in such arbitration its or his reasonable expenses incurred (including reasonable legal fees and expenses) and its or his share of JAMS expenses in connection with such arbitration.

J. The parties hereto agree to participate in any arbitration in good faith.

(ii) If JAMS is unable or unwilling to commence arbitration with regard to any such Dispute within thirty (30) calendar days after the parties have met the requirements for commencement as set forth in Rule 5 of the JAMS Comprehensive Arbitration Rules and Procedures, then the Disputes shall be resolved by binding arbitration, in accordance with the International Arbitration Rules of the American Arbitration Association (the " **AAA**"), before a panel of three arbitrators who shall be selected jointly by the parties involved in such Dispute, or if the parties cannot agree on the selection of the arbitrators, shall be selected by the AAA (provided that any arbitrators selected by the AAA shall meet the requirements of Section 8(j)(i)(B) above). Any such arbitration shall be subject to the provisions of Section 8(j)(i)(C) through 8(j)(i)(J) above (as if the AAA were JAMS). If the AAA is unable or unwilling to commence such arbitration within thirty (30) calendar days after the parties have met the requirements for such commencement set forth in the aforementioned rules, then either party may seek resolution of such Dispute through litigation in accordance with Sections 8(k) and 8(l).

(iii) Except as may be necessary to enter judgment upon the award or to the extent required by applicable law, all claims, defenses and proceedings (including, without limiting the generality of the foregoing, the existence of the controversy and the fact that there is an arbitration proceeding) shall be treated in a confidential manner by the arbitrators, the

parties and their counsel, and each of their agents, employees and all others acting on behalf of or in concert with them. Without limiting the generality of the foregoing, no one shall divulge to any Person not directly involved in the arbitration the contents of the pleadings, papers, orders, hearings, trials, or awards in the arbitration, except as may be necessary to enter judgment upon an award or as required by applicable law. Any court proceedings relating to the arbitration hereunder, including, without limiting the generality of the foregoing, to prevent or compel arbitration; discovery; enforcement of a subpoena; or to confirm, correct, vacate or otherwise enforce an arbitration award, shall be filed under seal with the court, to the extent permitted by law.

(k) Governing Law; Equitable Remedies. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF). The parties hereto agree that irreparable damage would occur in the event that any of the provisions of Section 6 or Exhibit A of this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of Section 6 or Exhibit A of this Agreement and to enforce specifically the terms and provisions thereof in any of the Selected Courts (as defined below), this being in addition to any other remedy to which they are entitled at law or in equity. In such event, any requirements for the securing or posting of any bond with respect to such remedy are hereby waived by each of the parties hereto. Each party further agrees that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance pursuant to this Section 8(k), it or he will not assert the defense that a remedy at law would be adequate.

(l) Consent to Jurisdiction. It is the desire and intent of the parties hereto that any disputes or controversies arising under or in connection with this Agreement be resolved pursuant to arbitration in accordance with Section 8(j); *provided*, *however*, that, to the extent that Section 8(j) is held to be invalid or unenforceable for any reason, and the result is that the parties hereto are precluded from resolving any claim arising under or in connection with this Agreement pursuant to the terms of Section 8(j) (after giving effect to the terms of Section 8(b)), the following provisions of this Section 8(l) shall govern the resolution of all disputes or controversies arising under this Agreement. With respect to any suit, action or proceeding ("**Proceeding**") arising out of or relating to this Agreement or any transaction contemplated hereby each of the parties hereto hereby irrevocably (i) submits to the exclusive jurisdiction of (A) the United States District Court for the Southern District of New York, or (B) in the event that such court lacks jurisdiction to hear the claim, the state courts of New York located in the borough of Manhattan, New York City (the " **Selected Courts**") and waives any objection to venue being laid in the Selected Courts whether based on the grounds of f*orum non conveniens* or otherwise and hereby agrees not to commence any such Proceeding other than before one of the Selected Courts; *provided*, *however*, that a party may commence any Proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts or the arbitrators; (ii) consents to service of process in any Proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, or by recognized international express carrier or delivery service, to their respective addresses referred to in Section 8(a) hereof; *provided*, *however*, that nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; and (iii) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, WAIVES, AND COVENANTS THAT IT OR HE 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 OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS OR HIS RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS AND WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(m) Third Party Beneficiaries. Except as expressly provided herein, nothing in this Agreement shall confer any rights or remedies upon any Person other than the parties hereto or any and all of Executive's heirs, successors, valid assigns, executors and administrators. In any provision of the Agreement which provides rights or remedies to, or permits the assignment of rights to, Affiliates or Subsidiaries of the Company, the terms "Affiliates" and "Subsidiaries" shall be construed to exclude any Fund or Portfolio Company.

(n) Indemnification.

(i) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, Executive and the Executive's Group (collectively, the "**Indemnified Parties**" and each individually an "**Indemnified Party**") shall be indemnified and held harmless by the Company and its direct and indirect consolidated Subsidiaries from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including reasonable legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed

third-party claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, directly or indirectly, by reason of or arising from (A) Executive's actions or inactions in connection with the establishment, management, operations or serving on the board of any Covered Business, (B) Executive's actions or inactions with respect to his duties under this Agreement (including resulting from limitations on Executive's actions set forth in Exhibit A), and (C) Executive's actions or inactions with respect to any limited partnership agreement or similar governing document of any Covered Business or any member of the Apollo Operating Group or any direct or indirect Subsidiary, including, for the avoidance of doubt, to the extent related to any breach or alleged breach of this Agreement, any Fund Agreement or the AGM LLC Agreement, whether arising from acts or omissions to act as set forth in this section 8(n)(i) occurring before or after the Effective Date; *provided*, *however*, that the Indemnified Party shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter for which the Indemnified Party is seeking indemnification pursuant to this Section 8(n), Executive acted in bad faith or engaged in actual fraud or willful misconduct. For purposes of clarification, because a conveyance may be allegedly or actually void or voidable or deemed "fraudulent" pursuant to the provisions of Title 11 of the U.S. Code or any similar State or foreign statute does not render an Executive's conduct with respect to the conveyance non-indemnifiable, and an Indemnified Party will be entitled to indemnification with respect to such conveyances unless the Executive "acted in bad faith or engaged in actual fraud or willful misconduct" as provided for herein. Notwithstanding the preceding sentence, except as otherwise provided in Section 8(n)(ix), the Company shall be required to indemnify an Indemnified Party in connection with any action, suit or proceeding (or part thereof) commenced by an Indemnified Party only if the commencement of such action, suit or proceeding (or part thereof) by such Indemnified Party was authorized by the Company in its sole discretion.

(ii) To the fullest extent permitted by law, expenses (including reasonable legal fees and expenses) incurred by an Indemnified Party in appearing at, participating in or defending any indemnifiable claim, demand, action, suit or proceeding pursuant to Section 8(n) shall be advanced by the Company on a monthly basis prior to a final and non-appealable determination that the Indemnified Party is not entitled to be indemnified upon receipt by the Company of an undertaking by or on behalf of an Indemnified Party to repay such amount if it ultimately shall be determined that the Indemnified Party is not entitled to be indemnified pursuant to this Section 8(n). Notwithstanding the immediately preceding sentence, except as otherwise provided in Section 8(n)(ix), the Company shall be required to indemnify an Indemnified Party pursuant to the immediately preceding sentence in connection with any action, suit or proceeding (or part thereof) commenced by such Indemnified Party only if the commencement of such action, suit or proceeding (or part thereof) by the Indemnified Party was authorized by the Company in its sole discretion.

(iii) The indemnification provided by this Section 8(n) shall be in addition to any other rights to which the Indemnified Parties may be entitled under any agreement, as a matter of law, in equity or otherwise, both as to actions in Executive's capacity as Executive and as to actions in any other capacity, and shall continue as to the Indemnified Parties if Executive has ceased to serve in such capacity.

(iv) Any indemnification pursuant to this Section 8(n) shall be made only out of the assets of the Company and/or its valid assignees. In no event may the Indemnified Parties subject the members of the Company to personal liability by reason of the indemnification provisions set forth in this Agreement.

(v) No Indemnified Party shall be denied indemnification in whole or in part under this Section 8(n) because such Indemnified Party had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement, including, without limitation, Exhibit A, the Agreement Among Principals, the Limited Liability Company Agreement of the Company or the consent of the Governing Body.

(vi) The provisions of this Section 8(n) are for the benefit of the Indemnified Parties and their heirs, successors, valid assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(vii) Executive shall, in the performance of his duties, be fully protected in relying in good faith upon the records of the Company, its Affiliates and their respective direct or indirect Subsidiaries and on such information, opinions, reports or statements presented to any of the foregoing by any of the respective officers, directors or employees, or committees of the board, or by any other Person as to matters that Executive, as the case may be, reasonably believes are within such other Person's professional or expert competence.

(viii) No amendment, modification or repeal of this Section 8(n) or any provision hereof shall in any manner terminate, reduce or impair the right of the Indemnified Parties or any third party beneficiary to be indemnified by the Company, nor the obligations of the Company to indemnify the Indemnified Parties or any third party beneficiary under and in accordance with the provisions of this Section 8(n) as in effect immediately prior to such amendment, modification or repeal

with respect to claims arising from or relating to matters occurring, in whole or-in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(ix) If a claim for indemnification (following the final disposition of the action, suit or proceeding for which indemnification is being sought) or advancement of expenses under this Section 8(n) is not paid in full within thirty (30) days after a written claim therefor by an Indemnified Party or any third party beneficiary has been received by the Company, such Indemnified Party or such third party beneficiary, as the case may be, may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expenses of prosecuting such claim, including reasonable attorneys' fees.

(o) Liability of Indemnified Persons. Notwithstanding anything to the contrary herein, no Indemnified Party shall be liable to the Company or any other Persons who have acquired interests in the Company's securities, for any losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission of Executive, or for any breach of contract (including breach of this Agreement) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, Executive acted in bad faith or engaged in actual fraud or willful misconduct. For purposes of clarification, because a conveyance may be allegedly or actually void or voidable or deemed "fraudulent" pursuant to the provisions of Title 11 of the U.S. Code or any similar State or foreign statute does not render an Executive's conduct with respect to the conveyance non-indemnifiable, and an Indemnified Party will be entitled to indemnification with respect to such conveyances unless the Executive "acted in bad faith or engaged in actual fraud or willful misconduct" as provided for herein. Any amendment, modification or repeal of this Section 8(o) or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of an Indemnified Party under this Section 8(o) as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(p) Legal Fees. The Company shall pay or reimburse Executive for all reasonable and documented legal fees and costs incurred by him in connection with the drafting and negotiation of this Agreement and any other agreement or policies directly or indirectly related to Executive's employment arrangement and his rights under Exhibit A.

[Signature page follows]

IN WITNESS WHEREOF AND INTENDING TO BE LEGALLY BOUND THEREBY, the parties hereto have executed and delivered this Agreement as of the year and date first above written.

APOLLO GLOBAL MANAGEMENT, LLC

By: AGM Management, LLC,
its Manager

By: BRH Holdings GP, Ltd.,
its Sole Member

By: /s/ John J. Suydam
Name: John J. Suydam
Title: Vice President

/s/ Joshua J. Harris
Joshua J. Harris

Exhibit A

Restrictive Covenants

Executive understands, acknowledges and agrees that, by virtue of his equity interest in the Company and/or its Affiliates, his previous services to the Company and its Affiliates, and his employment by the Company pursuant to this Agreement, directly or indirectly, he acquired, had access to, or was otherwise exposed to, and shall acquire, have access to or be otherwise exposed to confidential information of the Company and its Affiliates (the Confidential Information, as defined below) and he has met and developed relationships with, and will meet and develop relationships with, the Company's potential and existing financing sources, capital market intermediaries, investors, employees and consultants.

The Company and its Affiliates are engaged throughout the United States and the world in the business of raising, managing, investing the assets of and making investments in private equity funds, hedge funds, publicly traded alternative investment vehicles and other alternative asset investment vehicles (the "**Business**"). Executive acknowledges that (i) the Business is global in nature and Executive is among the limited number of individuals leading the Business, (ii) the Restrictive Covenants set forth in this Exhibit A are an essential part of this Agreement, (iii) he has been fully advised by counsel in connection with the negotiation of this Agreement and the Restrictive Covenants, (iv) he is familiar with the laws which govern the enforceability of restrictive covenants in the jurisdictions where the Business is carried on, and agrees that these Restrictive Covenants, including, without limitation, the non-competition covenant, are reasonable, valid and enforceable in the context of this Agreement, and (v) compliance with the Restrictive Covenants, including, without limitation, the non-competition covenant, will not create any hardship for Executive as he has independent means and sufficient income to be fully self-supporting without competing with the Company in the Business or violating any of the Restrictive Covenants.

A . Non-competition. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period (as defined below), Executive shall not, directly or indirectly, either as a principal, agent, employee, employer, consultant, partner, member, shareholder of a closely held corporation or shareholder in excess of three percent (3%) of a publicly traded corporation, corporate officer or director, or in any other individual or representative capacity, engage or otherwise participate in any manner or fashion in any business that is a Competing Business (as defined below), either in the United States or in any other place in the world where the Company or any of its Affiliates, successors or assigns engages in the Business. Notwithstanding anything to the contrary contained in this Clause A of this Exhibit A, (i) activities permitted by clause 1 (Services and Duties) of the Employment, Non-Competition and Non-Solicitation Agreement and (ii) investments described in Clause F of this Exhibit A, are permitted.

Solely for purposes of this Exhibit A: "**Competing Business**" means any alternative asset management business (other than the Business of the Company, its successors or assigns or Affiliates) Primarily for 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, business development corporations, special purpose acquisition companies or other alternative asset investment vehicles, or the Persons who manage, advise or own such investment vehicles. "**Primarily**" means with respect to more than fifty percent (50%) of the capital in question. "**Third Party**" means a Person other than Executive or any member of Executive's Group. "**Restricted Period**" means, the period commencing on the date hereof and terminating one (1) year following Executive's termination of employment.

B. Non-solicitation of Employees, Etc. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period, Executive shall not, directly or indirectly, (i) solicit or induce any officer, director, employee, agent or consultant of the Company or any of its successors, assigns or Affiliates to terminate his, her or its employment or other relationship with the Company or its successors, assigns or Affiliates for the purpose of associating with any Competing Business, or otherwise encourage any such Person to leave or sever his, her or its employment or other relationship with the Company or its successors, assigns or Affiliates, for any other reason, or (ii) hire any such individual who, at the time of hire, Executive knows left the employ of the Company or any of its Affiliates during the immediately preceding twelve (12) months. This provision shall not prohibit Executive from soliciting or hiring the Persons serving as his personal assistant or assistants at or prior to the time of his departure. For purposes of these Clauses B and C of this Exhibit A, "Affiliates" shall not include any Portfolio Company.

C . Non-solicitation of Investors, Etc. Executive agrees that during the period of his employment with the Company (or any Affiliate) and during the Restricted Period, Executive shall not, directly or indirectly, solicit or induce any investors, financing sources or capital market intermediaries of the Company or its successors, assigns or Affiliates to terminate (or diminish in any respect) his, her or its relationship with the Company or its successors, assigns or Affiliates. Nothing in this paragraph applies to those investors, financing sources, or capital market intermediaries who did not conduct business with the Company, or its successors, assigns or Affiliates during Executive's employment with, or the period in which Executive held, directly or indirectly, an ownership interest in, the Company or any Affiliate.

D . Confidentiality. Executive agrees to be bound by Section 5.8 ("**Confidential Information**") of the Agreement Among Principals.

E . Disparaging Comments. Executive agrees that he shall not, 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. The Company agrees that it shall not, and it shall ensure that its Continuing Principals shall not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any Person that disparages Executive, either professionally or personally. The obligations under this paragraph shall not apply to (i) disclosures compelled by applicable law or order of any court or (ii) any statements or disclosures reasonably necessary to be made directly in connection with any legal proceeding, arbitration or investigation, whether or not compelled (but subject to any confidentiality agreements or orders that may govern such proceeding, arbitration or investigation).

F. Code of Ethics, Family Offices and Personal Investing.

(1) In no event shall Executive make, or assist a member of his Group in making, any investment that violates or conflicts with the Company's then-current code of ethics (the "**Code of Ethics**") or any trading policies of the Company (it being understood that the terms and restrictions of any such policy may be more restrictive than required by applicable law). The Company will notify Executive promptly of any changes to the Code of Ethics or to any of its trading policies. As required by the Code of Ethics, all statements of holdings by the Family Office shall be provided to the Company compliance department ("**Company Compliance**") and all trades by the Family Office that are required to be pre-cleared under the Code of Ethics will be pre-cleared by Company Compliance, except as noted below.

(2) Transactions in the following by the Family Office shall be considered "fully-managed accounts" for purposes of Section 8.2.2 of the Code of Ethics (or any successor section) provided that a certificate is delivered to the Company's Chief Compliance Officer (the "**CCO**") on a quarterly basis from the relevant portfolio manager or the Chief Executive Officer, as applicable (the "Portfolio Manager") of Executive's Family Office and Executive stating that Executive continues to have no investment control, influence or discretion over such investments:

- Bank loans; and
- Equity securities of publicly traded companies with a market capitalization of more than $100 million and less than $10 billion so long as the investment will not result in the Family Office owning more than 3% of the outstanding publicly traded securities of any issuer.

Although the foregoing shall be considered "fully-managed accounts" under the Code of Ethics and thus do not require pre-clearance, the Executive shall nonetheless cause his Family Office to pre-clear with Company Compliance all transactions in equity securities in publicly traded companies with a market capitalization of more than $100 million and less than $10 billion (but not bank loans) to ensure that the Company is not in possession of material non-public information ("**MNPI**") concerning the issuer of the securities.

(3) The provision contained in Section 8.3 of the Code of Ethics which requires Company Compliance to consider whether a "transaction would usurp an opportunity that properly belongs to the Company's clients" is considered satisfied with respect to any investment (including anticipated follow-on investments) that is below the threshold size listed in the attached Schedule I for the type of investment listed (because these investments do not usurp the Company's client opportunities). For avoidance of doubt, such transactions would remain subject to pre-clearance by Company Compliance for MNPI or conflicts purposes.

(4) Investments in the following categories are unlikely to usurp an opportunity that properly belongs to the Company's clients and therefore, Company Compliance will endeavor to expedite any pre-clearance request with respect to these investments:

- Investments in sports teams, leagues or organizations (because these investments are not considered appropriate investments for the Company's clients); and

- Private investments that were introduced to the Family Office by persons other than Executive or sourced by the Family Office and not Executive so long as the Portfolio Manager of Executive's Family Office and Executive deliver a certificate in the form attached as Schedule 2 to the Company's CCO prior to making such investment stating that such investment was introduced to the Family Office by persons other than Executive or sourced by employees or other service providers of the Family Office and not Executive, that Executive was not aware of such investment prior to the Family Office being introduced to or sourcing such investment and that neither the Company nor its employees (including Executive) participated in sourcing such investment. For the avoidance of doubt, once the Family Office is introduced to or sources the investment, Executive may be involved in analyzing the investment and participating in the decision as to whether the Family Office should make such investment.

For the avoidance of doubt, the other factors to be considered in a pre-clearance decision (i.e., the restricted list, MNPI, etc.) remain applicable to the investments listed above in this paragraph F(4).

(5) Any request for pre-clearance to Company Compliance shall include information about anticipated follow-on investments with respect to the investment. If a follow-on investment is pre-cleared at the time of the original investment it shall not require another pre-clearance at the time of actual investment (although sales of such investment may be required to be pre-cleared as provided in the Code of Ethics). If a follow-on investment was not anticipated at the time of the original investment, Executive or his Family Office shall certify that such subsequent funding is required to protect the value of the existing investment and was not contemplated and pre-cleared at the time of the initial investment.

(6) As required by the Code of Ethics, when requesting pre-clearance, Executive's Family Office shall provide sufficient information such that the Company can make a decision but such Family Office will not be obligated to create an investment memorandum solely for pre-clearance purposes.

(7) Where possible, responses to pre-clearance requests shall be granted to Executive's Family Office within 48 hours of the request.

(8) Before agreeing to receive MNPI with respect to an investment, Company Compliance shall check its most recent statement of the Family Office's holdings, and if the receipt of the MNPI could cause the Family Office to restrict its investment, Company Compliance, if practicable, will provide notice to the Family Office that the Company may receive MNPI so that the Family Office has an opportunity to exit the position before the MNPI is received. If the Family Office chooses to exit the position, the Family Office shall request pre-clearance from Company Compliance and Company Compliance may or may not grant approval. Once Company Compliance has completed its internal decision-making about whether to accept MNPI (normally approximately 48 hours later) the Company shall notify the Family Office of its decision, and if the Family Office has not sold its position, it will be subject to restriction on sale.

G . Conflicts of Interest. Executive hereby agrees to promptly disclose to the Governing Body any potential conflict of interest involving Executive, his Group or his Family Office or the Company upon Executive obtaining actual knowledge of such conflict or potential conflict.

H . Director's Fees and Other Sources of Compensation from the Company. All directors' and other fees payable to Executive after July 13, 2012 or equity incentives granted to Executive after July 13, 2012 by a portfolio company shall be transferred to the Company or its designee without any additional consideration therefor. Other than the compensation set forth in this Agreement, Executive will not accept any compensation, director fees, other fees or equity interests from the Company or any of its Subsidiaries.

I. Continuing Obligations to the Company and its Subsidiaries. Commencing on the Effective Date, Executive will cooperate in all reasonable respects with the Company and its Subsidiaries in connection with any and all existing or future litigation, actions or proceedings (whether civil, criminal, administrative, regulatory or otherwise) brought by or against the Company or any of its Affiliates, to the extent the Company reasonably deems Executive's cooperation necessary. Executive shall be reimbursed for all out-of-pocket expenses incurred by him as a result of such cooperation.

J . Acknowledgement. Executive agrees and acknowledges that each Restrictive Covenant herein is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of the Company and its Affiliates, imposes no undue hardship on Executive, is not injurious to the public, and that any violation of any of these Restrictive Covenants shall be specifically enforceable in any court with jurisdiction upon short notice. Executive agrees and acknowledges that a portion of the compensation paid to Executive under this Agreement to which this Exhibit A is attached will be paid in consideration of the covenants contained in this Exhibit A, the sufficiency of which consideration is hereby acknowledged. If any provision of this Exhibit A as applied to Executive or to any circumstance is adjudged by a court to be invalid or unenforceable, the same shall in no way affect any other circumstance or the validity or enforceability of any other provision of this Exhibit A. If the scope of any such provision, or any part thereof, is too broad to permit enforcement of such provision to its full extent, Executive agrees that the court making such

determination shall have the power to reduce the duration and/or area of such provision, and/or to delete specific words or phrases, to the extent necessary to permit enforcement, and, in its reduced form, such provision shall then be enforceable and shall be enforced. Executive agrees and acknowledges that the breach of this Exhibit A will cause irreparable injury to the Company and upon breach of any provision of this Exhibit A, the Company shall be entitled to injunctive relief, specific performance or other equitable relief; *provided*, *however*, that this shall in no way limit any other remedies which the Company may have (including, without limitation, the right to seek monetary damages). The Company shall not bring any claim or action for breach of any provision of this Exhibit A unless (i) it has provided written notice of such alleged claim and provided Executive with at least thirty (30) days to correct or cure the conduct in question and (ii) during such period, Executive has not corrected or cured such conduct. Each of the covenants in this Exhibit A shall be construed as an agreement independent of any other provisions in this Agreement to which it is attached, other than the consideration for such covenant provided in this Agreement.

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 Investor I, LLC	Delaware
A/A Capital Management, LLC	Delaware
A-A Mortgage Opportunities Corp.	Delaware
AAA Associates (Co-Invest VII), L.P.	Cayman Islands
AAA Associates (Co-Invest VII GP), Ltd.	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 Incentive Pool, L.P.	Cayman Islands
AGM India Advisors Private Limited	India
AGM Marketing Pool, L.P.	Cayman Islands
AGRE - CRE Debt Manager, LLC	Delaware
AGRE - DCB, LLC	Delaware
AGRE Asia Pacific Legacy Management, LLC	Delaware
AGRE Asia Pacific Real Estate Advisors GP, Ltd.	Cayman Islands
AGRE Asia Pacific Management, LLC	Delaware
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, L.P.	Marshall Islands
AGRE Europe Co-Invest Advisors GP, LLC	Marshall Islands
AGRE Europe Co-Invest Management, L.P.	Marshall Islands
AGRE Europe Co-Invest Management GP, LLC	Marshall Islands
AGRE Europe Legacy Management, LLC	Delaware
AGRE Europe Management, LLC	Delaware
AGRE GP Holdings, LLC	Delaware
AGRE Hong Kong Management, LLC	Delaware
AGRE NA Legacy Management, LLC	Delaware

AGRE NA Management, LLC	Delaware
AGRE U.S. Real Estate Advisors Cayman, Ltd.	Cayman Islands
AGRE U.S. Real Estate Advisors, L.P.	Delaware
AGRE U.S. Real Estate Advisors GP, LLC	Delaware
AGRE - E Legacy Management, LLC	Delaware
AGRE - E2 Legacy Management, LLC	Delaware
AHL 2014 Investor GP, Ltd.	Cayman Islands
AIF III Management, LLC	Delaware
AIF V Management, LLC	Delaware
AIF VI Management, LLC	Delaware
AIF VI Management Pool Investors, L.P.	Delaware
AIF VII Management, LLC	Delaware
AIF VIII Management, LLC	Delaware
AIM Pool Investors, L.P.	Delaware
AION Co-Investors (D) Ltd	Mauritius
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
Apollo ANRP Advisors (APO DC-GP), LLC	Delaware
ANRP EPE GenPar, Ltd.	Cayman Islands
ANRP II GenPar, Ltd.	Cayman Islands
ANRP Talos GenPar, Ltd.	Cayman Islands
Apollo A-N Credit Co-Investors (FC-D), L.P.	Delaware
Apollo A-N Credit Management, LLC	Delaware
AP AOP VII Transfer Holdco, LLC	Delaware
Apollo Credit Short Opportunities Advisors LLC	Delaware
Apollo Credit Short Opportunities Management, LLC	Delaware
Apollo Senior Loan Fund Co-Investors (D), L.P.	Delaware
Apollo Total Return ERISA Advisors GP LLC	Delaware
Apollo Total Return ERISA Advisors, L.P.	Delaware
Apollo Total Return Co-Investors (D) GP LLC	Delaware
Apollo Total Return Co-Investors (D) LP	Delaware
AP Transport LLC	Delaware
AP TSL Funding, LLC	Delaware
Apollo USREF Co-Investors II (D), LLC	Delaware
Apollo Credit Income Co-Investors (D) 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
Apollo Achilles Co-Invest GP, LLC	Anguilla
Apollo Executive Carry VII (NR APO DC), L.P.	Delaware
Apollo Executive Carry VII (NR APO FC), L.P.	Cayman Islands
APO Corp.	Delaware
APO (FC II), LLC	Anguilla
APO (FC), LLC	Anguilla
Apollo Advisors VIII (APO FC), L.P.	Cayman Islands
Apollo Advisors VIII (APO FC-GP), Ltd.	Cayman Islands

Apollo Alternative Credit Absolute Return Advisors LLC	Delaware
Apollo Alternative Credit Absolute Return Management LLC	Delaware
Apollo Alternative Credit Long Short Management LLC	Delaware
Apollo Alternative Credit Long Short Advisors LLC	Delaware
Apollo A-N Credit Advisors (APO FC Delaware), L.P.	Delaware
Apollo A-N Credit Advisors (APO FC-GP), LLC	Delaware
Apollo ANRP Advisors II (APO DC), L.P.	Delaware
Apollo ANRP Advisors II (APO DC-GP), LLC	Delaware
Apollo ANRP Capital Management II, LLC	Delaware
Apollo ANRP Co-Investors II (DC-D), L.P.	Delaware
Apollo Asia Real Estate Management, LLC	Delaware
APO Asset Co., LLC	Delaware
Apollo Centre Street Advisors (APO DC-GP), LLC	Delaware
Apollo CIP European SMAs & CLOs, L.P.	Cayman Islands
Apollo Co-Investors VIII (FC-D), L.P.	Cayman Islands
Apollo Credit Opportunity Advisors III (APO FC) GP LLC	Delaware
Apollo Credit Opportunity Co-Investors III (FC-D) LLC	Delaware
Apollo Emerging Markets Debt Advisors LP	Cayman Islands
Apollo Emerging Markets Debt Co-Investors (D) LP	Delaware
Apollo Emerging Markets Debt Advisors GP LLC	Delaware
Apollo Emerging Markets Debt Management LLC	Delaware
Apollo Emerging Markets Debt Co-Investors (D) GP LLC	Delaware
Apollo Energy Opportunity Advisors GP LLC	Delaware
Apollo Energy Opportunity Advisors LP	Delaware
Apollo Energy Opportunity Co-Investors (D) LLC	Delaware
Apollo Energy Opportunity Management LLC	Delaware
Apollo Energy Yield Co-Investors (D) LLC	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 HK TMS Investment Holdings GP, LLC	Delaware
Apollo HK TMS Investment Holdings Management, LLC	Delaware
Apollo Lincoln Fixed Income Advisors (APO DC), L.P.	Delaware
Apollo Lincoln Fixed Income Management, LLC	Delaware
Apollo Lincoln Fixed Income Advisors (APO DC-GP), LLC	Delaware
Apollo Lincoln Private Credit Advisors (APO DC-GP), LLC	Delaware
Apollo Lincoln Private Credit Advisors (APO DC), L.P.	Delaware
Apollo Lincoln Private Credit Co-Investors (DC-D), L.P.	Delaware
Apollo Lincoln Private Credit Management, LLC	Delaware
Apollo MidCap Holdings (Cayman) II, L.P.	Cayman Islands
Apollo MidCap Holdings (Cayman) II GP, Ltd.	Cayman Islands
Apollo MidCap FinCo Feeder GP LLC	Delaware
Apollo Structured Credit Recovery Advisors III (APO DC) LLC	Delaware
Apollo Structured Credit Recovery Advisors III LLC	Delaware
Apollo Structured Credit Recovery Management III LLC	Delaware
Apollo Tactical Value SPN Advisors (APO DC), L.P.	Cayman Islands
Apollo Tactical Value SPN Co-Investors (DC-D), L.P.	Anguilla
Apollo Tactical Value SPN Management, LLC	Delaware
Apollo Tactical Value SPN Capital Management (APO DC-GP), LLC	Anguilla
Apollo Total Return Enhanced Advisors GP LLC	Delaware
Apollo Total Return Enhanced Management LLC	Delaware
Apollo Total Return Enhanced Advisors LP	Cayman Islands
Apollo Union Street Capital Management, LLC	Delaware
Apollo Union Street Co-Investors (D), L.P.	Delaware

Apollo Capital Management VII, LLC	Delaware
Apollo Administration GP Ltd.	Cayman Islands
Apollo Advisors V (EH Cayman), L.P.	Cayman Islands
Apollo Advisors VI (APO DC-GP), LLC	Delaware
Apollo Advisors VI (APO FC-GP), LLC	Anguilla
Apollo Advisors VII (APO DC-GP), LLC	Delaware
Apollo Advisors VII (APO FC-GP), LLC	Anguilla
Apollo Advisors VIII (APO DC), L.P.	Delaware
Apollo Advisors VIII (APO DC-GP), LLC	Delaware
Apollo Advisors (MHE), LLC	Delaware
Apollo Advisors IV, L.P.	Delaware
Apollo Advisors V (EH), LLC	Anguilla
Apollo Advisors V, L.P.	Delaware
Apollo Advisors VI (APO DC), L.P.	Delaware
Apollo Advisors VI (APO FC), L.P.	Cayman Islands
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 FC), L.P.	Cayman Islands
Apollo Advisors VII (EH), L.P.	Cayman Islands
Apollo Advisors VII, L.P.	Delaware
Apollo Advisors VIII (EH), L.P.	Cayman Islands
Apollo Advisors VIII, L.P.	Delaware
Apollo Advisors (Mauritius) Ltd.	Mauritius
Apollo Advisors VII (EH-GP), Ltd.	Cayman Islands
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 Anguilla B LLC	Anguilla
Apollo ANRP Advisors (IH), L.P.	Cayman Islands
Apollo ANRP Advisors (IH-GP), LLC	Anguilla
Apollo ANRP Advisors (APO DC), L.P.	Delaware
Apollo ANRP Advisors (APO FC), L.P.	Cayman Islands
Apollo ANRP Advisors (APO FC-GP), LLC	Anguilla
Apollo ANRP Advisors II, L.P.	Delaware
Apollo ANRP Advisors, L.P.	Delaware
Apollo ANRP Capital Management, LLC	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 Co-Investors II (D), L.P.	Delaware
Apollo ANRP Co-Investors (D), L.P.	Delaware
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, L.P.	Delaware
Apollo Capital Management V, Inc.	Delaware
Apollo Capital Management VI, LLC	Delaware
Apollo Capital Management VIII, LLC	Delaware
Apollo Centre Street Advisors (APO DC), L.P.	Delaware
Apollo Centre Street Management, LLC	Delaware
Apollo Centre Street Co-Investors (DC-D), L.P.	Delaware
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 Commodities Partners Fund Administration, 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-Investors VI (DC-D), L.P.	Delaware
Apollo Co-Investors VI (EH-D), LP	Anguilla
Apollo Co-Investors VI (FC-D), LP	Anguilla
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 EH-D), LP	Anguilla
Apollo Co-Investors VII (NR FC-D), LP	Anguilla
Apollo Co-Investors VII (NR DC-D), L.P.	Delaware
Apollo Co-Investors VIII (DC-D), L.P.	Delaware
Apollo Co-Investment Management, LLC	Delaware
Apollo Co-Investors VIII (EH-D), L.P.	Cayman Islands
Apollo Co-Investors Manager, LLC	Delaware
Apollo Co-Investors VI (D), L.P.	Delaware
Apollo Co-Investors VIII (D), L.P.	Delaware
Apollo Co-Investors VII (D), L.P.	Delaware

Apollo Commodities Management GP, LLC	Delaware
Apollo Commodities Management, L.P	Delaware
Apollo Commodities Management, L.P., with respect to Series I	Delaware
Apollo Consumer Credit Advisors, LLC	Delaware
Apollo Consumer Credit Fund, L.P.	Delaware
Apollo Consumer Credit Master Fund, L.P.	Delaware
Apollo Credit Liquidity CM Executive Carry, L.P.	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 Opportunity Advisors III (APO FC) LP	Delaware
Apollo Credit Opportunity Management, LLC	Delaware
Apollo Credit Short Opportunities Co-Investors (D), LLC	Delaware
Apollo Credit Liquidity Capital Management, LLC	Delaware
Apollo Credit Liquidity Investor, LLC	Delaware
Apollo Credit Liquidity Advisors, L.P.	Delaware
Apollo Credit Advisors I, LLC	Delaware
Apollo Credit Advisors II, LLC	Delaware
Apollo Credit Advisors III, LLC	Delaware
Apollo Credit Income Management LLC	Delaware
Apollo Credit Liquidity Management, L.P.	Delaware
Apollo Credit Liquidity Management GP, LLC	Delaware
Apollo Credit Management, LLC	Delaware
Apollo Credit Management (CLO), LLC	Delaware
Apollo Credit Opportunity Advisors I, L.P.	Delaware
Apollo Credit Opportunity Advisors II, L.P.	Delaware
Apollo Credit Opportunity Advisors III LP	Delaware
Apollo Credit Opportunity Management III LLC	Delaware
Apollo Credit Senior Loan Fund, L.P.	Delaware
Apollo Credit Opportunity Advisors III GP LLC	Delaware
Apollo Credit Opportunity CM Executive Carry I, L.P.	Delaware
Apollo Credit Opportunity CM Executive Carry II, L.P.	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 Energy Yield Advisors LLC	Delaware
Apollo Energy Yield Management 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 II (D), L.P.	Cayman Islands
Apollo EPF Co-Investors (B), L.P.	Cayman Islands
Apollo EPF II Capital Management, LLC	Marshall Islands
Apollo EPF Management GP, LLC	Delaware
Apollo EPF Management II, L.P.	Delaware
Apollo EPF Management, L.P.	Delaware
Apollo EPF Management II GP, LLC	Delaware
Apollo Europe Co-Investors III (D), LLC	Delaware
Apollo European Senior Debt Advisors, LLC	Delaware
Apollo European Senior Debt Management, LLC	Delaware
Apollo European Credit Co-Investors, LLC	Delaware
Apollo Europe Advisors III, L.P.	Cayman Islands

Apollo Europe Advisors, L.P.	Cayman Islands
Apollo Europe Capital Management, Ltd.	Cayman Islands
Apollo Europe Capital Management III, LLC	Delaware
Apollo Europe Management III, LLC	Delaware
Apollo Europe Management, L.P.	Delaware
Apollo European Credit Advisors, L.P.	Cayman Islands
Apollo European Credit Advisors GP, LLC	Delaware
Apollo European Credit Management, L.P.	Delaware
Apollo European Credit Management GP, LLC	Delaware
Apollo European Strategic Advisors GP, LLC	Delaware
Apollo European Strategic Advisors, L.P.	Cayman Islands
Apollo European Strategic Management GP, LLC	Delaware
Apollo European Strategic Management, L.P.	Delaware
Apollo European Strategic Co-Investors, LLC	Delaware
Apollo Executive Carry VII (NR), L.P.	Delaware
Apollo Executive Carry VII (NR EH), L.P.	Cayman Islands
Apollo Franklin Advisors (APO DC), L.P.	Delaware
Apollo Franklin Management, LLC	Delaware
Apollo Fund Administration VII, LLC	Delaware
Apollo Fund Administration V, L.L.C.	Delaware
Apollo Fund Administration VI, LLC	Delaware
Apollo Fund Administration IV, L.L.C.	Delaware
Apollo Fund Administration VIII, LLC	Delaware
Apollo Gaucho GenPar, Ltd	Cayman Islands
Apollo Global Funding, LLC	Delaware
Apollo Global Management, LLC	Delaware
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 Hercules Advisors GP, LLC	Delaware
Apollo Hercules Advisors, L.P.	Cayman Islands
Apollo Hercules Co-Investors (D), LLC	Delaware
Apollo Hercules Management, LLC	Delaware
Apollo Incubator Advisors, LLC	Delaware
Apollo Incubator Management, LLC	Delaware
Apollo India Credit Opportunity Management, LLC	Delaware
Apollo International Management, L.P.	Delaware
Apollo International Management GP, LLC	Delaware
Apollo International Management (Canada) ULC	British Columbia
Apollo Investment Consulting LLC	Delaware
Apollo Investment Management, L.P.	Delaware
Apollo Investment Administration, LLC	Delaware
Apollo Jupiter Resources Co-Invest GP, LLC	Delaware
Apollo Laminates Agent, LLC	Delaware
Apollo Life Asset Ltd.	Cayman Islands
Apollo Longevity, LLC	Delaware
Apollo Management Advisors GmbH	Germany
Apollo Management Asia Pacific Limited	Hong Kong
Apollo Management GP, LLC	Delaware
Apollo Management III, L.P.	Delaware
Apollo Management IV, L.P.	Delaware
Apollo Management (UK) VI, LLC	Delaware
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 (AOP) VIII, LLC	Delaware
Apollo Management (UK), L.L.C.	Delaware
Apollo Maritime Management, LLC	Delaware
Apollo Management Advisors Espana, S.L.U.	Spain
Apollo Management Holdings, L.P.	Delaware
Apollo Management Holdings GP, LLC	Delaware
Apollo Management International LLP	England and Wales
Apollo Management Singapore Pte Ltd.	Singapore
Apollo Management (AOP) VII, LLC	Delaware
Apollo Management (Germany) VI, LLC	Delaware
Apollo Management, L.P.	Delaware
Apollo MidCap Holdings (Cayman) GP, Ltd.	Cayman Islands
Apollo MidCap Holdings (Cayman), L.P.	Cayman Islands
Apollo Master Fund Feeder Management, LLC	Delaware
Apollo Master Fund Feeder Advisors, L.P.	Delaware
Apollo Master Fund Administration, LLC	Delaware
Apollo NA Management II, LLC	Delaware
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 Principal Holdings VI GP, LLC	Delaware
Apollo Principal Holdings VII GP, Ltd.	Cayman Islands
Apollo Principal Holdings VIII GP, Ltd.	Cayman Islands
Apollo Principal Holdings X GP, Ltd.	Cayman Islands
Apollo Principal Holdings VIII, L.P.	Cayman Islands
Apollo Principal Holdings V GP, LLC	Delaware
Apollo Principal Holdings IV GP, Ltd.	Cayman Islands
Apollo Principal Holdings I GP, LLC	Delaware
Apollo Principal Holdings II, L.P.	Delaware
Apollo Principal Holdings III, L.P.	Cayman Islands
Apollo Principal Holdings X, L.P.	Cayman Islands
Apollo Principal Holdings I, L.P.	Delaware
Apollo Principal Holdings V, L.P.	Delaware
Apollo Principal Holdings IV, L.P.	Cayman Islands
Apollo Principal Holdings III GP, Ltd.	Cayman Islands
Apollo Principal Holdings IX GP, Ltd.	Cayman Islands
Apollo Principal Holdings IX, L.P.	Cayman Islands
Apollo Principal Holdings II GP, LLC	Delaware
Apollo Resolution Servicing, L.P.	Delaware
Apollo Resolution Servicing GP, LLC	Delaware
Apollo Rose GP, L.P.	Cayman Islands
Apollo Royalties Management, LLC	Delaware
Apollo SK Strategic Advisors GP, L.P.	Cayman Islands
Apollo SK Strategic Advisors, LLC	Anguilla
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, 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 Debt Advisors LLC	Delaware
Apollo ST Fund Management LLC	Delaware
Apollo ST Operating LP	Delaware
Apollo ST Credit Strategies GP LLC	Delaware
Apollo Strategic Advisors, L.P.	Cayman Islands
Apollo Strategic Capital Management, LLC	Delaware
Apollo Strategic Management, L.P.	Delaware
Apollo Strategic Management GP, LLC	Delaware
Apollo SVF Administration, LLC	Delaware
Apollo SVF Advisors, L.P.	Delaware
Apollo SVF Capital Management, LLC	Delaware
Apollo SVF Management, L.P.	Delaware
Apollo SVF Management GP, LLC	Delaware
Apollo Talos GenPar, Ltd.	Cayman Islands
Apollo Total Return Advisors GP LLC	Delaware
Apollo Total Return Advisors LP	Cayman Islands
Apollo Total Return Management LLC	Delaware
Apollo U.S. Real Estate Advisors II, L.P	Delaware
Apollo U.S. Real Estate Advisors GP II, LLC	Delaware
Apollo Union Street Advisors, L.P.	Cayman Islands
Apollo Union Street Management, 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, LLC	Delaware
Apollo Zeus Strategic Advisors, L.P.	Cayman Islands
Apollo Zeus Strategic Management, LLC	Delaware
Apollo Zohar Advisors LLC	Delaware
Apollo/Artus Management, LLC	Delaware
Apollo Advisors VIII (EH-GP), Ltd.	Cayman Islands
Apollo Credit Income Advisors LLC	Delaware
Apollo Credit Opportunity Co-Investors III (D) LLC	Delaware
Apollo EPF Co-Investors II (Euro), L.P.	Cayman Islands
Apollo Franklin Advisors (APO DC-GP), LLC	Delaware
Apollo Franklin Co-Investors (DC-D), L.P.	Delaware
Apollo Principal Holdings VI, L.P.	Delaware

Apollo Principal Holdings VII, L.P.	Cayman Islands
Apollo SK Strategic Co-Investors (DC-D), LLC	Marshall Islands
Apollo SPN Capital Management (APO FC-GP), LLC	Anguilla
Apollo ST Structured Credit Recovery Partners II GP LLC	Delaware
Apollo Structured Credit Recovery Co-Investors III (D), LLC	Delaware
Apollo Zeus Strategic Co-Investors (DC-D), LLC	Delaware
ARM Manager, LLC	Delaware
Athene Asset Management, L.P. (Delaware-see CYM entity)	Cayman Islands
Athene Investment Analytics LLC	Delaware
Athene Mortgage Opportunities GP, LLC	Delaware
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
CPI Asia G-Fdr General Partner GmbH	Germany
CPI Capital Partners Europe GP Ltd.	Cayman Islands
CPI Capital Partners Asia Pacific 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 II Capital Management, LLC	Delaware
Financial Credit Investment Advisors II, L.P.	Cayman Islands
Financial Credit Investment II Manager, LLC	Delaware
Financial Credit I Capital Management, LLC	Delaware
Financial Credit Investment Advisors I, L.P.	Cayman Islands
Financial Credit Investment I Manager, LLC	Delaware
Green Bird GP, Ltd.	Cayman Islands
Greenhouse Holdings, Ltd.	Cayman Islands
GSAM Apollo Holdings, LLC	Delaware
Gulf Stream Asset Management LLC	North Carolina
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 Limited	Guernsey
Ohio Haverly Finance Company GP, LLC	Delaware
Ohio Haverly Finance Company, L.P.	Delaware
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 Europe LLC	Delaware
Stone Tower Europe Limited	Ireland
VC GP C, LLC	Delaware
VC GP, LLC	Delaware
Venator Investment Management Consulting (Shanghai) Limited	China
Venator Real Estate Capital Partners (Hong Kong) Limited	Hong Kong
Verso Paper Investments Management LLC	Delaware
Apollo CIP Global SMAs (FC), L.P.	Cayman Islands
Apollo BCSSS Management, LLC	Delaware
Apollo Asia Real Estate Advisors GP, LLC	Delaware
Financial Credit III Capital Management, LLC	Delaware
Financial Credit Investment III Manager, LLC	Delaware
Financial Credit Investment Advisors III, L.P.	Cayman Islands
Apollo Moultrie Capital Management, LLC	Delaware
Apollo Moultrie Credit Fund Advisors, L.P	Delaware
Apollo Moultrie Credit Fund Management, LLC	Delaware
Apollo Principal Holdings XI, LLC	Anguilla
AAME UK CM, LLC	Anguilla
Apollo Belenos Management LLC	Delaware
Apollo Alternative Credit Long Short Fund L.P.	Delaware
Apollo Asset Management Europe LLP	England and Wales
Prime Security Services GP, LLC	Delaware
Apollo Asset Management Europe PC LLP	England and Wales
Apollo Asia Real Estate Advisors, L.P.	Cayman Islands
Apollo Thunder Advisors GP, Ltd.	Cayman Islands
Apollo Thunder Advisors, L.P.	Cayman Islands
Apollo Thunder Co-Investors (D), LLC	Delaware
Apollo Thunder Management, LLC	Delaware
Apollo RRI Management LLC	Delaware
APO MidCap B Holdings, LLC	Delaware
Apollo MidCap B Intermediate Holdings, L.P.	Cayman Islands
Apollo Kings Alley Credit Advisors, L.P.	Delaware
Apollo Kings Alley Credit Capital Management, LLC	Delaware
Apollo Kings Alley Credit Co-Investors (D), L.P.	Delaware
Apollo Kings Alley Credit Fund Management, LLC	Delaware
Apollo Special Situations Advisors, L.P.	Delaware
Apollo Special Situations Advisors GP, LLC	Delaware
Apollo Special Situations Management, LLC	Delaware
Apollo Special Situations Management, L.P.	Delaware
Apollo Special Situations Co-Investors (D), L.P.	Delaware
AP VIII Prime Security Services Management, LLC	Delaware
Apollo Asia Real Estate Co-Investors (FC-D), Ltd.	Cayman Islands
Apollo Investment Management Europe LLP	England and Wales
APO UK (FC), Limited	England and Wales
Apollo SA Management, LLC	Delaware
Apollo EPF III Capital Management, LLC	Delaware
Apollo EPF Management III, LLC	Delaware
Apollo EPF Advisors III, L.P.	Cayman Islands
EPE Debt Co-Investors GP, LLC	Delaware
Apollo Capital Efficient Management, LLC	Delaware

Apollo Accord Advisors, LLC	Delaware
Apollo Accord Management, LLC	Delaware
AP Special Sits Lowell Holdings GP, LLC	Delaware
Apollo Investment Consulting Europe Ltd.	England and Wales
CTM Aircraft Investors GP, Ltd.	Cayman Islands
Apollo Socrates Co-Invest GP, LLC	Delaware
AP Dakota Co-Invest GP, LLC	Delaware
Apollo Special Situations Advisors (IH-GP), Ltd.	Cayman Islands
Apollo Special Situations Advisors (IH), L.P.	Cayman Islands
Lowell GP, LLC	Delaware
Apollo Special Situations Co-Investors (IH-D), L.P.	Cayman Islands
Apollo Energy Opportunity Advisors (APO DC) GP LLC	Delaware
Apollo Energy Opportunity Advisors (APO DC) LP	Delaware
Apollo Energy Opportunity Co-Investors (DC-D) LLC	Delaware
Apollo ANRP Advisors II (IH-GP), LLC	Cayman Islands
Apollo ANRP Co-Investors II (IH-D), L.P.	Cayman Islands
AP Inception Co-Invest GP, LLC	Delaware
Apollo Hercules AIV Advisors GP, LLC	Delaware
Apollo Hercules AIV Co-Investors (D), LLC	Delaware
Apollo Jupiter Resources Co-Invest GP, ULC	British Columbia
AP ARX Co-Invest GP, LLC	Cayman Islands
Apollo Atlas Advisors (APO FC-GP), LLC	Cayman Islands
Apollo Atlas Advisors (APO FC), L.P.	Cayman Islands
Apollo Atlas Management, LLC	Delaware
Apollo Tower Credit Advisors, LLC	Delaware
Apollo Tower Credit Co-Investors (DE FC-D), L.P.	Delaware
Apollo Tower Credit Management, LLC	Delaware
Apollo EPF Co-Investors III (D), L.P.	Cayman Islands
Apollo CIP Hedge Funds (FC), L.P.	Cayman Islands
Apollo Accord Co-Investors (D), L.P.	Delaware
Apollo Asia Sprint Co-Investment Advisors, L.P.	Cayman Islands
Apollo Capital Management IX, LLC	Delaware
Apollo Advisors IX, L.P.	Delaware
AIF IX Management, LLC	Delaware
Apollo Management IX, L.P.	Delaware
Apollo Fund Administration IX, LLC	Delaware
Apollo Co-Investors IX (D), L.P.	Delaware
Apollo ANRP Advisors II (IH), L.P.	Cayman Islands
Apollo Global Carry Pool GP, LLC	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series I	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series A	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series I (FC)	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series I (DC)	Delaware
Apollo Global Carry Pool Aggregator, L.P.	Delaware
Apollo Global Carry Pool Intermediate, L.P.	Cayman Islands
Apollo Global Carry Pool Intermediate (DC), L.P.	Cayman Islands
Apollo Global Carry Pool Intermediate (FC), L.P.	Cayman Islands
Apollo EPF III (Lux Euro B GP) S.a.r.l.	Luxembourg
Redding Ridge Advisors, LLC	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our report, dated February 13, 2017, 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, 2016:

- Registration Statement No. 333-211226 on Form S-3ASR
- Registration Statement No. 333-211225 on Form S-3ASR
- Registration Statement No. 333-188417 on Form S-3ASR
- Registration Statement No. 333-211227 on Form S-8

/s/ Deloitte & Touche LLP
New York, New York
February 13, 2017

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, 2016 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 13, 2017

/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, 2016 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 13, 2017

/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, 2016 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 13, 2017

/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, 2016 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 13, 2017

/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.