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, 2018 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
6.375% Series A Preferred shares	New York Stock Exchange
6.375% Series B Preferred shares	New York Stock Exchange

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

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Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities. Yes ☒ No ☐

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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, 2018 was approximately $6,349.1 million, which includes non-voting Class A shares with a value of approximately $557.7 million.

As of February 26, 2019 there were 202,398,070 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 credit, private equity, or real assets 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 and limited liability companies through which our Managing Partners currently operate our businesses and (ii) one or more limited partnerships or limited liability companies 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 of the funds, partnerships and accounts to which we provide investment management, advisory, or certain other investment-related 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 assets 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, advisory, or certain other investment-related services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification or other conditions 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 nominal or zero fees. Our AUM measure also includes assets for which we do not have investment discretion, including certain assets for which we earn only investment-related service fees, rather than management or advisory fees. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our Apollo fund management agreements. We consider multiple factors for determining what should be included in our definition of AUM. Such factors include but are not limited to (1) our ability to influence the investment decisions for existing and available assets; (2) our ability to generate income from the underlying assets in our funds; and (3) the AUM measures that we use internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. 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 of the funds, partnerships and accounts to which we provide investment management, advisory, or certain other investment-related services and on which we earn management fees, monitoring fees or other investment-related fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts. 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.

"Performance Fee-Eligible AUM" refers to the AUM that may eventually produce performance fees. All funds for which we are entitled to receive a performance fee allocation or incentive fee are included in Performance Fee-Eligible AUM, which consists of the following:

(i) "Performance Fee-Generating AUM", which refers to invested capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is currently above its hurdle rate or preferred return, and profit of such funds, partnerships and accounts is being allocated to, or earned by, the general partner in accordance with the applicable limited partnership agreements or other governing agreements;

(ii) "AUM Not Currently Generating Performance Fees", which refers to invested capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is currently below its hurdle rate or preferred return; and

(iii) "Uninvested Performance Fee-Eligible AUM", which refers to capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, 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 performance fees allocable to, or earned by, 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 performance fees;

"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;

"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;

"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 LLC ("Athene Asset Management" or "AAM") that are invested in commitment-based funds;

"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, performance fees allocated to the general partner and certain other 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 will 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 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, 2018 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, performance fees and certain other 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 will 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 assets 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, 2018 or other date specified) starting on the date that each investment closes, and the return is annualized and compounded before management fees, performance fees, and certain other 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 will 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 assets 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, performance 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 credit, private equity and real assets 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 credit fund represents the annualized return of a fund after management fees, performance fees allocated to the general partner and certain other 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 private equity fund means the gross IRR applicable to a fund, including returns for related parties which may not pay fees or performance fees, net of management fees, certain expenses (including interest incurred or earned by the fund itself) and realized performance fees 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. The timing of cash flows applicable to investments, management fees and certain expenses, may be adjusted for the usage of a fund’s subscription facility. 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 real assets 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, 2018 or other date specified is paid to investors), excluding certain non-fee and non-performance fee bearing parties, and the return is annualized and compounded after management fees, performance fees, 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 assets fund represents the gross return after management fees, performance 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;

“performance allocations”, “performance fees”, “performance revenues”, “incentive fees” 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;

“permanent capital vehicles” refers to (a) assets that are owned by or related to Athene or Athora Holding Ltd. (“Athora Holding” and together with its subsidiaries, “Athora”), (b) assets that are owned by or related to MidCap FinCo Designated Activity Company (“MidCap”) and managed by Apollo, (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 from which Apollo earns certain investment-related service fees. The investment management agreements 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 or advisory arrangements between MidCap and Apollo, as well as between Athene and Apollo, may also be terminated under certain circumstances. The agreement pursuant to which Apollo earns certain investment-related service fees from a non-traded business development company may be terminated under certain limited 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., AION Capital Partners Limited (“AION”) and Apollo Hybrid Value Fund, L.P. (together with its parallel funds and alternative investment vehicles,“Hybrid Value Fund”) 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 performance fees to be paid by such Apollo fund;

“Redding Ridge” refers to Redding Ridge Asset Management, LLC and its subsidiaries, which is a standalone, self-managed asset management business established in connection with risk retention rules that manages CLOs and retains the required risk retention interests;

“Remaining Cost” represents the initial investment of the fund in a portfolio investment, reduced for any return of capital distributed to date on such portfolio investment;

“Strategic Investor” refers to the California Public Employees’ Retirement System, or “CalPERS”;

“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”), Apollo Investment Fund VIII, L.P. (together with its parallel funds and alternative investment vehicles, “Fund VIII”) and Apollo Investment Fund IX, L.P. (together with its parallel funds and alternative investment vehicles, “Fund IX”);

“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 payments in kind, accrued interest and dividends receivable, if any, and before the effect of certain taxes. 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, or, for certain funds, the year in which a fund’s investment period commences pursuant to its governing agreements.

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 credit, private equity and real assets, 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, 2018 , we had total AUM of $280 billion , including approximately $193 billion in credit, $69 billion in private equity and $18 billion in real assets. 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, 2018 .

Apollo is led by our Managing Partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 32 years and lead a team of 1,143 employees, including 410 investment professionals, as of December 31, 2018 . This team possesses a broad range of transaction, financial, managerial and investment skills. We have offices in New York, Los Angeles, San Diego, Houston, Bethesda, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong, Shanghai and Tokyo. We operate our credit, private equity and real assets 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 20% compound annual growth rate from December 31, 2008 to December 31, 2018 . In addition, we benefit from mandates with long-term capital commitments in our credit, private equity and real assets 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, 2018 , more than 90% of our AUM was in funds with a contractual life at inception of seven years or more, and 49% 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 credit, private equity and real assets 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 performance fees and fee arrangements of our future funds."

Our financial results are highly variable, since performance fees (which generally constitute 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: credit, private equity and real assets. The diagram below summarizes our businesses as of December 31, 2018:

Apollo Global Management, LLC

Credit	**Private Equity**	**Real Assets**
• Liquid/Performing • Drawdown • Permanent Capital Vehicles - MidCap, AINV, AFT, AIF • Athene and Athora • Athene and Athora Non-Sub-Advised • Advisory	• Distressed Buyouts, Debt and Other Investments • Corporate Carve-outs • Opportunistic Buyouts • Hybrid Capital • Natural Resources	• Opportunistic equity investing in real estate and infrastructure assets, portfolios, companies and platforms • Commercial real estate and infrastructure debt investments including first mortgage and mezzanine loans and commercial mortgage backed securities
AUM: $193.2 billion [1][2][3][4]	**AUM: $69.1 billion** [1]	**AUM: $17.9 billion** [1][2][3]

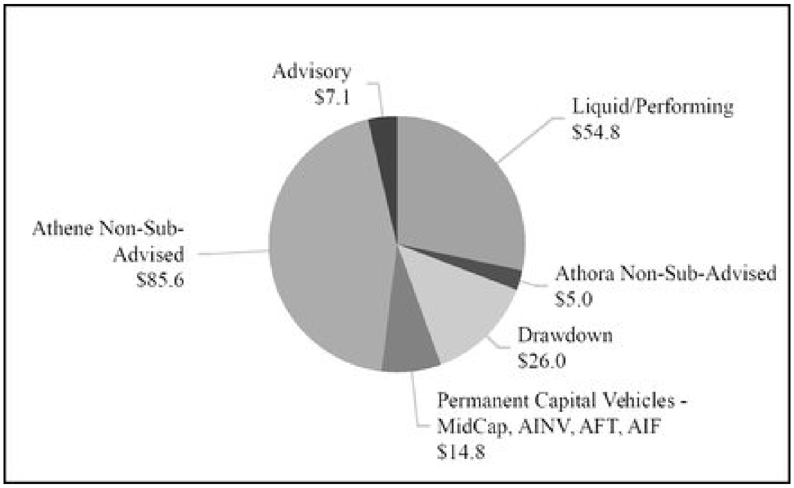
Strategic Investment Accounts
Generally invest in or alongside certain Apollo funds
and other Apollo-sponsored transactions

(1) See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information.
(2) Includes funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.15 as of December 31, 2018 .
(3) Includes funds that are denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.28 as of December 31, 2018 .
(4) Includes funds that are denominated in yen and translated into U.S. dollars at an exchange rate of ¥1.00 to $0.0091 as of December 31, 2018 .

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, 2018 , Apollo's credit segment had total AUM and Fee-Generating AUM of $193.2 billion and $158.0 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, 2018 [(1)]
(in billions)



(1) AUM components may not sum due to rounding.

Liquid/Performing

Our liquid/performing category within the credit segment generally includes funds and accounts where the underlying assets are liquid in nature. These funds and accounts may 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 $54.8 billion and $40.3 billion , respectively, as of December 31, 2018 .

Hedge Funds

Hedge Funds primarily includes Apollo Credit Strategies Master Fund Ltd. and Apollo Credit Master Fund Ltd. Collectively, our hedge fund AUM and Fee-Generating AUM totaled $7.2 billion and $2.9 billion , respectively, as of December 31, 2018 . 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

In aggregate, our AUM and Fee-Generating AUM in CLOs totaled $14.4 billion and $8.9 billion , respectively, as of December 31, 2018 . 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. Included within total AUM of CLOs is $5.5 billion of AUM related to Redding Ridge.

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 AUM in SIAs and other accounts totaled $33.3 billion and $28.6 billion as of December 31, 2018 , 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 $26.0 billion and $14.1 billion , respectively, as of December 31, 2018 .

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 $2.0 billion and $1.2 billion , respectively, as of December 31, 2018 .

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. 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 1,450 individuals as of December 31, 2018 . 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 $5.5 billion , respectively, as of December 31, 2018 .

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 SCRF series recently expanded as we held a final closing for our fourth Structured Credit Recovery Fund series during the year ended December 31, 2018. Our AUM and Fee-Generating AUM within Structured Credit Funds totaled $8.1 billion and $4.3 billion , respectively, as of December 31, 2018 .

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) Athora assets managed or advised by Apollo; (c) assets that are owned by or related to MidCap and managed by Apollo; (d) assets of certain publicly traded vehicles managed by Apollo such as AINV, AIF, and AFT and (e) a non-traded business development company from which Apollo earns certain investment-related service fees. 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 from which Apollo earns certain investment-related service fees. In aggregate, our AUM and Fee-Generating AUM within our credit permanent capital vehicles totaled $131.6 billion and $129.8 billion , respectively, as of December 31, 2018 .

Permanent Capital Vehicles - MidCap, AINV, AFT, AIF

The AUM and Fee-Generating AUM we managed within MidCap, AINV, AFT and AIF totaled $14.8 billion and $13.5 billion , respectively, as of December 31, 2018 .

MidCap is a middle market-focused specialty finance firm that provides senior debt solutions to companies across all industries. Our AUM and Fee-Generating AUM within MidCap totaled $8.8 billion and $8.6 billion , respectively, as of December 31, 2018 .

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 is a registrant under the Exchange Act and is currently listed on the New York Stock Exchange (NYSE) under the symbol “ATH”.

The Company, through its consolidated subsidiary AAM, provides asset management and advisory 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. Additionally, the Company, through AAM, provides sub-advisory services with respect to a portion of the assets that it manages in accounts owned by Athene in the U.S. and Bermuda or in accounts supporting reinsurance ceded to U.S. and Bermuda subsidiaries of Athene Holding by third-party insurers (collectively, the “Athene North American Accounts”). As of December 31, 2018 , Apollo managed or advised $108.8 billion of AUM, all of which was Fee-Generating AUM, in accounts owned by or related to Athene (the “Athene Accounts”). See note 14 to our consolidated financial statements for details regarding the fee arrangements between the Company and Athene.

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”. Our AUM within the Athene Non-Sub-Advised category totaled $85.6 billion as of December 31, 2018 , all of which was Fee-Generating AUM.

Athora

The Company, through its consolidated subsidiary, AAME, provides investment advisory services to certain portfolio companies of Apollo funds and Athora, a strategic platform established to acquire or reinsure blocks of insurance business in the German and broader European life insurance market (collectively, the “Athora Accounts”). As of December 31, 2018 , Apollo, through its subsidiaries, managed or advised $8.0 billion of AUM and $5.8 billion of Fee-Generating AUM in accounts owned by or related to Athora. See note 14 to our consolidated financial statements for details regarding the fee arrangements between the Company and Athora.

Athora Non-Sub-Advised Assets

This category includes the Athora 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 “Athora Non-Sub-Advised Assets”. Our AUM within the Athora Non-Sub-Advised category totaled $5.0 billion as of December 31, 2018 , of which $4.5 billion was Fee-Generating AUM.

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. Our AUM as of December 31, 2018 within the Advisory category totaled $7.1 billion .

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, 2018 , approximately 68% 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, 2018 , our private equity segment had total and Fee-Generating AUM of approximately $69.1 billion and $44.0 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.

Hybrid Capital

During 2018, we launched our hybrid value strategy which pursues the provision to companies of, among other things, rescue financing or customized capital solutions, including senior secured and unsecured debt or preferred equity securities, often with equity-linked or equity-like upside. The strategy also focuses on structured equity investments, which are non-control or control equity opportunities with enhanced protection through structural components or a fundamental characteristic of the business, such as long-term supply agreements. Typically, in these scenarios, companies are looking for an equity partner to fund initiatives such as organic growth, acquisitions, deleveraging or build-ups. We believe Apollo's strategic relationships with industry executives and experience in business repositioning, platform build-ups and complex integration provide a benefit to companies seeking a capital partner, especially in situations that have an element of complexity.

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 three 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 and 2018, we launched our second and third natural resources funds, Apollo Natural Resources Partners II, L.P. (together with its alternative investment vehicles, "ANRP II") and Apollo Natural Resources Partners III, L.P. (together with its parallel vehicles and alternative investment vehicles, "ANRP III"), respectively. We believe we can source and execute compelling, value-oriented investment opportunities for our funds irrespective of the commodity price environment.

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 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. AAA Investments' portfolio consists of a single opportunistic investment in Athene Holding.

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.

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Private Equity Fund Holdings

The following table presents a list of certain significant portfolio companies of our private equity funds as of December 31, 2018 :

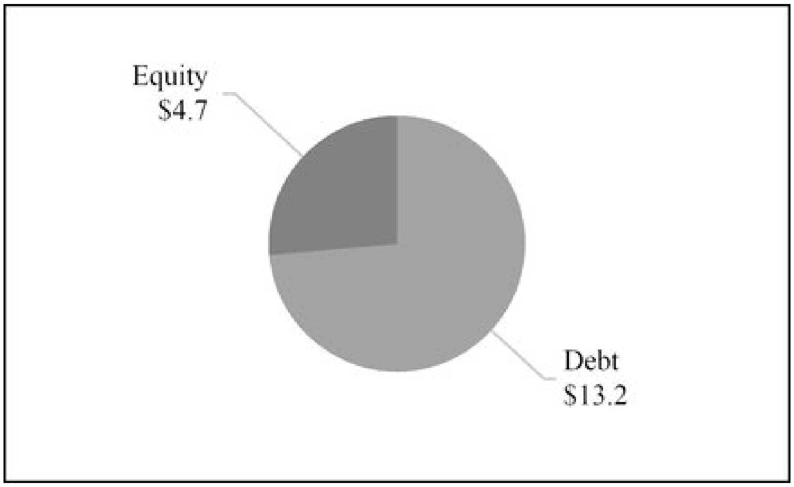
Company	Year of Initial Investment	Fund(s)	Buyout Type	Industry	Region
OneMain Financial	2018	Fund VIII	Opportunistic Buyout	Financial Services	North America
Northwoods Energy	2018	Fund VIII & ANRP II	Corporate Carve-Out	Natural Resources	North America
West Corporation	2017	Fund VIII	Opportunistic Buyout	Media, Telecom, Technology	North America
Chisholm Oil & Gas	2017	Fund VIII & ANRP II	Opportunistic Buyout	Natural Resources	North America
ClubCorp	2017	Fund VIII	Opportunistic Buyout	Leisure	North America
Double Eagle Energy III	2017	Fund VIII & ANRP II	Opportunistic Buyout	Natural Resources	North America
Apollo Education Group	2017	Fund VIII	Opportunistic Buyout	Consumer Services	Global
Lumileds	2017	Fund VIII	Corporate Carve-Out	Manufacturing & Industrial	Global
Rackspace	2016	Fund VIII	Opportunistic Buyout	Media, Telecom, Technology	North America
Diamond Resorts	2016	Fund VIII	Opportunistic Buyout	Leisure	North America
Outerwall	2016	Fund VIII	Opportunistic Buyout	Consumer Services	North America
Maxim Crane Works	2016	Fund VIII	Opportunistic Buyout	Manufacturing & Industrial	North America
Vistra Energy	2016	Fund VII & ANRP II	Distressed buyout	Natural Resources	North America
Nova KBM	2016	Fund VIII	Opportunistic Buyout	Financial Services	Western Europe
Pegasus	2016	ANRP II	Opportunistic Buyout	Natural Resources	North America
Constellis	2016	Fund VIII	Opportunistic Buyout	Business Services	North America
ADT	2015	Fund VIII	Opportunistic Buyout	Consumer Services	North America
LifePoint Health	2015	Fund VIII	Opportunistic Buyout	Consumer Services	North America
Verallia	2015	Fund VIII	Corporate Carve-Out	Manufacturing & Industrial	Western Europe
Presidio	2015	Fund VIII	Opportunistic Buyout	Business Services	North America
Tranquilidade	2015	Fund VIII	Corporate Carve-Out	Financial Services	Western Europe
Amissima	2015	Fund VIII	Corporate Carve-Out	Financial Services	Western Europe
American Petroleum Partners	2015	Fund VIII & ANRP II	Opportunistic Buyout	Natural Resources	North America
CEC Entertainment	2014	Fund VIII	Opportunistic Buyout	Leisure	North America
Jupiter Resources	2014	Fund VIII & ANRP I	Corporate Carve-Out	Natural Resources	North America
McGraw Hill Education	2013	Fund VII	Corporate Carve-Out	Consumer Services	North America
Watches of Switzerland (f/k/a Aurum)	2013	Fund VII	Opportunistic Buyout	Consumer & Retail	Western Europe
PlayAGS	2013	Fund VIII	Opportunistic Buyout	Leisure	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
Caesars Entertainment	2008	Fund VI	Opportunistic Buyout	Leisure	North America
Momentive Performance Materials	2006	Fund VI	Corporate Carve-Out	Chemicals	North America

Note: The table above includes portfolio companies of Fund VI, Fund VII, Fund VIII, ANRP I and ANRP II with a remaining value greater than $250 million, excluding the value associated with any portion of such private equity funds' portfolio company investments held by co-investment vehicles.

Real Assets

Our real assets group has a dedicated team of multi-disciplinary real estate and infrastructure professionals whose investment activities are integrated and coordinated with our credit and private equity 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 well as infrastructure equity and debt assets. As of December 31, 2018 , our real assets business had total and fee generating AUM of approximately $17.9 billion and $12.4 billion , respectively, through a combination of investment funds, SIAs and Apollo Commercial Real Estate Finance, Inc. (“ARI”), a publicly-traded commercial mortgage real estate investment trust managed by Apollo.

Real Assets AUM as of December 31, 2018
(in billions)



With respect to our real assets funds' equity investments, we take a value-oriented approach and our funds will invest in assets located in primary, secondary and tertiary markets across North America 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, and their related co-investment vehicles, (ii) Apollo Asia Real Estate Fund, L.P. ("Asia RE Fund"), our Asia-focused opportunistic fund, and its related co-investment vehicles and (iii) 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 assets 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.

With respect to our infrastructure equity strategy, during 2018 we established our first vehicles dedicated to investing primarily in infrastructure assets. These vehicles are expected to invest in a broad range of asset types, including renewables, thermal power generation, and oil and gas midstream and we seek to target long-lived assets with stable, contracted cash flows and structural downside protection. Our infrastructure debt vehicles target similar asset types as the infrastructure equity strategy with a heightened focus on the investment's position in the capital structure and current yield.

Strategic Investment Accounts

We manage 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, 2018 , approximately $24 billion of our total AUM was managed through SIAs.

Recent Developments

Subsequent to December 31, 2018, the Company determined to change the business segment in which it reports certain funds and accounts to align its segment reporting with the manner in which such funds and accounts were managed subsequent to December 31, 2018. Effective January 1, 2019, the European Principal Fund series which the Company has historically reported in the credit segment, moved to the Company's real assets segment. In addition, one of the fund's in the Company's Credit

Opportunity Fund series as well as several other funds and accounts that generally invest in illiquid opportunistic investments, which the Company historically reported within its credit segment, moved to the Company's private equity segment.

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 credit, private equity and real assets businesses.

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 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 IX, investors representing over 85% of Fund VIII's third party capital committed to Fund IX. The single largest unaffiliated investor in Fund IX represents 4% of Fund IX's total fund size. In addition, many of our investment professionals commit their own capital to each private equity fund.

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 real assets 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 currently listed on the NYSE under the symbol "ARI."

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 Assets Investment Process

Our credit and real assets investment professionals are responsible for selecting, evaluating, structuring, due diligence, negotiating, executing, monitoring and exiting investments for our credit funds and real assets 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 assets 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 assets 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 assets funds are not, however, subject to redemption prior to termination of the funds.

The processes by which our credit and real assets funds receive and invest capital vary by type of fund. As noted above, certain of our credit and real assets 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 performance fees 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 credit, private equity and real assets 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 assets 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 credit and private equity funds that have historically been consolidated in our financial statements and amended the governing agreements of those funds to provide that a simple majority of a fund's investors have the right to accelerate the dissolution date of the fund.

In addition, the governing agreements of our private equity funds and certain of our credit and real assets 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 Performance Fees

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 credit, private equity and real assets 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 credit, private equity and real assets funds, and (iv) investment income from our investments as general partner in the form of principal investment income and income from 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, 2018 of $1.2 billion .

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 performance fees to fund these investments or use cash on hand or funds borrowed from third parties. We generally have not historically charged management fees or performance fees on capital invested by our Managing Partners and other professionals directly in our credit, private equity and real assets 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.

Regulation under the Investment Advisers Act. 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. 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. 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.

Regulation under the Investment Company Act. 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).

Real Estate Investment Trust. 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.

Regulation as a Broker-Dealer. Apollo Global Securities, LLC ("AGS") is a registered broker dealer with the SEC and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"). 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, AGS is 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.

Regulation as a Commodity Pool Operator and Commodity Trading Advisor . Certain investment activities entered into by Apollo managers may subject those managers to provisions of the Commodities Exchange Act and oversight by the Commodities Futures Trading Commission (the "CFTC"), including registration as a commodity pool operator ("CPO"). Apollo intends to rely on exemptions from registration when available. Certain Apollo funds are deemed to be CPOs or commodity trading advisors ("CTAs") as a result of trading commodity interests. These CPOs and CTAs are regulated by the CFTC and National Futures Association and subject to registration and periodic reporting requirements.

United States Insurance Regulation. We are subject to insurance holding company system laws and regulations in the states of domicile of certain insurance companies for which we are (or, with respect to certain pending transactions, will be) deemed to be a control person for purposes of such laws. Specifically, under state insurance laws, we are deemed to be the ultimate parent of (i) Athene Holding's insurance company subsidiaries, which are domiciled in Delaware, Iowa and New York, (ii) Catalina Holdings (Bermuda) Ltd.'s ("Catalina's") insurance company subsidiaries, which are domiciled in California, Colorado, Connecticut, the District of Columbia and New York, (iii) OneMain Holdings, Inc.'s ("OneMain's") insurance company subsidiaries, which are domiciled in Indiana and Texas, (iv) Venerable Holdings, Inc.'s ("Venerable's") insurance company subsidiary, which is domiciled in Iowa and (v) LifePoint Health, Inc.'s (f/k/a RegionalCare Hospital Partners Holdings, Inc.) ("LifePoint's"), health maintenance organization subsidiary, which is domiciled in Michigan and (vi) Aspen Insurance Holdings Limited's ("Aspen's") insurance company subsidiaries, which are domiciled in North Dakota and Texas. Each of California, Colorado, Connecticut, Delaware, the District of Columbia, Indiana, Iowa, Michigan, New York, North Dakota and Texas is a "Domiciliary State".

The insurance holding company system laws and regulations in the Domiciliary States generally require each insurance company subsidiary to register with the insurance department in its Domiciliary State 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 State insurance department.

The insurance laws of each of the Domiciliary States 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 statutes in each of the Domiciliary States, 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, subject to the Apollo control condition (as defined below), 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 National Association of Insurance Commissioners (the "NAIC") has also published in its Financial Analysis Handbook specific narrative guidance for state insurance examiners to consider in reviewing applications for an acquisition of an insurer by a private equity firm.

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-acquisition 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 the Domiciliary States has enacted laws to adopt such amendments.

Internationally, the International Association of Insurance Supervisors (the "IAIS") is in the process of adopting a Common Framework for the Supervision of Internationally Active Insurance Groups ("ComFrame"). ComFrame will be applicable to entities which meet the IAIS' criteria for internationally active insurance groups (or "IAIGs") and are designated as such. Under the current draft of ComFrame, an IAIG is defined as an insurance group which has (i) premiums written in three or more jurisdictions, with the percentage of gross premiums written outside the home jurisdiction comprising at least 10% of the group's total gross written premium, and (ii) based on a rolling three-year average, total assets of at least $50 billion, or gross written premiums of at least $10 billion. ComFrame is expected to include measures such as group supervision, group capital requirements, uniform standards for insurer corporate governance, enterprise risk management and other control functions and resolution planning. In 2016 the IAIS released a public consultation requesting comments on their risk-based global insurance capital standard ("ICS") which is the group capital component of ComFrame. The current version of the ICS is in the extended field testing stage. When field testing is completed in 2019, the ICS will be implemented in the following two phases: In the first phase, which will last for five years and which is referred to as the "monitoring period," the ICS will be used for confidential reporting to group-wide supervisors and discussion in supervisory colleges, and the ICS will not be used as a prescribed capital requirement. After the monitoring period, the ICS will be implemented as a group-wide prescribed capital standard. In addition, in the United States, the NAIC and the Federal Reserve Board are developing an aggregation method to a group capital calculation. The NAIC has stated that the group capital calculation will be a regulatory tool and will not constitute a requirement or standard; however, it is currently expected that the calculation methodology will incorporate existing risk-based capital concepts. 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, each of the Domiciliary States (except for Colorado, the District of Columbia, Michigan and New York) has adopted a form of these provisions. The NAIC has made these amendments to the insurance holding company system model law a part of its accreditation standards for state solvency regulation beginning January 1, 2020, which is likely to motivate the remaining Domiciliary States to adopt the amendments. 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 (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 Financial Stability Oversight Council ("FSOC") and making recommendations to the FSOC regarding non-bank financial companies to be designated as systemically important financial institutions ("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.

In addition, the Dodd-Frank Act authorized the Treasury Secretary and the Office of the U.S. Trade Representative to negotiate covered agreements. A covered agreement is an agreement between the United States and one or more foreign governments, authorities or regulatory entities, regarding prudential measures with respect to insurance or reinsurance. Pursuant to this authority, in September 2017, the U.S. and the EU signed a covered agreement to address, among other things, group supervision and reinsurance collateral requirements (the "EU Covered Agreement"). In addition, on December 11, 2018, the U.S. Department of the Treasury and the Office of the U.S. Trade Representative announced their intent to sign a Bilateral Agreement between the U.S. and the United Kingdom on Prudential Measures Regarding Insurance and Reinsurance in anticipation of the United Kingdom's exit from the European Union in March 2019 (the "U.K. Covered Agreement"). The U.K. Covered Agreement is subject to a 90-day notification period to the U.S. Congress before it can be signed and come into effect. U.S. state regulators have 60 months, or five years, to adopt reinsurance reforms removing reinsurance collateral requirements for EU and U.K. reinsurers that meet the prescribed minimum conditions set forth in the EU Covered Agreement and U.K. Covered Agreement or else state laws imposing such reinsurance collateral requirements may be subject to federal preemption. The NAIC is currently working to adopt amendments to the Credit for Reinsurance Model Law and Regulation to conform to the requirements of the EU Covered Agreement and U.K. Covered Agreement. The reinsurance collateral provisions of the EU Covered Agreement or U.K. Covered Agreement may increase competition, in particular with respect to pricing for reinsurance transactions, by lowering the cost at which competitors of the reinsurance subsidiaries of our insurance company affiliates, such as Athene Holding's direct, wholly owned subsidiary, Athene Life Re Ltd. ("ALRe"), are able to provide reinsurance to U.S. insurers.

Bermuda Insurance Regulation. 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 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.

Apollo is a shareholder controller as defined above of (a) ALRe, a Bermuda Class E insurance company and a wholly owned subsidiary of Athene Holding, a company listed on the New York Stock Exchange, (b) Athora Life Re Ltd., a Bermuda Class E insurance company and a wholly owned subsidiary of Athora, a Bermuda private company, (c) Catalina General Insurance Ltd, a Bermuda Class 3A and Class C insurer and a wholly owned subsidiary of Catalina and (d) Aspen Bermuda Limited, a Class 4 insurer, and wholly owned subsidiary of Aspen.

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 an offense punishable by a fine or imprisonment or both. Where the shares of a registered insurer, or the shares of its parent company, are traded on a recognized stock exchange, the required notices must be given to the BMA within 45 days after such person becomes, or as a result of a disposition ceases to be, a shareholder controller. Where neither the shares of a registered insurer nor the shares of its parent company are traded on a recognized stock exchange (i.e., private companies), the required notices must be given to the BMA (1) without objection from the BMA, at least 45 days before such person becomes a shareholder controller and (2) before such person, as a result of a disposition, ceases to be a shareholder controller.

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 or imprisonment or both.

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 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.

European Insurance Regulation. Apollo is considered the parent of certain European insurance companies and insurance intermediaries for purposes of certain European insurance laws. A new European solvency framework and prudential regime for insurers and reinsurers, under the Solvency II Directive 2009/138/EC (“Solvency II”), took effect in full on January 1, 2016. Solvency II is a regulatory regime which imposes economic risk-based solvency requirements across all EU Member States and consists of three pillars: Pillar I-quantitative capital requirements, based on a valuation of the entire balance sheet; Pillar II-qualitative regulatory review, which includes governance, internal controls, enterprise risk management and supervisory review process; and Pillar III-market discipline, which is accomplished through reporting of the insurer’s financial condition to regulators and the public. Solvency II is supplemented by European Commission Delegated Regulation (E.U.) 2015/35 (the “Delegated Regulation”), other European Commission “delegated acts” and binding technical standards, and guidelines issued by the European Insurance and Occupational Pensions Authority (“EIOPA”). The Delegated Regulation sets out detailed requirements for individual insurance and reinsurance undertakings, as well as for groups, based on the overarching provisions of Solvency II, which together make up the core of the single prudential rulebook for insurance and reinsurance undertakings in the EU.

The Insurance Distribution Directive 2016/97 (“IDD”) came into force on October 1, 2018 and replaced the Insurance Mediation Directive 2002/92/EC. It aims to enhance consumer protection when buying insurance and to support competition between insurance distributors by creating a level playing field. In addition, the IDD aims to ensure consistent prudential standards for insurance intermediaries, through enhanced conduct standards, thereby improving consumer protection and effective competition.

Following the implementation of Solvency II and the IDD, regulators may continue to issue guidance and other interpretations of applicable requirements, which could ultimately require our EU insurance company affiliates or our EU insurance intermediary affiliates (respectively) to make adjustments, which could impact their businesses.

Insurers and reinsurers established in a Member State of the EU have the freedom to establish branches in, and provide services to, all European Economic Area (“EEA”) states through “passporting” rights. This right currently applies to the U.K. Regulated Entities (defined below). However, following the U.K. referendum on June 23, 2016 in which a majority of the voting U.K. citizens voted in favor of the U.K. leaving the EU (“Brexit”), the U.K. withdrawal from the EU on March 29, 2019 (unless an extension to this deadline is agreed between the U.K. government and the EU) will lead to a loss of passporting rights for financial institutions in the U.K., except to the extent that any aspect of the regime is preserved in a separate agreement between the EU and the U.K. Following the House of Commons vote on January 15, 2019, rejecting the U.K. government’s withdrawal from the EU and pending agreement on an alternative solution, there remains considerable uncertainty as to exactly when Brexit will take effect; the extent of any transitional period allowing a continuation of passporting; and the ultimate structure of the U.K.’s future relationship in the EU, creating continuing uncertainty as to the full extent to which the businesses of the U.K. Regulated Entities could be adversely affected by Brexit. See “Item 1A. Risk Factors—Risks Related to Our Businesses— *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.”*

United Kingdom Insurance Regulation. Apollo is considered the parent of certain insurance company subsidiaries of Catalina and Aspen, including Aspen Insurance U.K. Limited (“Aspen U.K.”), which is domiciled in the United Kingdom and operates branch jurisdictions in Ireland and Switzerland, and Aspen Managing Agency Limited (“AMAL” and together with Aspen U.K., the “U.K. Insurance Entities”). AMAL is a managing agent of Aspen’s Lloyd’s Syndicate Services Limited (“AUSSL”) and Aspen Risk Management Limited (“ARML”), each of which are also domiciled in the United Kingdom (together the “U.K. Intermediary Entities” and together with the U.K. Insurance Entities the “U.K. Regulated Entities”) for purposes of certain U.K.

insurance regulations. The U.K. Insurance Entities are each authorized by the Prudential Regulation Authority ("PRA") and regulated by both the PRA and the Financial Conduct Authority ("FCA"). The U.K. Intermediary Entities are only authorized and regulated by the FCA. In addition, AMAL is a Lloyd's managing agent and is therefore also regulated by Lloyd's, as is AUSSL, which is a Lloyd's corporate member.

The objectives of the PRA are to promote the safety and soundness of all firms it supervises and to secure an appropriate degree of protection for policyholders. The objectives of the FCA are to ensure customers receive financial services and products that meet their needs, to promote sound financial systems and markets and to ensure that firms are stable and resilient with transparent pricing information, compete effectively, have the interests of their customers and the integrity of the market at the heart of how they run their business. The PRA has responsibility for the prudential regulation of banks and insurers, while the FCA has responsibility for the conduct of business regulation in the wholesale and retail markets. The PRA and the FCA adopt separate methods of assessing regulated firms on a periodic basis. Each of the PRA and FCA apply rules to support their statutory and operational objectives. PRA rules are maintained in a PRA Rulebook, which includes rules for Solvency II insurance firms (and, also, for insurers that do not fall within Solvency II) that closely reflect the provisions of Solvency II, including requirements for Solvency II insurance firms to meet economic risk-based solvency requirements and to adhere to governance and risk management requirements and reporting and disclosure requirements. In addition to Solvency II requirements, the PRA Rulebook contains Fundamental Rules (high-level principles), relating to individuals in senior management and general provisions relating to the supervision of U.K. insurance firms. The FCA Handbook contains rules that concern the conduct of firms including the scope of systems and controls and conduct of business requirements.

Further, as AMAL is regulated by Lloyd's as a Lloyd's Managing Agent, it is also subject to the Lloyd's Minimum Standards, which contain requirements representing the minimum level of performance required by Lloyd's entities, the Lloyd's By-Laws and other Lloyd's rules and requirements (together the "Lloyd's Rules"). AUSSL, as a Lloyd's corporate member, is also subject to the Lloyd's Rules.

In addition, in certain situations, subject to the required application of, as appropriate, the U.K. Covered Agreement, Solvency II and other applicable law and regulation, there may also be scope for elements of group supervision to be exercised by the PRA (or other relevant EEA Member State or non-EEA regulator, such as the BMA).

Under the Financial Services and Markets Act 2000 (the "FSMA"), the prior consent of the PRA and/or FCA, as applicable (depending on the regulated entity), is required, before any person can be become a "controller" or increase its control over any regulated company, including the U.K. Regulated Entities, or over the parent undertaking of any regulated company. No prior approval for reducing control below one of the thresholds referred to below is needed, though notification must still be given to the appropriate regulator of the relevant transaction. In addition, the authorized firm itself is expected to discuss any prospective changes of which it is aware with the appropriate regulator, regardless of whether the controller or the proposed controller proposes to submit a change in control application. A proposed "controller" for the purposes of the PRA controller regime, which is applicable to the U.K. Insurance Entities, is any natural or legal person who holds (either alone or in concert with others) 10% or more of the shares or voting power in the relevant company or its parent undertaking. In respect of increases and decreases, the relevant thresholds are 20%, 30% and 50% or an acquired insurance company becoming (or ceasing to be) a subsidiary undertaking of the acquirer. However, a proposed "controller" for the purposes of the FCA controller regime, which is applicable to the U.K. Intermediary Entities, is any natural or legal person who holds (either alone or in concert with others) 20% or more of the shares or voting power in the relevant company or its parent undertaking. This 20% threshold is the only threshold that is applicable to the Insurance Intermediary Entities. In both cases, the appropriate regulator has 60 working days from the day on which it acknowledges the receipt of a complete notice of control to determine whether to approve the new controller or object to the transaction, although if the regulator requires further information to be provided in order to complete its review this period will be interrupted for up to 30 working days while the regulator is awaiting the provision of that further information. If the approval is given, it may be given unconditionally or subject to conditions. Breach of the requirement to notify the regulator of a decision to acquire or increase control, or of the requirement to obtain approval before completing the relevant control transaction is a criminal offense attracting potentially unlimited fines. The relevant regulator can also seek other remedies, including suspension of voting rights or a forced disposition of shares acquired without prior approval. As a result of the above requirements, direct controllers, and holding companies who indirectly acquire control of the U.K. Regulated Entities are required to apply for PRA and/or FCA approval prior to acquiring such entities. In addition, a similar process also applies for Lloyd's Managing Agents and Lloyd's Corporate Members, therefore the acquisition of control of these types of entities will also require separate Lloyd's approval. The "controller" thresholds for such entities are the same as the thresholds that are applicable to the U.K. Insurance Entities.

Under English law, all companies are restricted from declaring a dividend to their shareholders unless they have "profits available for distribution". The calculation as to whether a company has sufficient profits is based on its accumulated realized profits minus its accumulated realized losses. U.K. insurance regulatory rules do not prohibit the payment of dividends, but the PRA requires that insurance companies maintain certain solvency margins and may restrict the payment of a dividend by any of the U.K. Insurance Entities.

Irish Insurance Regulation. Apollo is deemed to hold an indirect qualifying holding in (i) Catalina Insurance Ireland DAC, which is Catalina's wholly-owned Irish subsidiary insurance undertaking, and (ii) Athora Ireland plc, which is a direct wholly-owned subsidiary of ALRe, each of which are authorized and regulated by the Central Bank of Ireland (the "CBI"). In addition, Apollo will be deemed to hold an indirect qualifying holding in Aspen Insurance Ireland Designated Activity Company, which is currently pending authorization by the CBI, and upon such authorization, will be Aspen's wholly-owned Irish subsidiary.

Pursuant to Solvency II, and related law and regulation of Ireland, in regard to an Irish authorized and regulated insurance undertaking, such as Catalina Insurance Ireland DAC or Aegon Ireland plc, the CBI has broad supervisory and administrative powers. The CBI has power over such matters as scope of authorized activity, standards of solvency, investments, reporting requirements relating to capital structure, ownership, financial condition and general business operations, special reporting and prior approval requirements with respect to certain transactions, reserves for unpaid losses and related matters, reinsurance, minimum capital and surplus requirements, dividends and other distributions to shareholders, periodic examinations and annual and other report filings. In relevant prescribed scenarios, subject to the required application of, as appropriate, the EU Covered Agreement, Solvency II and other applicable law and regulation, there may also be scope for elements of group supervision to be exercised by the CBI (or other EEA Member State or non-EEA regulator, such as the BMA).

For the purposes of Solvency II, as implemented in Ireland, a "qualifying holding" means a direct or indirect holding in an insurance company which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the company. With respect to each of Catalina Insurance Ireland DAC and Athora Ireland plc, Solvency II, as implemented in Ireland, prohibits any person from acquiring, directly or indirectly, such a qualifying holding unless: (a) the proposed acquirer has notified the CBI of the acquisition; (b) the CBI has acknowledged receipt of that notification and; (c) either the statutory assessment period in relation to the acquisition has ended and the CBI has not notified the proposed acquirer that it opposes the acquisition, or the CBI has notified the proposed acquirer that it does not oppose the acquisition. If a proposed acquirer purports to complete a proposed acquisition in contravention of the aforementioned, as matter of Irish law: (i) the purported acquisition is not effective to pass title to any share or any other interest; and (ii) any exercise of powers based on the purported acquisition of the holding concerned is void.

Italian Insurance Regulation . Apollo is deemed to be the holder of an indirect qualifying holding in (i) Amissima Assicurazioni S.p.A. and (ii) Amissima Vita S.p.A., which are Italian insurance undertakings, duly authorized and regulated by the Italian insurance regulator ("Istituto per la vigilanza sulle Assicurazioni" or "IVASS"). The two Italian insurance companies belong to the Amissima Italian insurance group, whose parent undertaking is Amissima Holding S.r.l..

Pursuant to Solvency II, as implemented within the Italian legal framework, Italian insurance undertakings (such as Amissima Assicurazioni S.p.A. and Amissima Vita S.p.A.) are subject to extensive supervisory powers of IVASS on a broad array of matters including calculation of technical provisions, own funds requirements, solvency capital requirements, ownership structure, internal governance and organizational requirements, reporting obligations and extraordinary transactions. Moreover, in accordance with the provisions set forth under the EU Covered Agreement, Solvency II and other relevant provisions of law and regulation, supervision at a group level may be exercised by IVASS or by regulator of a EEA or non-EEA State.

With particular regard to the ownership structure of Italian insurance undertakings, in accordance with Solvency II regime, IVASS must authorize, in advance any acquisition of participations in an insurance undertaking amounting to a controlling interest or the acquisition of a qualifying holding; for such purpose, a "qualifying holding" means a direct or indirect holding in an insurance undertaking which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

IVASS must issue the authorization for acquiring qualifying holdings in Italian insurance companies when the conditions for the sound and prudent management of the undertaking are met. The voting rights and the other rights which make it possible to exercise an influence over the insurance undertaking may not be exercised when they pertain to participations for which the IVASS authorization has not been obtained, or has been suspended or withdrawn, and the participation shall be transferred within the deadline established by IVASS.

IVASS may ask insurance undertakings as well as companies and bodies of any nature which own participations in said undertakings to indicate the names of the holders of participations as they are recorded in the share register. To verify all financial interrelationships between insurance undertakings and their parent companies, subsidiaries and affiliated companies, IVASS may require that such companies produce information and records and make checks.

Portuguese Insurance Regulation. Apollo is deemed to hold an indirect qualifying holding in Seguradoras Unidas, which is authorized and regulated by the Portuguese Insurance Supervisory Authority (Autoridade de Supervisão de Seguros e Fundos de Pensões or the "ASF").

Pursuant to Solvency II, and Portuguese related laws and regulations applicable to a Portuguese authorized and regulated insurance undertaking, such as Seguradoras Unidas, ASF has broad supervisory and administrative powers over such matters as scope of authorized activity, standards of solvency, investments, reporting requirements relating to capital structure and the existence of shareholders agreements, ownership, pledge over shares, financial condition and general business operations, special reporting and prior approval requirements with respect to certain amendments to Seguradoras Unidas' bylaws, certain transactions (including but not limited to intra-group transactions which may, in certain cases, be subject to prior approval of ASF), reserves for unpaid losses and related matters, reinsurance, minimum capital and surplus requirements, reimbursement of supplementary capital, dividends and other distributions to shareholders, periodic examinations and other report filings. According to Solvency II and other applicable law and regulation, ASF may also exercise its supervision powers over the Apollo group. In fact, currently, ASF supervision at group level also includes the following Seguradoras Unidas' holding companies: Calm Eagle Holdings, S.à.r.l (Luxembourg), Calm Eagle Intermediate Holdings, S.à.r.l. (Luxembourg), Calm Eagle Parent Holdings, SCA (Luxembourg) and AP VIII Calm Eagle Holdings, SCA (Luxembourg).

For the purposes of Solvency II, as implemented in Portugal, a "qualifying holding" means a direct or indirect holding in an insurance company which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of the company. With respect to Seguradoras Unidas, Solvency II, as implemented in Portugal, prohibits any person from acquiring, directly or indirectly, such a qualifying holding (or a part of it, to the extent the relevant acquirer becomes the owner of a stake higher than 20%, one third or 50%) unless: (a) the proposed acquirer and seller has notified ASF of the acquisition; (b) ASF has acknowledged receipt of that notification and; (c) either (i) ASF has notified the proposed acquirer that it does not oppose the acquisition or (ii) the statutory assessment period in relation to the acquisition has ended and ASF has not notified the proposed acquirer that it opposes the acquisition. If a proposed acquirer purports to complete a proposed acquisition in contravention of the aforementioned, as a matter of Portuguese law ASF may, without prejudice of other applicable sanctions (including requesting the annulment of the transaction or determining the suspension of the voting rights in the part exceeding the above-mentioned thresholds (20%, one third or 50%)).

Swiss Insurance Regulation. Apollo is considered an indirect qualified participant of Glacier Reinsurance Ltd. ("Glacier Re") for purposes of certain Swiss insurance laws. As a qualified indirect participant of Glacier Re, a reinsurance company domiciled in Switzerland holding a license for the operation of a reinsurance business in the insurance class C1 "Reinsurance by insurance companies that conduct solely reinsurance business," Apollo is subject to certain provisions of Swiss insurance supervisory laws and regulations. Glacier Re is subject to regulation and supervision by the Swiss Financial Market Supervisory Authority FINMA ("FINMA") and compliance with all applicable laws and regulations of Switzerland, including but not limited to the Swiss Federal Act of 17 December 2004 on the Supervision of Insurance Companies ("ISA"), its implementing ordinances as well as circulars and guidelines of FINMA.

Any person who intends to directly or indirectly participate in a Swiss domiciled insurance or reinsurance undertaking is required to notify FINMA of such intent if the participation reaches or exceeds the thresholds of 10%, 20%, 33% or 50% of the capital or voting rights of the insurance or reinsurance undertaking. Similarly, any person who intends to decrease its direct or indirect participation in an insurance undertaking domiciled in Switzerland below the thresholds of 10%, 20%, 33% or 50% of the capital or voting rights or to change the participation in a way that the insurance or reinsurance undertaking is no longer a subsidiary must notify FINMA. Consequently, although indirect shareholders of Glacier Re are not directly supervised by FINMA, an intended change of the qualified direct or indirect participation in Glacier Re may require a notification to FINMA. FINMA may disapprove such change in qualified participation or subject the change to certain conditions, if the nature or scope of the participation potentially jeopardizes the interests of the Swiss domiciled reinsurance company or the insured. Failure to comply with such notification is punishable by a fine of up to CHF 500,000 in case of intent and up to CHF 150,000 in case of negligence. In addition, if a change of persons who directly or indirectly hold a participation of 10% of the capital or voting rights or who may otherwise materially influence the business conduct of Glacier Re has occurred, Glacier Re is required to file a submission to seek for FINMA's approval of the relevant change of its regulatory business plan under art. 4 para. 2 lit. f ISA (business plan form F) within 14 days upon the occurrence of the event.

Furthermore, a substantial dividend distribution or other form of profit repatriation from Glacier Re to its shareholders may potentially qualify as a change of the regulatory business plan of Glacier Re under art. 4 para. 2 lit. d ISA, if such substantial dividend distribution would be considered as a relevant change of the financial resources and reserves of Glacier Re. Such change of the business plan must be notified to FINMA no later than 14 days after the occurrence of the event and is subject to FINMA's approval. To this extent, future dividend distributions or other forms of profit repatriation might be subject to FINMA's approval. Apollo is also considered the parent or qualified participant of Aspen U.K. Aspen U.K. holds a FINMA license for a Swiss branch of a foreign insurance undertaking for its Swiss insurance branch Aspen Insurance UK Limited, London, Zurich Insurance Branch. Furthermore, Aspen U.K. holds a reinsurance branch in Switzerland, Aspen Insurance UK Limited, London, Zurich Branch. A change of a direct or indirect participation in a foreign insurance undertaking (in the present case Aspen U.K.) that holds a Swiss insurance branch license does not, in principle, trigger any Swiss insurance regulatory notification or approval requirements. However, Aspen U.K. might notify FINMA out of courtesy of such changes.

German Insurance Regulation. Apollo is deemed to hold an indirect qualifying holding in German (i) Athora Deutschland Verwaltungs GmbH, (ii) Athora Deutschland Holding GmbH & Co. KG, (iii) Athora Deutschland GmbH, (iv) Athora Lebensversicherung AG and (v) Athora Pensionskasse AG, which are either German regulated insurance undertakings or German insurance holding companies (together the "Regulated German Entities"). The indirect qualifying holding in the Regulated German Entities is attributed to Apollo via its indirect interest in Athora Holding Ltd. ("Athora"), which is the 100% indirect parent company of the Regulated German Entities. The Regulated German Entities are subject to the relevant laws and regulations applicable to insurers or insurance holding companies in Germany which regulate and mandate, among other things, eligibility criteria for investments, policyholder participation in income, accounting principles, corporate governance requirements, regulatory capital, reporting, insurance contracts, insurance distribution requirements, consumer protection laws, data protection requirements (including GDPR) and anti-money-laundering requirements. The Regulated German Entities are subject to supervision by the German Federal Financial Supervisory Authority, Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"). BaFin is the central financial regulatory authority for Germany and has wide powers to interpret and execute the insurance supervisory law in Germany, in particular via issuing regulatory ordinances and guidelines as well as orders and decisions with a view to individual insurance undertakings or insurance holding companies.

Pursuant to German regulatory law, the direct or indirect acquisition of a qualified participating interest in a German insurance undertaking or the increase of a qualified participating interest in a German insurance undertaking exceeding certain thresholds is subject to BaFin approval or the expiration of a statutory non-objection period. Generally, indirectly or directly acquiring a 10% or greater capital or voting interest in an insurance undertaking or otherwise obtaining the ability to significantly influence the management of the insurance undertaking is considered a qualified participating interest under German insurance regulatory laws. Laws such as these prevent any person from directly or indirectly acquiring qualified participating interests in any of the German insurance undertakings unless that person has filed a notification requiring specified information with BaFin and has obtained BaFin's prior approval or waited for the expiration of a statutory non-objection period after having filed a formally complete notification. Since Apollo is holding indirectly a significant interest in the German insurance undertakings the acquisition of an interest in Apollo could qualify as an acquisition of an indirect qualified participating interest in German insurance undertakings on a look through basis.

Additional Insurance Regulated Jurisdictions. Aspen also carries on insurance business in jurisdictions located outside of the EU, U.K., Switzerland and the U.S. through its Jersey-domiciled insurance company subsidiary and its Singapore Lloyd's service company, the branch locations of Aspen U.K., which operate in Australia, Canada, Singapore, in addition to its European branches located in Ireland and Switzerland and the branch location of AUSSL, which operates in Dubai. The operations of these subsidiaries and branches are subject to the local regulatory and supervisory schemes in the jurisdictions in which they operate, which vary widely from country to country; however, regulators typically grant licenses to operate and control an insurance business in that jurisdiction. In general, insurance regulators in these jurisdictions have the administrative power to supervise the registration of agents, regulation of product features and product approvals, asset allocation, minimum capital requirements, solvency and reserves, policyholder liabilities, and investments. Regulatory authorities may also regulate affiliations with other financial institutions, shareholder structures and may impose restrictions on declaring dividends and the ability to effect certain capital transactions, and many jurisdictions require insurance companies to participate in policyholder protection schemes.

German Banking Regulation. Apollo is deemed to be the holder an indirect qualifying (but not controlling) interest in the German bank Oldenburgische Landesbank AG ("OLB") and, following the completion of the pending acquisition of Wüstenrot Bank AG Pfandbriefbank ("WRB") by OLB, also of WRB.

While the holder of a qualifying interest in a bank is not subject to the full scope of European and German financial regulatory supervision, certain limited requirements set out in, among others, the German Banking Act (Kreditwesengesetz) apply. Compliance with these rules is supervised by the German Federal Financial Services Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), the German Central Bank (Deutsche Bundesbank) and the European Central Bank (the "ECB"). Under these requirements, holders of qualifying interest must, among others, (i) make certain notifications to the competent authorities (e.g., of the intention to reduce or increase the interest below or above certain thresholds, of the appointment of new authorized representatives or general partners, and in case control is obtained over certain other EEA regulated entities such as credit institutions or insurance companies), and (ii) maintain certain standards of reliability, transparency (enabling effective supervision), and financial stability.

Noncompliance with the aforementioned requirements may result in, among others, administrative fines or administrative measures such as a prohibition of the intended increase of a qualifying holding, a prohibition to exercise the voting rights in the bank, or mandatory divestment of the qualifying interest.

Slovenian Banking Regulation. Funds managed by Apollo hold a controlling stake in NOVA KREDITNA BANKA MARIBOR d.d. ("NKBM"), a Slovenian banking institution. As such, Apollo is considered to be a holder an indirect qualifying interest in NKBM. NKBM is a significant supervised entity subject to direct supervision of the ECB. Under Regulation (EU) No

575/ 2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (“CRR”), NKBM is also required to disclose relevant information and data on the consolidated situation at the level of Biser Topco S.a r.l., the indirect sole owner of NKBM (as the EU financial parent holding company).

While Apollo, as a holder of a qualifying interest in NKBM, is not subject to the full scope of the European and the Slovenian financial regulatory supervision, certain limited requirements set out in, among others, the Slovenian Banking Act (Zakon o bančništvu – “ZBan-2”) apply to Apollo. Compliance with these rules is supervised by the Bank of Slovenia (“BSI”) and the ECB. Under these requirements, holders of qualifying interest must make certain notifications to the competent authorities (i) of the intention to reduce the interest such that they would no longer hold a qualifying holding or their holding would fall below the lower limit of the range for which authorization applies, (ii) on any merger or demerger in which they participate, (iii) on any material corporate change, and (iv) on any change which could affect the fulfilment of the requirements with respect to suitability of the qualifying holder.

Qualifying holders must obtain a new authorization to acquire a qualifying holding prior to any further acquisition of shares, directly or indirectly, based on which they would exceed the range to which a previously issued authorization to acquire a qualifying holding relates.

Noncompliance with the aforementioned requirements may result in, among others, administrative fines or administrative measures such as withdrawal of the authorization for the qualifying holding, rejection of a request to obtain or increase a qualifying holding, a prohibition to exercise the voting rights in the bank, a prohibition to exercise any rights from the shares in the bank, or mandatory disposal of the qualifying interest.

Spanish Banking Regulation. Smart Holdco, S. à r.l., an entity wholly-owned by funds managed by Apollo, is the sole shareholder of EVO Banco, S.A. (“EVO Banco”), a bank incorporated under the laws of Spain which, in turn, owns the entire share capital in Evofinance, Establecimiento Financiero de Crédito, S.A. (“Evofinance”), a regulated financial institution, incorporated in Spain and authorized as a consumer finance institution. Both EVO Banco and Evofinance operate under regulations applicable to credit instititions in Spain which, regulations are largely based on EU rules. As such, both EVO Banco and Evofinance are subject to prudential and conduct rules generally in line with banking regulations elsewhere in the EU and are under the supervision of the Bank of Spain and, as far as EVO Banco is concerned, the ECB, which, among other matters, must authorize any direct or indirect transfers of significant holdings in the capital of the aforementioned institutions.

Regulated Entities Outside of the U.S. Apollo Management International LLP (“AMI”), registered in England and Wales, is authorized and regulated by the FCA in the United Kingdom under the FSMA and the rules promulgated thereunder. AMI has permission to engage in certain specified regulated activities, including providing investment advice, undertaking discretionary investment management, trade execution, 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 periodic reporting and settlement procedures. The FCA is responsible for administering these requirements and supervising AMI’s compliance with the FSMA and related rules.

Apollo Credit Management International Limited ("ACMI"), registered in England and Wales, is a subsidiary of Apollo whose primary purpose is to act as a sub-adviser to certain of Apollo's credit funds. As an appointed representative of AMI, ACMI can undertake certain activities that are regulated under the FSMA, including all relevant sub-advisory activities, without a separate FCA authorization.

Apollo Asset Management Europe LLP and its subsidiary Apollo Asset Management Europe PC LLP (together "AAME") are each registered in England and Wales and are authorized and regulated by the FCA in the United Kingdom under the FSMA and the rules promulgated thereunder for the primary purpose of providing a centralized asset management and risk function to European clients in the financial services and insurance sectors. AAME has permission to engage in certain specified regulated activities including providing investment advice, undertaking discretionary investment management and arranging deals in relation to certain types of investment. As is the position for AMI, most aspects of AAME's investment business are governed by the FSMA and related rules, with the FCA responsible for administering those requirements and supervising AAME's compliance with the FSMA and related rules.

Apollo Investment Management Europe LLP (“AIME”), registered in England and Wales, is authorized and regulated by the FCA in the United Kingdom as an alternative investment fund manager, with permission to manage and market alternative investment funds (“AIFs”), such as, among others, certain private equity funds, credit funds and real estate funds. AIME markets and distributes certain EEA AIFs to institutional investors in the EEA and has overall responsibility for risk and portfolio management in relation to those AIFs. The FCA is responsible for supervising AIME’s compliance with the FSMA, in particular with the Alternative Investment Fund Managers Regulations 2013 which were implemented into U.K. law because of the EU Alternative Investment Fund Managers Directive (the “AIFMD”), and related rules. Apollo Investment Management Europe

(Luxembourg) S.à r.l. ("AIME Lux") was incorporated by Apollo in Luxembourg on January 2, 2019 and has received approval from Commission de Surveillance du Secteur Financier ("CSSF") to carry out certain activities regulated by the CSSF (including managing and marketing AIFs), with registration effective from such date. AIME Lux will be subject to the regulatory requirements imposed by the AIFMD, including with respect to conduct of business, regulatory capital, valuations, disclosures and marketing and rules on the structure of remuneration for certain personnel.

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 a private company incorporated in India under the Companies Act, 1956 and is regulated by the Ministry of Corporate Affairs. Additionally, since there are foreign investments in the company, AGM India Advisors Private Limited is also subject to the Foreign Exchange Management Act, 1999 (and rules and regulations made thereunder) 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 portfolio investor. Investments by Apollo Capital Management, L.P. in any Indian entity will also be subject to the rules and regulations applicable under the Foreign Exchange Management Act, 1999 which falls within the purview of Reserve Bank of India.

ARCION Revitalization Private Limited is a private company incorporated in India under the Companies Act, 2013 and is regulated by the Ministry of Corporate Affairs. ARCION Revitalization Private Limited is registered with the Reserve Bank of India to operate as an asset reconstruction company and is subject to the directions and regulations issued by the Reserve Bank of India in relation to asset reconstruction activities in India. Such regulations and directions primarily stipulate minimum capital requirements, conditions for reconstruction activities, fit and proper governance norms and reporting requirements for such entities. If ARCION Revitalization Private Limited contravenes any such requirements, it and/or its directors (as may be applicable) may be subject to a penalty, prohibition order or other regulatory sanctions. Additionally, since there are foreign investments in the company, ARCION Revitalization Private Limited is also subject to the Foreign Exchange Management Act, 1999 (and rules and regulations made thereunder) which falls within the purview of Reserve Bank of India.

AION India Opportunities Trust is a trust organized in India and registered with the Securities and Exchange Board of India as a Category II Alternative Investment Fund. AION India Opportunities Trust is subject to the regulatory requirements under the Securities and Exchange Board of India Act, 1992 and the regulations issued thereunder governing alternative investment funds in India. Such regulations primarily govern the permitted investment activities, concentration and governance norms and reporting requirements for alternative investment funds. If AION India Opportunities Trust contravenes any such requirements, it (as may be applicable) may be subject to a penalty, prohibition order or other regulatory sanctions. Additionally, since there are foreign investments in the trust, AION India Opportunities Trust is also subject to the Foreign Exchange Management Act, 1999 (and rules and regulations made thereunder) which falls within the purview of Reserve Bank of India.

Apollo Management Hong Kong Limited was granted a Type 1: Dealing in Securities license by the Hong Kong Securities and Futures Commission ("SFC") in November 2018 and is therefore subject to oversight by the SFC.

Other Regulatory Considerations. 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.* "

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 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.apollo.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. The 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.apollo.com.

ITEM 1A . RISK FACTORS

Risks Related to Our Businesses

Poor performance of the funds we manage would cause a decline in our revenue and results of operations, may obligate us to repay performance fees 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;
- performance fees, 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 performance fees 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 performance fees 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, including Scott Kleinman and James Zelter, 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, including Scott Kleinman and James Zelter. 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* ."

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 and securitization 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. Conversely, certain of the strategies pursued by funds we manage benefit from higher interest rates, and a sustained low interest rate environment may negatively impact expected returns for these 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.

Changes in the U.S. political environment and the potential for governmental policy changes and regulatory reform by the Trump administration and the U.S. Congress could negatively impact our business.

Governmental policy changes and regulatory reform could have a material impact on our business. Uncertainty with respect to legislation, regulation and government policy at the federal level, as well as the state and local levels have introduced new and difficult-to-quantify macroeconomic and political risks with potentially far-reaching implications. There has been a corresponding meaningful increase in the uncertainty surrounding interest rates, inflation, foreign exchange rates, trade volumes and fiscal and monetary policy. New legislative, regulatory or policy changes could significantly impact our business and the business of portfolio companies of funds we manage, as well as the markets in which we compete. In addition, disagreements over the federal budget have led to the shutdown of the U.S. federal government for periods of time and may recur in the future. Each federal shutdown may have a negative impact on the operations and business of certain of our funds' portfolio companies. To the extent changes in the political environment have a negative impact on us or portfolio companies of funds we manage, or on the markets in which we operate, our business, results of operations and financial condition could be materially and adversely impacted in the future.

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 increases in interest rates in the U.S., uncertainty about the consequences of the U.S. and other governments withdrawing monetary stimulus measures, imposition of trade barriers, ongoing trade negotiations with major U.S. trading partners and changes in the U.S. tax regulations. Additionally, operating outside the United States may also expose us to increased compliance risks, as well as higher compliance costs to comply with U.S. and non-U.S. anti-corruption, anti-money laundering and sanctions laws and regulations. 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. During 2018 the markets experienced a heightened level of volatility, as well as declines in market indices in the fourth quarter. 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. There is also a risk of both sector-specific and broad-based corrections and/or downturns in the equity and credit markets. 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 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, limits on interest deductibility, 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 performance fees;
- 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 performance fees 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.

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 and limits on interest deductibility 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, 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. The Federal Reserve raised its benchmark interest rate by a quarter of a percentage point in 2016, three quarters of a percentage point in 2017 and one percentage point in 2018, 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 U.S. 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. On March 29, 2017, the government of the U.K. invoked article 50 of the Treaty on the European Union (which has the effect of formally initiating the withdrawal of the U.K. from the EU) and subsequently entered into withdrawal negotiations with 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. Negotiations between the government of the U.K. and the EU Council began on June 19, 2017. The negotiations resulted in (a) an Agreement on the withdrawal of the U.K. from the EU and (b) a Political Declaration setting out the framework for the future relationship between the EU and the U.K. (together, the "Withdrawal Proposal"). The Withdrawal Proposal was subject to political agreement and ratification and on January 15, 2019, the U.K. Parliament voted to reject the Withdrawal Proposal. It is unclear whether it will be possible for the U.K. Government to obtain further concessions from the EU in order for the U.K. Parliament to vote to approve a revised withdrawal proposal. While there is much that could still happen, including an extension to the exit timeline, inroads to an alternative withdrawal proposal, a change of U.K. Government or even political support for a second referendum, there is a risk that no withdrawal proposal between the U.K. and the EU will be reached concerning the U.K.’s departure from the EU. Notwithstanding any withdrawal proposal that may be put in place, there is likely to be considerable uncertainty as to the position of the U.K. and the arrangement which will apply to its relationships with the EU and other countries following its withdrawal (including in the event that no withdrawal proposal is ratified and the U.K. leaves without agreeing transitional arrangements with the EU, which cannot currently be ruled out). Such positions and anticipated arrangements may be subject to change and/or develop at short notice. This uncertainty may affect other countries in the EU, or elsewhere. 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, e.g., 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;
- lower economic growth in various markets in the U.K., Europe, and globally;
- disruption of the free movement of goods, services (right of establishment), capital, and people between the U.K. and the EU (including the potential loss of passporting rights for financial institutions in the U.K. and for EU financial institutions passporting into the U.K., which broadly facilitates mutual access to markets among EU member states) and the effectiveness of steps taken to mitigate that disruption at the point at which the U.K. leaves the EU;
- disruption to mutual recognition arrangements between the U.K. and the EU (e.g. cross-border insolvency and other regimes) and access to market infrastructure in other EU regions;
- 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 (e.g. because of a loss of passporting rights for U.K. financial institutions or the failure to put equally effective arrangements in place). This may increase costs or make it more difficult for us to pursue our objectives.

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 (and, vice versa, in relation to any new Apollo entities established and licensed in a remaining EEA territory). 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 Apollo's ability to raise capital from them; and ultimately the returns which may be achieved. In this connection, there can be no guarantee that plans to deal with, or mitigate adverse consequences of, various Brexit outcomes following the U.K.'s departure from the EU will perfectly or efficiently replicate current arrangements available to Apollo while the U.K. is a member of the EU.

Our operating results will most likely continue to be affected by ongoing economic, fiscal, and political 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 and the eurozone and its participating members. 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 and Fund IX 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.

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.

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, Fund VIII and Fund IX. Certain of our other funds have similar provisions. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our funds would likely result in significant reputational damage to us.

Messrs. Black, Harris and Rowan 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 performance fees 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.

Certain institutional investors have also publicly criticized certain fund fee and expense structures, including management, transaction and advisory fees. The Institutional Limited Partners Association, or "ILPA," published a set of Private Equity Principles, or the "Principles," which called 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 performance fees 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. Further, certain investors have implemented or may implement restrictions against investing in certain types of asset classes such as fossil fuels, which would affect our ability to raise new funds focused on those asset classes, such as funds focused on energy or natural resources. Finally, the ability of our funds to raise capital from certain investors may also be adversely impacted as a result of countries implementing certain tax avoidance measures as part of the OECD/G20 Base Erosion and Profit Shifting (BEPS) project if these investors decide to invest on their own or only in funds with similarly situated investors. See *"—Some of our funds invest in foreign countries and securities of issuers located outside the U.S., which may involve foreign exchange, political, social, economic and tax uncertainties and risks* ."

The failure of our funds to raise capital in sufficient amounts and on satisfactory terms could result in a decrease in AUM, performance fees and/or fee revenue or could result in us being unable to achieve an increase in AUM, performance fees 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 assets 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 performance fees if and when they are triggered under the governing agreements with our fund investors.

Performance fees from our private equity funds and certain of our credit and real assets funds is subject to contingent repayment by the general partner if, upon the final distribution, the relevant fund's general partner has received cumulative performance fees on individual portfolio investments in excess of the amount of performance fees 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 performance fees 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 performance fees, 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 and our Preferred shares.

We have presented in this report the returns relating to the historical performance of our private equity, credit and real assets funds. The returns are relevant to us primarily insofar as they are indicative of performance fees 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, our 6.375% Series A Preferred Shares (the "Series A Preferred shares") or our 6.375% Series B Preferred Shares (the "Series B Preferred shares" and collectively with the Series A Preferred shares, the "Preferred 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 or Preferred 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 and our Preferred shares. An investment in our Class A shares or our Preferred 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 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 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 performance fees 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 performance fees 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 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 performance fees 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, infrastructure 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 manner.

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.

Changes to the method of determining the London Interbank Offered Rate ("LIBOR") or the selection of a replacement for LIBOR may affect the value of investments held by or due to our funds and could affect our results of operations and financial results.

In July 2017, the U.K. Financial Conduct Authority announced that it intends to stop collecting LIBOR rates from banks after 2021. The announcement indicates that LIBOR will not continue to exist on the current basis. We are unable to predict the effect of any changes to LIBOR, the establishment and success of any alternative reference rates, or any other reforms to LIBOR or any replacement of LIBOR that may be enacted in the U.K. or elsewhere. Such changes, reforms or replacements relating to LIBOR could have an adverse impact on the market for or value of any LIBOR-linked securities, loans, derivatives or other financial instruments or extensions of credit held by or due to us or our funds. Furthermore, a significant number of our funds' portfolio companies are borrowers of LIBOR-linked debt obligations, such as LIBOR-based credit agreements and floating rate notes, and may be negatively impacted by any changes to LIBOR and the uncertainty relating thereto. As such, LIBOR-related changes could affect our overall results of operations and financial condition.

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 U.S., 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. These 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. Other regulations, such as those promulgated by the Committee on Foreign Investment in the United States ("CFIUS"), may impair our ability to invest our funds and/or for our funds to realize investments in certain industries. Consequently, these regulations often limit our activities.

Our businesses may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, U.S. Department of Treasury 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.

Regulatory changes in the U.S. could adversely affect our business .

Federal regulation . 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.

Dodd-Frank Act

- The Dodd-Frank Act established the Financial Stability Oversight Council ("FSOC"), which is comprised of representatives of all the major U.S. financial regulators, to act as the financial system's systemic risk regulator. FSOC has the authority to designate non-bank financial companies as "systemically important" in certain circumstances, including where material financial distress of the company could pose risk to the financial stability of the U.S. Designation as a systemically important non-bank financial company would subject a company to heightened prudential standards and Federal Reserve regulation. In 2016, under the prior administration, the FSOC released an update on its multi-year review of asset management products and activities and created an interagency working group to assess potential risks associated with certain leveraged funds. To date, the FSOC has not designated any investment management firms, including us, as systemically important financial institutions. 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 funds operated in the U.S. are registered as investment advisers either directly or as a "relying advisor" with the SEC.

- 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. A similar whistleblower program was also established with the CFTC under the direction of the Dodd-Frank Act. We expect that these whistleblower programs 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. The current administration's legislative agenda may include certain modifications to the Dodd-Frank Act and other potentially deregulatory measures affecting the financial services industry. For example, in May 2018, the President signed into law the Economic Growth, Regulatory Relief, and Consumer Protection Act (the "EGRRCPA"), which amended certain provisions of the Dodd-Frank Act. Some of these provisions are subject to further rulemaking and regulatory discretion. The prospects for further legislative reform are uncertain. As the impact of these rules required by the Dodd-Frank Act and the EGRRCPA will become evident over time, it is not yet possible to predict the ultimate effects that these laws or subsequent implementing regulations and decisions will have on us. Any changes in the regulatory framework applicable to our business may impose additional costs, require attention from our senior management, result in limitations on the conduct of our business, or affect how we compete with other financial services organizations.

Foreign Investment Risk Review Modernization Act ("FIRRMA") –

In August 2018, the U.S. Congress passed FIRRMA, which included enhancements to the oversight by CFIUS of U.S. cross-border investment. Given our funds' diverse investor base, these additional restrictions on foreign ownership and investments may delay or prevent transactions that might otherwise be in our funds' interests. Additionally, FIRRMA provides CFIUS with the authority to review and potentially block both controlling and certain non-controlling investments in critical infrastructure and technology companies and other transactions, which may limit the number of potential buyers for our funds' investments in various portfolio companies. We may have greater difficulty in realizing value from these portfolio companies through sales to non-U.S. buyers.

State regulation . A number of our investing activities, such as our lending business, are also subject to regulation by various U.S. state regulators. Moreover, regulations enacted by various U.S. state regulators could impact us indirectly. For example, the State of California has enacted a law that will require California pension plans to disclose fee and expense information in relation to investments in alternative investment vehicles. This new legislation may impact our contractual arrangements with such investors and increase the costs and risks to us in maintaining relationships with such investors.

It is impossible to determine the full extent of the impact on us of existing regulation 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 investment 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 U.S. could adversely affect our business . Apollo provides investment management services in various jurisdictions around the world. Investment advisers are subject to extensive regulation not only in the U.S., but also in the other countries in which our investment activities occur. In 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/or reputational damage.

The EU 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 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 to investors who are registered or domiciled in the EEA are also subject to significant compliance requirements. For example, currently such funds may only be marketed in EEA jurisdictions in compliance with certain requirements under the AIFMD, for example, 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 order to manage and market EEA alternative investment funds more broadly for and to EEA investors, two new entities have been created: (i) Apollo Investment Management Europe LLP ("AIME"), was incorporated by Apollo in the U.K. on March 31, 2016, and obtained authorization from the FCA on October 28, 2016 to carry out activities regulated by the FCA (including managing and marketing alternative investment funds); and (ii) Apollo Investment Management Europe (Luxembourg) S.à r.l. ("AIME Lux") was incorporated by Apollo in Luxembourg on January 2, 2019 and has received approval from Commission de Surveillance du Secteur Financier ("CSSF") to carry out certain activities regulated by the CSSF (including managing and marketing alternative investment funds), with registration effective from such date. AIME and AIME Lux are or will be subject to significant regulatory requirements imposed by the AIFMD, including with respect to conduct of business, regulatory capital, valuations, disclosures and marketing and rules on the structure of remuneration for certain personnel. From January 2017, certain European fund structures have been managed by AIME and marketed by AIME's European FCA regulated affiliate, Apollo Management International LLP ("AMI"), as permitted under the AIFMD. Going forward, some European funds may be managed by AIME Lux and marketed by it or its regulated affiliates, as permitted under the AIFMD. The European fund structures are subject to ongoing full compliance with all the requirements of the AIFMD, which include (among other things) investor and regulatory disclosures and reporting; 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. Some changes to the AIFMD are yet to come; others are under negotiation; and a wider review has commenced which may lead to further changes possibly leading to increased costs and/or burdens and more limit operational flexibility within the EEA and access to EEA investors.

On January 3, 2018, the EU introduced significant changes to the EU Markets in Financial Instruments Directive (Directive 2004/39/EC) ("MiFID"), in the form of the recast Markets in Financial Instruments Directive (Directive 2014/65/EU) (which, along with its relevant EU delegated and implementing legislation and guidance, is collectively referred 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. Many aspects of MiFID II imposed 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 and communication recording 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. MiFID II includes research unbundling rules requiring firms subject to MiFID II to be charged and pay for research independently of dealing commissions. The U.S. SEC has issued temporary no-action relief that, among other things, enables U.S. broker-dealers, on a temporary basis, to receive research payments from money managers in hard dollars without breaching U.S. federal securities laws, where such payment is necessary for the money manager to comply with MiFID II. If such no-action relief is discontinued or withdrawn, this may limit the ability of Apollo's U.K. MiFID firms to access research from U.S. broker-dealers. 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 increase our compliance costs. We may be required to invest significant additional management time and resources as market practice relating to the new requirements continues to settle and if additional regulatory guidance is published. Failure to comply with MiFID II and its implementing provisions, as interpreted from time to time, could have a number of serious consequences, including, but not limited to, sanctions from the relevant regulator, inability to access some markets and liquidity sources and a more limited selection of counterparties and providers from which to source services. Sanctions from regulators can include, but are not limited to, public censure (with related reputational damage), significant fines, remediation and withdrawal of license to operate.

The European Parliament has adopted the Regulation on OTC Derivatives, Central Counterparties and Trade Repositories, known as "EMIR." EMIR and the implementing rules thereunder have 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, record keeping, risk mitigation (in particular mandatory initial and variation margin requirements for uncleared OTC derivative transactions entered into by certain market participants) and centralized clearing of certain OTC derivative transactions entered into by certain market participants. EMIR does not have a direct material impact on Apollo's non-European funds at present, but (i) it impacts funds managed by Apollo's AIFMs, and (ii) it affects Apollo's non-European 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 continue to increase the burdens and costs of doing business.

Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 (the “EU Securitization Regulation”) is a new framework for European securitizations which came into effect January 1, 2019. There is a risk that a non-EU alternative investment fund manager (a “non-EU AIFM”), such as the Company that markets an alternative investment fund in the EU which invests in securitization positions could be caught within scope of certain requirements under the EU Securitization Regulation when investing in such positions. To the extent a non-EU AIFM is within the scope of the EU Securitization Regulation it could only hold a securitization exposure where the originator, sponsor or original lender retains 5% of the securitization. There are certain other requirements with which the non-EU AIFM would also need to comply.

The U.K. has implemented transparency legislation that requires many large businesses to publish their U.K. tax strategies on their websites before the end of each financial year. Apollo’s U.K. business is required to comply with these rules. As part of the requirement, organizations must publish information on tax risk management and governance, tax planning, tax risk appetite and their approach to HMRC. Apollo’s refreshed ‘tax strategy’ is published on our website. During the course of 2017, the U.K. implemented a new corporate criminal offense for the failure to prevent the facilitation of tax evasion. The scope of the law and guidance is extremely wide and covers tax evasion committed both in the U.K. and abroad and so could have a global impact for Apollo’s businesses. Criminal liability can be mitigated where a relevant business has proportionate policies and procedures in place to manage the risk. These changes illustrate an evolving approach from HMRC and bring tax matters further into the public domain. As such, tax matters may now be seen to pose a greater reputational risk to the business.

Additional laws and regulations will come into force in the EU in coming years. In addition, pan-EU and European national regulators may also issue extra-statutory guidance. These are expected to (or in the case of new guidance, could) 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 requirements under the new regulation relating to securities financing transactions (including recently finalized reporting requirements); 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); proposals relating to re-designing the prudential rules applicable to EU investment firms and potentially changes to existing rules in the interim (covering, e.g., revised pay regulation and disclosure requirements and changes to regulatory capital, liquidity, and governance rules); proposals for enhanced regulation of loan origination, servicing of credit agreements and the secondary loan markets; and significant focus on entities considered to be “shadow banks.” In the U.K., there will be additional changes (effective in 2019) to the rules concerning the approval of certain Apollo U.K. professionals to work in the regulated financial services sector. Assessing the impact and implementing these new rules may create additional compliance burden and cost for Apollo. 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 LIBOR, may affect the way in which those benchmarks are calculated, with commercial implications, including on the stability of the benchmark and returns.

Recent changes to regulations regarding derivatives and commodity interest transactions could adversely impact various aspects of our business. Derivatives rules and regulations promulgated under the Dodd-Frank Act have become effective over time and comprehensively regulate the “over the counter” (“OTC”) derivatives markets. The Dodd-Frank Act and the regulations promulgated thereunder require mandatory clearing and execution on a swap execution facility 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 executed through a swap execution facility. Additional standardized swap contracts are expected to be subject to the clearing and execution requirements in the future. OTC derivatives submitted for clearing are subject to minimum initial and variation margin requirements set by the relevant clearinghouse, as well as margin requirements imposed by the clearing brokers. For swaps that are cleared through a clearinghouse, the funds face the clearinghouse as legal counterparty and are exposed to clearinghouse performance and credit risks. Clearinghouse collateral requirements may differ from and be greater than the collateral terms negotiated with derivatives counterparties in the OTC market. Such increased collateral requirements may increase a fund’s cost in entering into certain products and impact its ability to pursue certain investment strategies. Moreover, OTC derivative dealers are also required to post margin to the clearinghouses through which their customers’ trades are cleared, instead of using such margin in their operations. This will increase the OTC derivative dealers’ costs and such 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 possibly new or increased fees. In addition, our derivatives and commodity interest transactions may be subject to similar laws and regulations imposed by non-U.S. jurisdictions and regulators, which may further increase such costs.

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 clearinghouse-imposed margin requirements). The CFTC and various prudential regulators' final rules on margin requirements for certain uncleared swaps recently went into effect. The final rules generally require banks and dealers, subject to thresholds and certain limited exemptions, to collect and post margin in respect of uncleared swaps. Variation margin requirements for uncleared swaps became effective in 2017, and initial margin requirements for uncleared swaps are expected to phase in through 2020, depending on the aggregate notional amount of over-the-counter swaps traded by a fund. 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.

Effective 2019, the Federal Reserve, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency have issued regulations, which impose requirements on certain financial contracts of global systemically important banking organizations ("G-SIBs") to expressly recognize limits on the exercise of default remedies (such as temporary suspension and transfer) by their trading counterparties in the event such G-SIB enters into insolvency proceedings. Regulators in other G20 jurisdictions have implemented, or are in the process of implementing, similar rules regarding the recognition of the application of temporary stay or overrides of certain termination rights under the relevant home-country special resolution regime. These regulations aim to achieve the same policy goal of an orderly resolution of systemically important financial institutions in the event of insolvency. The application of such regulations could adversely impact the exercise of the funds' contractual rights in the event of an insolvency of a G-SIB trading counterparty.

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, to the extent they continue to remain in effect, any CLO issued after such date is 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.

On February 9, 2018, the United States Court of Appeals for the District of Columbia (the "DC Circuit Court") ruled in favor of an appeal brought by the Loan Syndications and Trading Association (the "LSTA") from a district court ("District Court") ruling granting summary judgment to the SEC and the Board of Governors of the Federal Reserve System on the issue of whether the U.S. Risk Retention Rules apply to collateral managers of "open market" CLOs under Section 941 of the Dodd-Frank Act (the "DC Circuit Court Decision"). The District Court entered summary judgment in favor of the LSTA on April 5, 2018. As of the date hereof, CLO managers of "open-market CLOs" (as defined in the DC Circuit Court Decision) will no longer be required to comply with the U.S. Risk Retention Rules. It should be noted, however, that the DC Circuit Court Decision would not apply with respect to any "balance sheet CLOs" (such as middle market CLOs).

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 Redding Ridge, which manages CLOs and retains the 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.

Given that the DC Circuit Court Decision discussed above would not apply with respect to any “balance sheet CLOs” (such as middle market CLOs) undertaken by us or Redding Ridge, such “balance sheet CLOs” would remain subject to the requirements of the U.S. Risk Retention Rules. In addition, the DC Circuit Court Decision would have no applicability with respect to compliance with the EU Risk Retention rules, which continue to remain in effect. Thus, to the extent that we or Redding Ridge were managing a U.S. CLO that was structured to comply with the EU Risk Retention rules (which is done to expand the potential universe of investors for such U.S. CLO) or an European CLO, then we or Redding Ridge, as applicable, would continue to have to comply with the EU Risk Retention rules. Finally, the DC Circuit Court decision would not impact any letter or other contractual agreements (“Risk Retention Undertakings”) that we or Redding Ridge may have or will in the future enter into with investors or other third parties designed to ensure such CLOs comply with the Risk Retention Rules. Depending on the terms of such Risk Retention Undertakings, there may be an ongoing obligation to continue to comply with the U.S. Risk Retention Rules for some period, which if breached could result in claims by investors or third parties.

No assurance can be made that in the future any governmental authority will not take further legislative, regulatory or judicial action with respect to the Risk Retention Rules, and the effect of any such action cannot be known or predicted.

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. 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 launch of Redding Ridge, it is less likely that we will manage new CLOs.

Exemptions from certain laws . In conducting our activities, we regularly rely on exemptions from various requirements of law or regulation in the United States and other jurisdictions, including the Securities Act, the Exchange Act, the Investment Company Act, the Commodity Exchange Act of 1936 and the Employment Retirement Income Securities Act of 1974, each as amended, and the regulations promulgated under each of them. These exemptions are sometimes highly complex.

In certain circumstances we depend on compliance by third parties whom we do not control. For example, in raising new funds, we typically rely on Regulation D for exemption from registration under the Security Act, 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.

Certain other exemptions require monitoring of ongoing compliance with the applicable requirements throughout the life of the applicable fund. For example, with respect to certain of our funds we rely on the so-called “de minimis” exemption from commodity pool operator registration, codified in CFTC Rule 4.13(a)(3). If any of those 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. This exemption requires that the amount of commodities interest positions in the applicable commodity pool remain below specified thresholds; in the event that those thresholds are crossed, registration is required and the commodity pool operator may be out of compliance with the applicable regulations until registration is complete. Several Apollo entities are already registered with the CFTC as commodity pool operators. However, registration 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. Certain of our investment management entities are registered 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 and our profitability. 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 and our Preferred shares* ."

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 other anti-corruption laws, sanctions laws, escheat or abandoned property laws, CIFIUS review and antitrust laws, may impose requirements on us, our funds and portfolio companies of our funds. For example, certain of our funds or vehicles may invest in the manufacturing sector, natural resources industry or own real assets where environmental laws, regulations and regulatory initiatives and various zoning laws can play a significant role and can have a substantial effect on investments in the industry. Such investments or assets may increase our exposure to regulatory compliance expense and risk of liability under environmental laws that impose, regardless of fault, joint and several liability for the cost of remediating contamination and compensation for damages. In addition, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of acquisition. Even in cases where our funds are indemnified by a seller against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller or its insurers to satisfy such indemnities or our ability to achieve enforcement of such indemnities. 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 "U.S. and foreign anti-corruption, sanctions and export control 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 as well as certain of our funds' portfolio companies 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. For example, OneMain's subsidiaries include consumer finance companies operating in the U.S. The consumer finance business is subject to federal and state laws, and failure to comply with applicable laws and regulations could result in regulatory actions, including substantial fines or penalties, lawsuits and damage to our reputation. In addition, certain of the states in which OneMain is licensed to originate loans have laws or regulations which require regulatory approval for the acquisition of "control" of regulated entities. Therefore, any person acquiring directly or indirectly 10% or more of a licensed entity's common stock may need the prior approval of licensing regulators, or a determination from such regulators that "control" has not been acquired, which could significantly delay or otherwise impede our ability to complete a transaction.

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 or our funds' portfolio companies 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 funds under ERISA for a portfolio company's underfunded pension plans, including withdrawal liability under any multiemployer plans in which such portfolio company contributes or previously contributed. 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. At least one Circuit Court has held that an investment fund was in a “trade or business” for this purpose. Activities that may indicate the existence of a trade or business rather than a passive investment include, but are not limited to, involvement in the management of a portfolio company’s operations, exercising authority with respect to the hiring, termination and compensation of such portfolio company’s employees and agents and receiving fees or other compensation that offset the management fee for services provided to such portfolio company by the relevant fund manager 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 and own together with related funds, 80% or more voting control of a portfolio company, 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.

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, and 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 possession 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 in the U.S. have broad administrative powers over the insurance business of our U.S. 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.

We are subject to insurance holding company system laws and regulations in the states of domicile of certain insurance companies for which we are (or, with respect to certain pending transactions, will be) deemed to be a control person for purposes of such laws. Specifically, under state insurance laws, we are deemed to be the ultimate parent of (i) Athene Holding's insurance company subsidiaries, which are domiciled in Delaware, Iowa and New York, (ii) Catalina's insurance company subsidiaries, which are domiciled in California, Colorado, Connecticut, the District of Columbia and New York, (iii) OneMain's insurance company subsidiaries, which are domiciled in Indiana and Texas, (iv) Venerable's insurance subsidiary, which is domiciled in Iowa, (v) LifePoint's health maintenance organization subsidiary, which is domiciled in Michigan and (vi) Aspen's insurance company subsidiaries domiciled in North Dakota and Texas for purposes of such laws. Each of California, Colorado, Connecticut, Delaware, the District of Columbia, Indiana, Iowa, Michigan, New York, North Dakota and Texas is a "Domiciliary State".

Currently, there are proposals to increase the scope of regulation of insurance holding companies in both the U.S. 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 the Domiciliary States 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, including the development of a risk-based global insurance capital standard ("ICS"). The current version of the ICS is in the extended field testing stage. When field testing is completed in 2019, the ICS will be implemented in the following two phases: In the first phase, which will last for five years and which is referred to as the "monitoring period," the ICS will be used for confidential reporting to group-wide supervisors and discussion in supervisory colleges, and the ICS will not be used as a prescribed capital requirement. After the monitoring period, the ICS will be implemented as a group-wide prescribed capital standard. In addition, in the U.S., the NAIC and the Federal Reserve Board are developing an aggregation method for a group capital calculation. The NAIC has stated that the group capital calculation will be a regulatory tool and will not constitute a requirement or standard; however, it is currently expected that the calculation methodology will incorporate existing risk-based capital concepts. In the U.S., 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, each of the Domiciliary States (except for Colorado, the District of Columbia, Michigan and New York) has adopted a form of these provisions. The NAIC has made these amendments to the insurance holding company system model law a part of its accreditation standards for state solvency regulation beginning January 1, 2020, which is likely to motivate the remaining Domiciliary States to adopt the amendments. 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.

In addition, the Dodd-Frank Act authorized the Treasury Secretary and the Office of the U.S. Trade Representative to negotiate covered agreements. A covered agreement is an agreement between the U.S. and one or more foreign governments, authorities or regulatory entities, regarding prudential measures with respect to insurance or reinsurance. Pursuant to this authority, in September 2017, the U.S. and the EU signed a covered agreement (the "EU Covered Agreement") to address, among other things, group supervision and reinsurance collateral requirements. In addition, on December 11, 2018, the U.S. Department of the Treasury and the Office of the U.S. Trade Representative announced their intent to sign a Bilateral Agreement between the U.S. and the U.K. on Prudential Measures Regarding Insurance and Reinsurance in anticipation of the U.K.'s exit from the EU in March 2019 (the "U.K. Covered Agreement"). The U.K. Covered Agreement is subject to a 90-day notification period to the U.S. Congress before it can be signed and come into effect. The NAIC is currently working to adopt amendments to the Credit for Reinsurance Model Law and Regulation to conform to the requirements of the EU Covered Agreement and U.K. Covered Agreement. The reinsurance collateral provisions of the EU Covered Agreement and the U.K. Covered Agreement may increase competition, in particular with respect to pricing for reinsurance transactions, by lowering the cost at which competitors of reinsurance subsidiaries of companies of which Apollo may be deemed to be the ultimate parent pursuant to applicable insurance laws, such as Athene Life Re Ltd. ("ALRe"), are able to provide reinsurance to U.S. insurers. We cannot predict with any degree of certainty what impact this increased competition will have on the business of such reinsurance subsidiaries, whether the EU Covered Agreement will be implemented or what the impact of such implementation will be on Apollo.

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 Apollo is considered a "shareholder controller" of (a) ALRe, a Bermuda Class E insurance company and a wholly owned subsidiary of Athene Holding, a company listed on the New York Stock Exchange, (b) Athora Life Re Ltd., a Bermuda Class E insurance company and a wholly owned subsidiary of Athora Holding Ltd., a Bermuda private company, (c) Catalina General Insurance Ltd, a Bermuda Class 3A and Class C insurer and a wholly owned subsidiary of Catalina Holding (Bermuda) Ltd., and (d) Aspen Bermuda Limited, a Class 4 insurer and a wholly-owned subsidiary of Aspen. Each of ALRe, Athora Life Re Ltd., Catalina General Insurance Ltd and Aspen Bermuda Limited 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 or imprisonment or both. 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, and such person or entity can be subject to fines or imprisonment or both. These laws may discourage potential acquisition proposals and may delay, deter or prevent an acquisition of controllers of Bermuda insurers.

In addition, for purposes of insurance laws Apollo is considered to be the parent of certain European insurance companies domiciled in Belgium, Germany, Ireland, Italy, Switzerland and the U.K. See "Business-Regulatory and Compliance Matters." These laws and regulations may discourage potential acquisition offers and may delay, deter or prevent the acquisition of qualifying holdings as these affect insurance undertakings in such countries.

Future regulatory changes could adversely affect our businesses. The regulatory environment in which we operate both in the U.S. and outside the U.S. 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. 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.

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 does not result in a sanction or the sanction imposed is 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.

U.S. and foreign anti-corruption, sanctions and export control 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 U.S. 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 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 addition, we may also be adversely affected if there is misconduct by personnel of portfolio companies in which our funds invest. For example, failures by personnel at our funds' portfolio companies to comply with anti-bribery or trade sanctions requirements could cause significant reputational and business harm to us. Such misconduct may undermine our due diligence efforts with respect to such portfolio companies and could negatively affect the valuations of a fund's investments.

The SEC, the Financial Industry Regulatory Authority ("FINRA"), as well as certain U.S. states, localities, and public instrumentalities, have adopted ''pay-to-play'' laws, rules, regulations and/or policies which restrict the political activities of investment managers that seek investment from or manage funds on behalf of state and local government entities. Such restrictions can include limits on the ability of the managers covered investment advisors, certain covered employees of the advisor or covered political action committees controlled by the advisor or its employees to make political contributions to or fundraise for certain state and local candidates, officials, and political organizations, as well as obligations to make regular disclosures about such political activities to federal, state, or local regulators. In addition, many pay-to-play regimes (including the SEC pay-to-play rule for investment advisors) impute the personal political activities of certain executives and employees, and in some instances their spouses and family members, to the covered advisor for purposes of potential pay-to-play liability. Violation of pay-to-play laws can lead to the loss of management fees, rescission of current commitments to our funds, and a loss of future investment opportunities, and issues involving pay-to-play violations and alleged pay-to-play violations often receive substantial media coverage. Any failure on our part or a party acting on our behalf to comply with applicable pay-to-play laws, regulations or policies could expose us to significant penalties and reputational damage, and could have a material adverse impact on us.

The Iran Threat Reduction and Syrian Human Rights Act of 2012 ("ITRA") expanded 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. This restriction was alleviated by the Joint Comprehensive Plan of Action (the "JCPOA"), which was implemented on January 16, 2016 and authorized foreign entities with U.S. ownership to engage in certain Iran-related transactions under OFAC's General License H. However, on November 4, 2018, the JCPOA and General License H were terminated by the U.S. government, reverting to pre-JCPOA restrictions for U.S.-owned foreign entities. 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 U.S. 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 our annual report, a notice that such activities have been disclosed in our 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. Disclosure of such activity, even if such activity is not subject to penalties or sanctions under applicable law, and any penalties or 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.

Differences between U.S. and foreign anti-corruption, sanctions and export control laws increase the risks and complexities of compliance, and sometimes present actual conflicts of law (especially in the sanctions area). If we fail to comply with this multitude of laws and regulations, even where conflicts of law arise, we could be exposed to claims for damages, civil or criminal 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, depending on the circumstances, we could be subject to liability for violations of applicable anti-corruption, sanctions or 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 and our Preferred shares to be volatile.

A portion of our revenues, earnings and cash flow is highly variable, primarily due to the fact that performance fees from our private equity funds and certain of our credit and real assets 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 and Fund IX), changes in the value of which may result in fluctuations in our results. In addition, performance fees from our private equity funds and certain of our credit and real assets funds is subject to contingent repayment by the general partner if, upon the final distribution, the relevant fund's general partner has received cumulative performance fees on individual portfolio investments in excess of the amount of performance fees 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 performance fees 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 our Preferred 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 and our Preferred shares or increased volatility in the price of our Class A shares and our Preferred shares in general.

The timing of performance fees generated by our funds is uncertain and will contribute to the volatility of our results. Performance fees 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 performance fees on an accrual basis, we receive private equity performance fees 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 performance fees 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 performance fees 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 certain performance fees 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." The general partners for the remainder of our credit funds generally defer such performance fees until the fees are crystallized or are no longer subject to clawback or reversal. For certain performance fee arrangements, 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 such performance fees 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 such performance fees from such investor until it surpasses the previous high water mark. Such performance fees we earn are 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 the price of our Class A shares and our Preferred shares.

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 assets 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 funds' 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;
- our competitors have instituted or may institute low cost, high speed financial applications and services based on artificial intelligence and new competitors may enter the investment management space using new investment platforms based on artificial intelligence;
- developments in financial technology (or fintech), such as a distributed ledger technology (or blockchain), have the potential to disrupt the financial industry and change the way financial institutions, as well as investment managers, do business, and could exacerbate these competitive pressures;
- 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 competitive strengths of ours; 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 performance fees structures. We have historically competed primarily on the performance of our funds, and not on the level of our fees or performance fees relative to those of our competitors. However, there is a risk that fees and performance fees in the alternative investment management industry will decline, without regard to the historical performance of a manager. Fee or performance fees 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. Additionally, recent changes in law in the U.S. and U.K. have increased the tax rate on various income streams used to compensate investment professionals. More specifically, in December 2017, President Trump signed into law Public Law Number 115-97, formerly known as the Tax Cuts and Jobs Act (the "TCJA"). The TCJA changed the holding period requirement for investment professionals to receive long-term capital gain treatment on performance fees for taxable years beginning after December 31, 2017. Going forward, performance fees attributable to gains with respect to assets held for three years or less will be treated as short-term capital gains and taxed at ordinary income rates. There remains uncertainty as to whether these rules may be further modified in the future to be even broader in scope. States and other jurisdictions in the past have also considered legislation to increase taxes with respect to performance fees. 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, and recently Governor Cuomo, as a response to certain aspects of the TCJA, proposed legislation to reform the treatment of incentive income in New York to tax such income at higher rates. Additional details of Governor Cuomo's proposal remain unclear, and it is uncertain when or whether such legislation would be enacted. Legislation similar to Governor Cuomo's proposal in New York has been considered in California and Connecticut (and passed in New Jersey although it is not currently effective), where a significant portion of our employees reside and could impact our ability to recruit investment professionals. In addition, the U.K. implemented legislation effective from April 2015 that changed the scope and tax rate for performance fees, particularly for individuals who have immigrated to the U.K., so called "non-domiciled individuals." Further, from 2016, legislation that taxes performance fees as deemed trading income has come into force affecting 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 a portion of certain investment professionals' compensation arises from equity interests in our businesses or a right to receive performance fees, the potentially less favorable tax treatment of performance fees in the U.S. or the U.K. could adversely affect our ability to recruit, retain and motivate our current and future investment professionals or require us to alter our approach to compensating investment professionals. Fluctuations in the distributions to investment professionals generated from performance fees could also impair our ability to attract and retain qualified personnel.

Furthermore, the SEC has proposed mandatory clawback rules that 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, these proposals have not yet been finalized 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 making other changes deemed onerous by such investment professionals.

Amounts earned by our employees who participate in performance fees will vary year-to-year depending on the overall realized performance of the Company. As a result, there may be periods when the executive committee of the Company's manager determines that allocations of realized performance fees are not sufficient to compensate individuals, which may result in an increase in salary, bonus and benefits, the modification of existing programs or the use of new remuneration programs, which may increase our overall compensation costs. Reductions in performance fee revenues could also make it harder to retain employees and cause employees to seek other employment opportunities.

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 affect 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 and infrastructure;
- potential increase in investor concentration; and
- the broadening of our geographic footprint, increasing the risks associated with conducting operations in foreign jurisdictions (including regulatory, tax, legal and reputational consequences).

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 our Preferred 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, separately managed accounts and sub-advisory arrangements, 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. Conversely, certain of the strategies pursued by funds we manage benefit from higher interest rates, and a sustained low interest rate environment may negatively impact expected returns for these funds. The TCJA also introduced a new limitation on the deductibility of interest for U.S. Federal income tax purposes for corporations and pass-through entities. For taxable years beginning after December 31, 2017, taxpayers may no longer deduct business interest expense in excess of the sum of (i) business interest income and (ii) 30% of “adjusted taxable income” (which is similar to EBITDA for taxable years beginning before January 1, 2022, and similar to EBIT for taxable years beginning thereafter). Notably these limitations apply to existing debt and there are no transitional rules. Although the impact of this limitation will vary across our funds’ portfolio companies, it is possible that we may not be able to utilize the same amount of leverage to finance investments going forward or that a material amount of interest expense may not be deductible for U.S. Federal income tax purposes by our portfolio companies, both of which may have a material impact on our rates of return on investments. See “— *Recently enacted U.S. tax legislation may materially adversely affect our results of operation and cash flows and may have adverse tax consequences for certain of our Class A shareholders* .”

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. To the extent that there are 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.

In addition to our private equity funds, many of our other 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 and real assets 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. The inability to obtain such financing on attractive terms may impact our funds’ ability to achieve targeted rates of return.

In addition, under the provisions of the Investment Company Act, AINV is permitted, as a business development company, to issue senior securities in amounts such that its asset coverage, as defined in the Investment Company Act, equals at least 200% after each issuance of senior securities. Effective April 4, 2019, AINV will be permitted to decrease its asset coverage to 150%. 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 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% (150% effective April 4, 2019). 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 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 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 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 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 New York-based offices 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 data 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 offices 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 . There has been an increase in the frequency and sophistication of the data 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 a significant amount of confidential and sensitive information about, among other things, our investors, 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 this information resulting from an attack by computer hackers, foreign governments or cyber terrorists. For example, we and our employees may be the target of fraudulent emails or other targeted attempts to gain unauthorized access to proprietary or sensitive information. If successful, these types of attacks on our network or other systems could have a material adverse effect on our business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in our business and damage to our reputation.

Although we are not currently aware of any cyberattacks or other incidents that, individually or in the aggregate, have materially affected, or would reasonably be expected to materially affect, our operations or financial condition, there can be no assurance that the various procedures and controls we utilize to mitigate these threats will be sufficient to prevent disruptions to our systems, especially because the cyberattack techniques used change frequently and are not recognized until launched, the full scope of a cyberattack may not be realized until an investigation has been performed and cyberattacks can originate from a wide variety of sources. We rely on industry accepted security measures and technology to securely maintain confidential and proprietary information maintained on our information systems. Although we take protective measures and endeavors to strengthen our computer systems, software, technology assets and networks to prevent and address potential cyberattacks, there can be no assurance that any of these measures prove effective. Moreover, due to the complexity and interconnectedness of our systems, the process of upgrading or patching the Company's protective measures could itself create a risk of security issues or system disruptions for the Company, as well as for clients who rely upon, or have exposure to, our systems.

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 have a material effect on our businesses and results of operations due to, among other things, the loss of investor or proprietary data, interruptions or delays in our business and damage to our reputation. If our systems are compromised, do not operate properly or are disabled, or we fail to provide the appropriate regulatory or other notifications in a timely manner, we could suffer a financial loss, a disruption of our businesses, liability to our investment funds, regulatory intervention or reputational damage. 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. Breaches in security could potentially jeopardize our, our employees' or our fund investors' or counterparties' confidential and other information processed and stored in, and transmitted through, our computer systems and networks, or otherwise cause interruptions or malfunctions in our, our employees', our fund investors', our counterparties' or third parties' operations, which could result in significant losses, increased costs, disruption of our business, liability to our fund investors and other counterparties, regulatory intervention or reputational damage.

The costs related to data security threats or disruptions may not be fully insured or indemnified by other means. In addition, data security has become a top priority for regulators around the world. For example, one of the 2018 examination priorities identified by the SEC's Office of Compliance Inspections and Examinations' (OCIE) was to continue to examine for data security compliance procedures and controls, including testing the implementation of those procedures and controls. Additionally, any jurisdictions in which we operate have laws and regulations relating to data privacy, cybersecurity and protection of personal information, including the General Data Protection Regulation in the European Union that went into effect in May 2018. Some jurisdictions have also enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data. If we fail to comply with the relevant laws and regulations, it could result in regulatory investigations and penalties, which could lead to negative publicity and may cause our fund investors and clients to lose confidence in the effectiveness of our security measures.

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 and our third party service providers' information systems and technology might not be able to accommodate our growth, may not be suitable for new products and strategies and may be subject to security risks, and the cost of maintaining such systems and technology 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 offices and third-party vendors . Much of our operational personnel and our information system and technology infrastructure are located in our New York City offices, and any disruption in the operation of, or inability to access, our New York City offices could have a significant impact on our business. 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, disruption or compromise in technology or 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 New York based offices, 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. These risks could increase as vendors increasingly offer cloud-based software services rather than software services that can be operated within our own data centers. We 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 our business. Our disaster recovery and business continuity 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 expect to 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.

These risks are exacerbated by the rapidly increasing volume of highly sensitive data, including our proprietary business information and intellectual property, and personally identifiable information of our employees and our fund investors, that we collect and store in our data centers and on our networks. The secure processing, maintenance and transmission of this information are critical to our operations.

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, in addition to significant reputational harm. Many jurisdictions in which we operate have laws and regulations related to data privacy, cyber security and protection of personal information, including the EU General Data Protection Regulation ("GDPR") adopted by the EU in May 2016, which provides for significant penalties for noncompliance beginning in May 2018. The GDPR introduces new obligations and expands its territorial reach. It applies to all organizations processing or holding personal data of EU data subjects (regardless of the organization's location) as well as to organizations outside the EU that offer goods or services in the EU, or that monitor the behavior of EU data subjects. The GDPR defines personal data as information that can be used to identify a natural person, including a name, a photo, an email address, or a computer IP address. Compliance with the GDPR requires companies to analyze and evaluate how they handle data in the ordinary course of their business, from processes to technology. It imposes a prescriptive approach to compliance requiring organizations to demonstrate and record compliance and to provide much more detailed information to data subjects regarding processing. EU data subjects need to be given full disclosure about how their personal data is used and stored. In that connection, consent must be explicit, and companies must be in a position to delete information from their global systems permanently if consent were withdrawn. As with any other organization that holds personal data of EU data subjects, we have to comply with the GDPR because, among other things, we process European individuals' personal data in the U.S. via our global technology systems. Financial regulators and data protection authorities throughout the EU have significantly increased audit and investigatory powers under GDPR to probe how personal data is being used and processed. Penalties for non-compliance are substantial. Serious breaches of GDPR include fines on companies of up to the greater of €20 million or 4% of global group turnover (revenue) in the preceding year, regulatory action and reputational risk.

Any inability, or perceived inability, to adequately address privacy and data protection concerns, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations, even if unfounded, could result in additional cost and liability, 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 a 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, each a closed-end management investment company, registered investment company under the Investment Company Act, and AINV, a closed-end 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 performance fees to terminate. Our ability to realize performance fees 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 and loans outstanding and an undrawn revolving credit facility described in note 10 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 incur additional cash taxes due to limits on interest deductibility or 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.

Additionally, our credit rating outlook suffered a decline in connection with the issuance of our 4.872% Senior Notes due 2029. Our credit rating outlook may not improve or may continue to decline, whether or not we incur additional indebtedness, which, in each case, might result in an increase in our borrowing costs or result in other material adverse effects on our business.

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 many highly paid investment professionals and complex compensation and incentive arrangements, 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 company 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."

In addition, we may not be able to obtain or maintain sufficient insurance on commercially reasonable terms or with adequate coverage levels against potential liabilities we may face in connection with potential claims, which could have a material adverse affect on our business. We may face a risk of loss from a variety of claims, including related to securities, antitrust, contracts, fraud and various other potential claims, whether or not such claims are valid. Insurance and other safeguards might only partially reimburse us for our losses, if at all, and if a claim is successful and exceeds or is not covered by our insurance policies, we may be required to pay a substantial amount in respect of such successful claim. Certain losses of a catastrophic nature, such as wars, earthquakes, typhoons, terrorist attacks or other similar events, may be uninsurable or may only be insurable at rates that are so high that maintaining coverage would cause an adverse impact on our business, our investment funds and their portfolio companies. In general, losses related to terrorism are becoming harder and more expensive to insure against. Some insurers are excluding terrorism coverage from their all-risk policies. In some cases, insurers are offering significantly limited coverage against terrorist acts for additional premiums, which can greatly increase the total cost of casualty insurance for a property. As a result, we, our investment funds and their portfolio companies may not be insured against terrorism or certain other catastrophic losses.

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 or Preferred 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. Finally, due to recent changes in the tax treatment of performance fees introduced by the TCJA in the U.S. and various Finance Acts in the U.K., conflicts of interest may arise with investors in certain of our funds in connection with the general partner's decisions with respect to investments of our funds.

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.

Certain of the funds we manage also have overlapping investment strategies with other funds we manage that are registered under the Investment Company Act, and the Investment Company Act prohibits registered funds from co-investing with non-registered funds where non-price terms are negotiated (such as financial and negative covenants, guarantees and collateral packages and indemnification provisions), unless an exception or exemption applies. Certain of the funds we manage that are registered under the Investment Company Act, including Apollo Investment Corporation and certain of its related entities, received an exemptive order from the SEC (the "Co-Investment Order") (Company Act Release No. 32057) permitting Apollo to negotiate, among other things, these types of provisions for co-investment opportunities that involve the participation of both non-registered and registered funds managed by Apollo. As a result, to the extent specific investment opportunities are appropriate for a non-registered fund and one or more registered funds, in addition to being subject to our allocation policies and procedures, the opportunity will also be subject to the conditions of the Co-Investment Order. There can be no assurance that the Co-Investment Order will facilitate the successful consummation of investment opportunities that Apollo believes are now available to funds it manages as a result of the Co-Investment Order, or that each fund will be able to participate in investment opportunities pursued under the Co-Investment Order that are within its investment objectives.

In addition to the potential for conflict among our funds, we face the potential for conflict between us and our funds or clients. These conflicts may include: (i) the allocation of investment opportunities between Apollo and Apollo's funds; (ii) the allocation of investment opportunities among funds with different incentive fee structures, or where our personnel have invested more heavily in one fund than another; and (iii) the determination of what constitutes fund-related expenses and the allocation of such expenses between our advised funds and us.

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. 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. We may also advise 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.

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 may be subject to trading restrictions. 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, among other things, 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 our funds' 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 fund portfolio companies, such affiliates and/or our funds' portfolio companies may receive transaction and other fees from our funds and/or portfolio companies of our funds. Consequently, our relationship with these entities 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 unrelated to their investments in Apollo entities. 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.

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 shareholders 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 or a Preferred 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.

Potential performance fee related conflicts with investors in our funds . Under recently enacted amendments to U.S. tax law pursuant to the TCJA, capital gain in respect of a general partner's distributions of performance fees from certain of our funds will be treated as short-term capital gain unless the fund holds the relevant investment for more than three years, as opposed to the general rule that capital gain from the disposition of investments held for more than one year is treated as long-term capital gain. Similar rules introduced in the U.K. applying to partners of our U.K. LLPs tax as ordinary income returns from certain funds that have a weighted average holding period of fewer than 40 months (with transitional rules applying between 36-40 months). As a consequence, conflicts of interest may arise in connection with a general partner's investment decisions, including regarding the identification, making, management, disposition and, in each case, timing of a fund's investments, and we may not realize the most tax efficient treatment of our performance fees in all of our funds going forward.

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* ."

Use of subscription line facilities by our funds may give rise to conflicts of interests. Certain of our investment funds obtain subscription line facilities to facilitate investments, support ongoing operations and activities of the funds' and their respective portfolio companies and/or investments and to enable the funds to pay management fees, expenses and other liabilities. Subscription line facilities may be entered into on a cross-collateralized basis with the assets of any other fund, alternative investment vehicle, portfolio company or investment, and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such subscription line facility. If an investment fund obtains a subscription line facility, the fund's interim capital needs will in most instances be satisfied through borrowings by the fund under the subscription line facility, and, less so, drawdowns of capital contributions by the fund, which capital calls would generally be expected to be conducted in larger, less frequent capital calls in order to, among other things, repay borrowings and related interest expenses made under such subscription line facilities.

Where an investment fund uses borrowings under a subscription line facility in advance or in lieu of receiving capital contributions from investors to repay any such borrowings and related interest expenses, the use of such facility will result in a different (and perhaps higher) reported internal rate of return than if the facility had not been utilized and instead capital contributions from investors had been contributed at the inception of an investment. This may present conflicts of interest, including the interest rate on such borrowings which may be less than the rate of the preferred return and the fact that the preferred return of investment funds typically does not accrue on such borrowings, but rather only accrues on capital contributions when made. As a result, use of such subscription line facilities may reduce or eliminate the preferred return received by the investors and accelerate or increase distributions of performance-based allocation to the relevant general partner, providing the general partner with an economic incentive to fund investments through such facilities in lieu of capital contributions. However, since interest expense and other costs of borrowings under subscription lines of credit are an expense of the investment fund, the investment fund's net multiple of invested capital will be reduced, as will the amount of performance fees generated by the fund. Any material reduction in the amount of performance fees generated by a fund will adversely affect our revenues.

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 or misconduct by our advisors or third party-service providers 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.

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, and there is a risk that our employees, advisors or third party-service providers could engage, deliberately or recklessly, in misconduct or fraud that creates legal exposure for us and adversely affects our businesses. 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. Employee misconduct or fraud could include, among other things, binding our funds to transactions that exceed authorized limits or present unacceptable risks and other unauthorized activities or concealing unsuccessful investments (which, in either case, may result in unknown and unmanaged risks or losses), or otherwise charging (or seeking to charge) inappropriate expenses. If an employee were to engage in illegal or suspicious activities, we could be subject to penalties or sanctions and suffer serious harm to our reputation, financial position, investor relationships and ability to attract future investors. For example, we could lose our ability to raise new investment funds if any of our "covered persons" is the subject of a criminal, regulatory or court order or other "disqualifying event." See "— *Recent changes to regulations regarding* *derivatives and commodity interest transactions could adversely impact various aspects of our business—Exemption from certain laws.* " Additionally, our current and former employees, consultants or sub-contractors and those of our funds' portfolio companies becoming subject to allegations of sexual harassment, racial and gender discrimination or other similar misconduct, could, regardless of the ultimate outcome, result in adverse publicity that could significantly harm our and such portfolio company's brand and reputation. Furthermore, our business often requires that we deal with confidential matters of great significance to us, our funds and companies in which our funds may invest, as well as trade secrets. If our employees, consultants or sub-contractors were improperly to use or disclose confidential information, we could suffer serious harm to our reputation, financial position and current and future business relationships, as well as face potentially significant litigation or investigation. It is not always possible to deter misconduct or fraud by employees or service providers, and the precautions we take to detect and prevent this activity may not be effective in all cases. Misconduct or fraud by our employees, advisors, third-party service providers, or those of our funds' portfolio companies, or even unsubstantiated allegations, could result in a material adverse effect on our reputation and our businesses.

Fraud, payment or solicitation of bribes 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. For example, failures by personnel, or individuals acting on behalf, of our funds' portfolio companies to comply with anti-bribery, 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, AGS is unable to sell securities or indebtedness that it purchased as an underwriter at the anticipated price levels. As an underwriter, AGS is also subject to potential liability for material misstatements or omissions in prospectuses and other offering documents relating to offerings that AGS underwrites.

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 fund investment opportunity may not reveal or highlight all relevant facts (including fraud) or issues that may be necessary or helpful in evaluating such investment opportunity, including past or current violations of law and related legal exposure, and we may not identify or foresee future developments that could have a material adverse effect on an investment (e.g., technological disruption across an industry). 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 strategies depend 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 and/or we 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. In addition, the expected phase out of LIBOR in the next few years may adversely affect the effectiveness of certain interest rate hedging arrangements and create economic uncertainties in the relevant market. 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 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 manage a number of 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, we could be exposed to increased legal risk related to compliance failures by such company, 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. 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 and Athora 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 and Athora. Certain of our subsidiaries receive investment management and advisory fees from Athene or Athora in exchange for a suite of services for their investment portfolio. Through its subsidiaries, Apollo managed or advised $116.8 billion of AUM in accounts owned by or related to Athene and Athora as of December 31, 2018 . Our investment management and advisory agreements with Athene and Athora are terminable under certain circumstances. If such investment management and advisory agreements were terminated or fees lowered or changed further it could have a material adverse effect on our business, results of operations and financial condition. In addition, Apollo had an approximate 10.2% economic ownership interest in Athene Holding as of December 31, 2018 . Fluctuations in the value of Athene and Athora, including as a result of changes in taxation of Athene introduced by the TCJA, could have an adverse effect on our results and financial condition. See "— *Recently enacted U.S. tax legislation may materially adversely affect our results of operation and cash flows and may have adverse tax consequences for certain of our Class A shareholders* ."

A number of Apollo entities receive management fees and performance fees from Athene and Athora, have investments in Athene and Athora, and manage funds or accounts with investments in Athene and Athora from which performance fees may be earned. Athene also invests directly in various Apollo-managed funds and entities and we earn fees in respect of such investments. The Chairman, Chief Executive Officer and Chief Investment Officer of Athene is also an employee of Athene Asset Management LLC and six of Athene's 15 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 and Athora. In addition, conflicts of interest could arise with respect to transactions involving business dealings between Apollo, Athene and Athora and their respective affiliates.

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

Our funds' investments in infrastructure assets may expose us and our funds to increased risks and liabilities and may expose our shareholders to adverse tax consequences .

Investments in infrastructure assets may expose us and our funds to increased risks and liabilities that are inherent in the ownership of real assets. For example:

- Ownership of infrastructure assets may also present additional risk of liability for personal and property injury or impose significant operating challenges and costs with respect to, for example, compliance with zoning, environmental, anti-financial fraud or other applicable laws.
- Infrastructure asset investments may face construction risks including, without limitation: (a) labor disputes, shortages of material and skilled labor, or work stoppages, (b) slower than projected construction progress and the unavailability or late delivery of necessary equipment, (c) less than optimal coordination with public utilities in the relocation of their facilities, (d) adverse weather conditions and unexpected construction conditions, (e) accidents or the breakdown or failure of construction equipment or processes; and (f) catastrophic events such as explosions, fires, terrorist activities and other similar events. These risks could result in substantial unanticipated delays or expenses (which may exceed expected or forecasted budgets) and, under certain circumstances, could prevent completion of construction activities once undertaken. Certain infrastructure asset investments may remain in construction phases for a prolonged period and, accordingly, may not be cash generative for a prolonged period. Recourse against the contractor may be subject to liability caps or may be subject to default or insolvency on the part of the contractor.
- The operation of infrastructure assets is exposed to potential unplanned interruptions caused by significant catastrophic or force majeure events. These risks could, among other effects, adversely impact the cash flows available from investments in infrastructure assets, cause personal injury or loss of life, damage property, or instigate disruptions of service. In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged service interruptions may result in permanent loss of customers, litigation, or penalties for regulatory or contractual noncompliance. Force majeure events that are incapable of, or too costly to, cure may also have a permanent adverse effect on an investment.
- The management of the business or operations of an infrastructure asset may be contracted to a third-party management company unaffiliated with us. Although it would be possible to replace any such operator, the failure of such an operator to adequately perform its duties or to act in ways that are in our or our funds' best interest, or the breach by an operator of applicable agreements or laws, rules and regulations, could have an adverse effect on the investment's financial condition or results of operations. Infrastructure investments may involve the subcontracting of design and construction activities in respect of projects, and as a result our investments are subject to the risks that contractual provisions passing liabilities to a subcontractor could be ineffective, the subcontractor fails to perform services which it has agreed to perform and the subcontractor becomes insolvent.

Infrastructure investments often involve an ongoing commitment to a municipal, state, federal or foreign government or regulatory agencies. The nature of these obligations expose us to a higher level of regulatory oversight than typically imposed on other businesses and may require us to rely on complex government licenses, concessions, leases or contracts, which may be difficult to obtain or maintain. Infrastructure investments may require operators to manage such investments and such operators' failure to comply with laws, including prohibitions against bribing of government officials, may adversely affect the value of such investments and cause us serious reputational and legal harm. Revenues for such investments may rely on contractual agreements for the provision of services with a limited number of counterparties, and are consequently subject to counterparty default risk. The operations and cash flow of infrastructure investments are also more sensitive to inflation and, in certain cases, commodity price risk. Furthermore, services provided by infrastructure investments may be subject to rate regulations by government entities that determine or limit prices that may be charged. Similarly, users of applicable services or government entities in response to such users may react negatively to any adjustments in rates and thus reduce the profitability of such infrastructure investments.

In addition, investments in infrastructure assets may cause adverse tax consequences for certain non-U.S. shareholders regarding income effectively connected with the conduct of a U.S. trade or business and the imposition of certain tax withholding. See — Risks Related to Taxation — " *Non-U.S. persons face unique U.S. tax issues from owning Class A shares that may result in adverse tax consequences to them* ." Moreover, investments in infrastructure assets may also require all our shareholders to file tax returns and pay taxes in various state and local jurisdictions in the U.S. and abroad where these infrastructure assets are located. See — Risks Related to Taxation — " *Class A shareholders may be subject to foreign, state and local taxes and return filing requirements as a result of investing in our Class A shares* ."

Some of our funds invest in foreign countries and securities of issuers located outside of the U.S., 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 U.S. 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 U.S., 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 U.S. 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.

The Organization for Economic Co-operation and Development ("OECD") and other government agencies in jurisdictions where we and our affiliates invest or conduct business have continued to recommend and implement changes related to the taxation of multinational companies.

In the United Kingdom, the U.K. Criminal Finances Act 2017 creates two new separate corporate criminal offences: failure to prevent facilitation of U.K. tax evasion and failure to prevent facilitation of overseas tax evasion. The scope of the new law and guidance is extremely wide and could have an impact on Apollo's global businesses. Separately, the United Kingdom has implemented transparency legislation that will require many large businesses to publish their U.K. tax strategies on their websites. As part of the publication requirement, organizations must disclose information on tax risk management and governance, tax planning, tax risk appetite and their approach to Her Majesty's Revenue and Customs. These developments show that the United Kingdom is seeking to bring corporate tax matters further into the public domain. As a result, tax matters may pose an increased reputational risk to our business.

On October 5, 2015 the OECD published 13 final reports and an explanatory statement outlining consensus actions under the BEPS project. This project involves a coordinated multijurisdictional 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. The outcome of the BEPS project, including limiting interest deductibility, changes in transfer pricing, new rules around hybrid instruments or entities, and loss of eligibility for benefits of double tax treaties could increase tax uncertainty and impact the tax treatments of funds' earnings and adversely impact the investment returns of funds or limit future investment opportunities due to potential withholding tax leakage or non-resident capital gain taxes.

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. Several of the proposed measures, including measures covering treaty abuse, the deductibility of interest expense, local nexus requirements, transfer pricing and hybrid mismatch arrangements are potentially relevant to some of our fund structures and could have an adverse tax impact on our funds, investors and/or our portfolio companies. On June 7, 2017, the first wave of countries (68 in total) participated in the signing ceremony of the multilateral instrument ("MLI"). As of December 4, 2018, 17 other countries have signed the MLI. The MLI went into effect on July 1, 2018 with the intention to override and complement certain provisions in existing bilateral Tax Treaties. The MLI may not have immediate effect but, rather, when it applies will depend on a number of factors, including further steps required to ratify changes to treaties according to the local law of the signatory countries. As of January 2019, 86 countries have signed the MLI meanwhile only 18 have ratified it. Therefore, there is a lack of certainty as to how the majority of the signatories will apply the MLI and from when. Luxembourg recently ratified the MLI, but there are some important countries that have not yet signed including the US and Brazil. As a result, significant uncertainty remains around the access to tax treaties for the investments' holding patterns, which could create situations of double taxation and adversely impact the investment returns of our funds.

It should be noted that Luxembourg opted for the application of a principal purpose test ("PPT") clause being included in all the treaties in force as part of the anti-treaty abuse provisions ("BEPS Action 6"). The purpose of the PPT is in essence to deny treaty relief where broadly it is reasonable to conclude that obtaining the benefit of the treaty was one of the principal purposes of the arrangement or transaction leading to such benefit. Limitation on benefits ("LOB") provisions have historically been used as anti-avoidance measures in tax treaties, and certain countries, including the U.S. and China, continue to opt for LOB provisions. The PPT will be a consideration for the relevant underlying countries and there is no current consistent interpretative view, thus posing a risk that our investment structures may be challenged and additional taxes and penalties imposed.

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. For example, Luxembourg has introduced additional transfer pricing regulations as from January 1, 2017, that apply to intragroup financing activities and that are in line with the recommendations with the BEPS Action Plan. This has not significantly impacted our investments to date but has required some actions and adjustments in the structuring of our investments and in the maintenance and documentation of our investments. 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, or the mandatory disclosure of certain cross-border transactions ("DAC6"). There is significant uncertainty regarding how the provisions of DAC6 will be applied and interpreted, and failure to comply can result in fines and penalties. 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.

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. Certain European jurisdictions have adopted legislation that may limit deductibility of interest and other financing expenses in companies in which our funds have invested or may invest in the future. For example, under 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 EBITDA. 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). France has also introduced similar limits on interest deductibility. Our businesses are subject to the risk that similar measures will be introduced in other EU countries in which they currently have investments or plan to invest in the future as a result of the Anti-Tax Avoidance Directive issued by the European Council on July 12, 2016 ("ATAD"), and amended on February 28, 2017 and on May 12, 2017 ("ATAD II"), or that other legislative or regulatory measures might be promulgated in any of the countries in which we operate that adversely affect our businesses.

Similarly, the U.K. introduced Anti-Hybrid provisions with effect from 1 January 2017. The scope of these rules is wide-reaching, in certain instances beyond the scope proposed by the BEPS initiative, and can apply to disallow certain payments or 'quasi-payments' for U.K. corporation tax purposes involving U.K. or non-U.K. hybrid entities. Where hybrid entities exist within a portfolio company structure, this may place additional administrative burden on our management team or portfolio company management to assess the impact of the rules and potentially create additional tax costs.

The European Union has taken steps to implement a consistent application of BEPS project type principles between Member States through the ATAD and ATAD II. The Directive should be transcribed in local law and applicable as from January 1, 2019 and January 1, 2020 for some provisions (exit taxation and anti-hybrid rules). This would result in the introduction into the tax laws of EU Member States, of interest limitation rules similar to the German interest barrier rules described above but also controlled foreign company rules, a general anti-abusive provision, an exit taxation provision and some anti-hybrid rules impacting the transactions between EU Member States but also between EU Member States and third countries. The ATAD rules may place additional administrative burden on our management team or portfolio company management to assess the impact of such rules on the investments of our funds and ultimately could lead to increased cost which could adversely affect profitability. The ATAD rules may also impact the investment returns of our funds.

For example, as a result of ATAD, as of January 2019, the Netherlands has adopted interest deductibility rules similar to Germany (30% of Fiscal EBITDA limitation) and CFC-rules, and a consultation document has been published by the Dutch government containing legislative proposals to implement the ATAD II directive measures aimed at preventing hybrid mismatch structures and abuse of reversed hybrid entities. Luxembourg has similarly adopted interest deductibility rules and CFC rules with proposals affecting hybrid entities and transactions to come in the future. For both the Netherlands and Luxembourg, the rules regarding hybrid payments should be implemented before January 1, 2020 while the rules with regard to reversed hybrid entities should be implemented before January 1, 2022. The Netherlands has also announced that it intends to implement a withholding tax on certain interest and royalty payments to entities located in certain selected jurisdictions with a low statutory tax rate (less than 9%) or on the EU blacklist of non-cooperative countries. The announced withholding tax is intended to be applicable from 2021 and should be equal to the Dutch corporate income tax rate at that time. However, no law proposal has been adopted (nor published) yet.

Separately, 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. Certain jurisdictions where our funds have made investments, have sought to tax investment gains or other returns (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.

The Netherlands recently changed its domestic dividend withholding rules effective as of January 1, 2018. Distributions by a Dutch Cooperative after such date are in principle subject to 15% Dutch dividend withholding tax if the Cooperative's main function is that of holding certain equity investments of 5% or more (so-called "Holding Cooperatives"). Depending on the investment structure utilized, however, this withholding tax may be reduced or eliminated under application of a domestic dividend withholding tax exemption or applicable tax treaties. Depending on the specific investment structure utilized, the new rules may require investment structures used by our funds to have additional substance in the entity holding the Dutch entity in order to apply the domestic dividend withholding tax exemption with respect to distributions from certain Dutch entities. If such exemption is not available, reduced rates of withholding under applicable tax treaties may be available (whereby the impact of the MLI should be considered, possibly requiring 'additional' substance in the entity holding the Dutch entity), and there may be alternatives to repatriate funds out of the Netherlands in a way that does not trigger a dividend distribution subject to withholding tax, but there is no guarantee our investment structures would qualify for such reduced rates or be able to repatriate funds without Dutch withholding tax in the future. If these reduced treaty rates or other alternatives are not available, the returns on certain investments made by our funds may be adversely impacted due to the imposition of this Dutch withholding tax.

In December 2018, the Cayman Islands Legislative Assembly passed The International Tax Co-Operation (Economic Substance) Law, 2018 (the "CI Law") and the Bermuda House of Assembly passed a bill entitled the Economic Substance Act 2018 (the "Bermuda Act"). Effective as of January 1, 2019, the CI Law and the Bermuda Act require every Cayman Islands or Bermuda relevant entity engaging in a relevant activity to maintain a substantial economic presence in the Cayman Islands or Bermuda. Outside of the BEPS agenda countries continue to develop their own domestic anti-avoidance provisions. Such provisions can be general or targeted in nature. For example, India has introduced General Anti-Avoidance Rule ("GAAR") provisions in its tax law in 2012 that have become effective as of April 1, 2017. 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 or abuse 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.

Outside of GAAR, there are certain exemptions available to foreign investors in specified circumstances, including where the non-resident investors have invested directly or indirectly in specified FPIs registered in India. Accordingly, Indian taxation of the capital gains of a foreign investor, upon a direct or indirect transfer 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 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. while 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.

In many jurisdictions, there is an increasing political, legislative and regulatory focus on identifying the ultimate beneficial owners of corporate entities. The need to provide beneficial ownership information when forming new corporate entities or when seeking regulatory consents in relation to prospective transactions may in certain cases require the disclosure of additional information relating to Apollo or its investors, and the need to obtain and verify such information may potentially have an impact on transaction costs and timelines.

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, Fund VIII and Fund IX, on which our near-to medium-term performance will heavily depend, include a number of such provisions. HVF, EPF II, EPF III and certain other 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 assets 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 fully recovered since their significant decrease in the latter part of 2014 and throughout 2015, and there can be no assurance that prices will fully 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, swaps, 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 create legal exposure and 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, and AINV's tax status, 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/or borrow money from banks or other financial institutions (referred to collectively as "senior securities") up to the maximum amount permitted by the Investment Company Act. As a business development company, AINV is generally required to meet an asset coverage ratio of total assets to total borrowings and other senior securities, which include all of its borrowings and any preferred stock it may issue in the future, of at least 200%. If this ratio declines below 200%, the contractual arrangements governing these securities may require AINV 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. On March 23, 2018, the President signed into law the Small Business Credit Availability Act (the "SBCAA"), which included various changes to regulations under the federal securities laws that impact business development companies, including changes to the Investment Company Act to allow business development companies to decrease their asset coverage requirement to 150% from 200% under certain circumstances. On April 4, 2018, the board of directors of AINV approved the application of the modified asset coverage requirements for AINV. Accordingly, effective April 4, 2019, for every $100 of net assets, AINV may raise $200 from senior securities, such as borrowings or issuing preferred stock. After April 4, 2019, if the asset coverage ratio declines below 150%, the contractual arrangements governing these securities may require AINV 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. In the past, AINV's shareholders have approved a plan so that during the subsequent 12-month period, AINV could, in one or more public or private offerings of its common stock, sell or otherwise issue shares of its common stock at a price below the then current net asset value per share, subject to certain conditions including parameters on the level of permissible dilution, approval of the sale by a majority of its independent directors and a requirement that the sale price be not less than approximately the market price of the shares of its common stock at specified times, less the expenses of the sale. Although AINV currently does not have such authority, it may in the future seek to receive such authority on terms and conditions set forth in the corresponding proxy statement. There is no assurance such approvals will be obtained.

In the event AINV sells, or otherwise issues, shares of its common stock at a price below net asset value per share, existing AINV stockholders will experience net asset value dilution and the investors who acquire shares in such offering may thereafter experience the same type of dilution from subsequent offerings at a discount. For example, if AINV sells an additional 10% of its common shares at a 5% discount from net asset value, an AINV stockholder who does not participate in that offering for its proportionate interest will suffer net asset value dilution of up to 0.5% or $5 per $1,000 of net asset value.

In addition to issuing securities to raise capital as described above, AINV may in the future securitize its loans to generate cash for funding new investments. To securitize loans, it may create a wholly-owned subsidiary, contribute a pool of loans to the subsidiary and have the subsidiary issue primarily investment grade debt securities to purchasers who it would expect would be willing to accept a substantially lower interest rate than the loans earn. AINV would retain all or a portion of the equity in the securitized pool of loans. AINV's retained equity would be exposed to any losses on the portfolio of loans before any of the debt securities would be exposed to such losses. An inability to successfully securitize its loan portfolio could limit its ability to grow its business and fully execute its business strategy and adversely affect its earnings, if any. Moreover, the successful securitization of its loan portfolio might expose it to losses as the residual loans in which it does not sell interests will tend to be those that are riskier and more apt to generate losses.

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/or 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 are restricted in the (i) issuance of preferred shares to amounts such that their respective asset coverage (as defined in 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 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 and Our Preferred Shares

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

The market price of our Class A shares and our Preferred shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A shares and our Preferred shares may fluctuate and cause significant price variations to occur. You may be unable to resell your Class A shares and Preferred shares at or above your purchase price, if at all. The market price of our Class A shares and our Preferred shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our Class A shares and our Preferred shares or result in fluctuations in the price or trading volume of our Class A shares and our Preferred 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;
- our creditworthiness, results of operations and financial condition;
- the credit ratings of the Preferred shares;
- the prevailing interest rates or rates of return being paid by other companies similar to us and the market for similar securities;
- 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 and our Preferred 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 and our Preferred shares;
- adverse publicity about the investment management industry generally or individual scandals, specifically;
- a breach of our computer systems, software or networks, or misappropriation of our proprietary information;
- the fact that we do not provide comprehensive guidance regarding our expected quarterly and annual revenues, earnings and cash flow; and
- economic, financial, geopolitical, regulatory or judicial events or conditions that affect us or the financial markets.

In addition, from time to time, we 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.

Our performance, market conditions and prevailing interest rates have fluctuated in the past and can be expected to fluctuate in the future. Fluctuations in these factors could have an adverse effect on the price and liquidity of the Preferred shares. In general, as market interest rates rise, securities with fixed interest rates or fixed distribution rates, such as the Preferred shares, decline in value. Consequently, if you purchase the Preferred shares and market interest rates increase, the market price of the Preferred shares may decline. We cannot predict the future level of market interest rates.

Our ability to pay quarterly distributions on the Preferred shares will be subject to, among other things, general business conditions, our financial results, restrictions under the terms of our existing and future indebtedness, and our liquidity needs. Any reduction or discontinuation of quarterly distributions could cause the market price of the Preferred shares to decline significantly. Accordingly, the Preferred shares may trade at a discount to their purchase price.

An investment in Class A shares and our Preferred 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 and our Preferred 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, performance fees, 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, 2018 , we had 201,400,500 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, 2018 , 45,978,889 Class A shares remained available for future grant under our equity incentive plan. In addition, as of December 31, 2018 , Holdings could at any time exchange its AOG Units for up to 202,345,561 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 50.1% of the AOG Units as of December 31, 2018 . Subject to certain prior notice provisions and other 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 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 Investor has the ability to cause us to register its 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 the holders of our Class A shares and our Preferred shares 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 the holders of our Class A shares and our Preferred shares 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 the holders of our Class A shares and our Preferred shares or by our subsidiaries to us, and such other factors as our manager may deem relevant.

Our Preferred shares rank senior to our Class A shares with respect to the payment of distributions. Subject to certain exceptions, unless distributions have been declared and paid or declared and set apart for payment on the Preferred shares for a quarterly distribution period, during the remainder of that distribution period, we may not declare or pay or set apart payment for distributions on any Class A shares and any other equity securities that the Company may issue in the future ranking, as to the payment of distributions, junior to our Preferred shares and we may not repurchase any such junior shares. Distributions on the Preferred shares are discretionary and non-cumulative.

If distributions on a series of the Preferred shares have not been declared and paid for the equivalent of six or more quarterly distribution periods, whether or not consecutive, holders of the Preferred shares, together as a class with holders of any other series of parity shares with like voting rights, will be entitled to vote for the election of two additional directors to the board of directors. When quarterly distributions have been declared and paid on such series of the Preferred shares for four consecutive quarters following such a nonpayment event, the right of the holders of the Preferred shares and such parity shares to elect these two additional directors will cease, the terms of office of these two directors will forthwith terminate and the number of directors constituting the board of directors will be reduced accordingly.

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 52.4% of the total combined voting power of our shares entitled to vote as of December 31, 2018 . 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 and our Preferred 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 (the "DGCL") in a manner that may be less protective of the interests of the holders of our Class A shares and our Preferred shares.

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 the holders of our Class A shares and our Preferred shares, 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 performance fees 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 $500 million in the aggregate of our Class A shares, including through the repurchase of our outstanding Class A shares through a share repurchase program and 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 (and any successor equity plan thereto). The timing and amount of any share repurchases will be determined based on legal requirements, price, market and economic conditions 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

Our shareholders do not elect our manager 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 Islands limited company 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 52.4% of the voting power of Apollo Global Management, LLC as of December 31, 2018 . Therefore, they have the ability to control any shareholder vote that occurs, including any vote regarding the removal of our manager.

In addition, holders of the Preferred shares generally have no voting rights and have none of the voting rights given to holders of our Class A shares, subject to certain exceptions.

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 52.4% of the combined voting power of our shares entitled to vote as of December 31, 2018 . 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 50.1% of Apollo Operating Group's economic returns through the AOG Units owned by Holdings as of December 31, 2018 . 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 including relating to the selection, structuring, and disposition of investments and any decision to alter our structure, including a decision to convert us to an entity taxed as a corporation for U.S. Federal income tax purposes. For example, our Managing Partners and Contributing Partners may have different tax positions from us, in part because our Managing Partners and Contributing Partners hold their AOG Units through entities that are not subject to corporate income taxation and we hold the AOG Units in part through a wholly-owned subsidiary that is subject to corporate income taxation. In addition, 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. For a description of the tax receivable agreement, see "Item 13. Certain Relationships and Related Party Transactions-Amended and Restated Tax Receivable Agreement." Additionally, as a result of the reduction in the corporate tax rate to 21%, there is a significant differential in tax rates that apply to our wholly-owned corporate subsidiary and our Managing Partners and Contributing Partners, which may influence when and to what extent our manager decides to cause the Apollo Operating Group to make distributions to Holdings, which is 100% beneficially owned, directly and indirectly, by our Managing Partners and our Contributing Partners, and the five intermediate holding companies, which are 100% owned by us. 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 shares 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.
- 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 or may involve costly litigation, 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 or our Preferred 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 the holders of our Class A shares and our Preferred shares. Accordingly, we expect to cause the Apollo Operating Group to make distributions to its shareholders (Holdings, which is 100% beneficially owned, directly and indirectly, by our Managing Partners and our Contributing Partners, and the intermediate holding companies, which are 100% owned by us), pro rata in an amount sufficient to enable us to pay such distributions to the holders of our Class A shares and our Preferred shares; 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).

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 and our Preferred 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 and our Preferred shares.

Risks Related to Taxation

Recently enacted U.S. tax legislation may adversely affect our results of operations and cash flows and may have adverse tax consequences for certain of our Class A shareholders.

The TCJA is the most comprehensive tax legislation passed in decades and contains many significant changes to the U.S. Federal income tax laws, the consequences of which have not yet been fully determined. In particular, the TCJA makes various changes to the U.S. Federal income tax laws that significantly impact the taxation of individuals, corporations and the taxation of taxpayers with overseas assets and operations. The TCJA, among other things, reduces the corporate income tax rate from 35% to 21%, limits the deductibility of net business interest expense for most businesses to 30% of "adjusted taxable income" (which is similar to EBITDA for taxable years beginning before January 1, 2022, and similar to EBIT for taxable years beginning thereafter), limits the deduction for net operating losses generated after 2017 to 80% of taxable income, eliminates the corporate alternative minimum tax, provides for immediate deductions for certain investments instead of deductions for depreciation expense over time, changes the timing of certain income recognition, introduces a longer holding period requirement for performance fees to receive long-term capital gain treatment, denies dividends received deductions for hybrid dividends and certain interest or royalty deductions involving hybrid transactions or hybrid entities, creates a new minimum tax on certain foreign income and combats base erosion in the U.S. through a new alternative tax.

Although we expect that the reduction in the corporate tax rate from 35% to 21%, the immediate expensing of certain capital expenditures, and certain other changes introduced by the TCJA will be beneficial to us and the portfolio companies of our funds, other changes introduced by the TCJA are expected to have an adverse effect. In particular, the new provisions addressing interest deductibility may limit the amount of interest expense that is deductible for U.S. Federal income tax purposes by certain of our funds' portfolio companies and thus increase taxes paid by such portfolio companies. In addition, introduction of the new "base erosion and anti-abuse tax" or "BEAT," which imposes a minimum tax on certain entities that make significant deductible payments to related foreign entities may result in a material additional tax burden for certain portfolio companies owned by our funds and Athene, which may reduce cash flow and make these investments less valuable over time.

To date, the IRS has issued several notices and proposed regulations with respect to certain provisions of the TCJA, however there remains limited guidance. There are numerous interpretive issues and ambiguities that will require guidance and that are not clearly addressed in the Conference Report that accompanied the TCJA or guidance produced by the IRS to date. Technical corrections legislation will likely be needed to clarify certain of the new provisions and give proper effect to Congressional intent. There can be no assurance, however, that technical clarifications or other legislative changes that may be needed to prevent unintended or unforeseen adverse tax consequences will be enacted by Congress. We continue to examine the impact of the TCJA, but the compliance costs for us to ensure proper compliance with changes introduced by the TCJA may prove burdensome in the future and the TCJA may adversely affect our results of operations and cash flows. The impact of the TCJA on our Class A shareholders also remains uncertain but may cause adverse tax consequences for certain of our Class A shareholders.

We may hold or acquire certain investments in or through entities classified as PFICs or CFCs for U.S. Federal income tax purposes, which may have adverse U.S. tax consequences for certain Class A shareholders.

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, APO (FC II), LLC and certain portfolio companies owned by our funds are considered to be CFCs for U.S. Federal income tax purposes. Class A shareholders otherwise subject to U.S. tax that indirectly own 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, including certain non-U.S. portfolio companies owned by our funds may be taxable at ordinary income tax rates.

The TCJA also introduced changes to the determination of when a foreign corporation is treated as a CFC and whether a U.S. shareholder of a CFC is required to include its pro rata share of certain income generated by the CFC into income currently regardless of whether the shareholder receives any related distributions of cash. Although aspects of these changes are uncertain and may be modified by regulations issued by the U.S. Treasury Department, Class A shareholders may experience adverse U.S. tax consequences as a result of our ownership of non-U.S. companies, including the recognition of taxable income attributable to such companies' non-U.S. operations at applicable ordinary income tax rates prior to the receipt of cash relating to such income. In addition, gain generated by our sale of shares of such companies may be taxable at ordinary income tax rates rather than preferential capital gains tax rates.

As described above, the TCJA introduced a new minimum tax on "Global Intangible Low-Taxed Income" or "GILTI," which may require certain Class A shareholders to pay tax at the highest rates applicable to ordinary income on their pro rata share of GILTI generated by certain CFCs that we own directly or indirectly prior to the receipt of cash relating to such income. Although we are still evaluating the new minimum tax imposed on GILTI and the full impact of such tax is unclear at this point, it is possible that certain Class A shareholders may be required to recognize income without the receipt of cash relating to such income.

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 currently expect that 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. As described above, 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 or state tax purposes, the impact on the value of our Class A shares is uncertain.

The value of your investment may 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 currently 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 our manager may determine it is prudent to change our structure. In either case, we may be treated as a corporation for U.S. Federal income tax purposes in the future. If we were treated as a corporation for U.S. Federal income tax purposes, (i) we would become subject to corporate income tax, currently at the recently reduced rate of 21% 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. While our effective tax rate would likely increase and the amount of distributions to our shareholders would likely decrease as a result of our conversion to be treated as a corporation for U.S. federal income tax purposes, it is possible that the value of our Class A shares may go up as a result of our Class A shares becoming available to a more diverse investor base and being included on major stock market indices and in certain sector groupings.

Separately, because of widespread state budget deficits, several states have in the past evaluated 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 may be reduced and the value of our Class A shares may be affected.

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 on-going future 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. In particular, there is limited guidance regarding the application and interpretation of the TCJA, as discussed above under "— *Risks Related to Taxation-Recently enacted U.S. tax legislation may materially adversely affect our results of operations and cash flows and may have adverse tax consequences for certain of our Class A shareholders* ." As a result, there is significant uncertainty regarding how the provisions of the TCJA will be interpreted, and guidance may not be forthcoming from the government. To date, the IRS has issued several notices and proposed regulations with respect to certain provisions of the TCJA, however there remains limited guidance. There can be no assurance that technical clarifications or other legislative changes that may be needed to prevent unintended or unforeseen adverse tax consequences will be enacted by Congress. Any changes to, clarifications of, or guidance under the TCJA could have an adverse effect on our results of operations or the value of our Class A shares.

You should also 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. Department of the Treasury, 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 performance fees short-term capital gain or as ordinary income rather than long-term capital gain) and adversely affect an investment in our Class A shares. In addition, it is possible that future legislation increases the U.S. federal income tax rates applicable to corporations again. No prediction can be made as to whether any particular proposed legislation will be enacted or, if enacted, what the specific provisions or the effective date of any such legislation would be, or whether it would have any effect on us. As such, we cannot assure you that future legislative, administrative or judicial developments will not result in an increase in the amount of U.S. tax payable by us, our funds, portfolio companies owned by our funds or by investors in our Class A shares. If any such developments occur, our business, results of operation and cash flows could be adversely affected and such developments could have an adverse effect on your investment in our Class A shares.

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 an adverse impact on some or all holders of Class A shares. For instance, as discussed above, 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 U.S. Department of the 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 currently 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. and foreign tax law could adversely affect our ability to raise funds from certain 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 requirements 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 like the Common Reporting Standards (“CRS”).

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), and, in some cases, Cayman Self-Certifications and other supporting documentation from their investors. Similarly, CRS requires Apollo to collect CRS Self-Certifications. Apollo has undertaken efforts to re-paper their pre-existing investors and new 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 possibly limit their ability to open bank accounts and secure funding the global capital markets. Beginning in 2019, a 30% withholding tax applies to the gross proceeds from the sale of U.S. stocks and securities. Recently proposed regulations were issued eliminating withholding on the payments of gross proceeds and further delaying the effective date of foreign pass-thru payment withholding, however aspects of these changes are uncertain and may be modified by regulations issued by the U.S. Treasury Department. 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 investors from investing in U.S. funds, which could adversely affect our ability to raise funds from these investors. Like FATCA, CRS imposes reporting obligations on Financial Institutions (“FIs”) not residents in the United States, but CRS does not impose withholding tax obligations. Compliance with CRS and other similar regimes could result in increased administrative and compliance costs and could subject our investment entities to increased non-U.S. withholding taxes.

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.

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 a 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 U.S. Department of the 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.

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.

As a result of new rules introduced by the TCJA, if we are treated as engaged (directly or indirectly) in a trade or business within the United States, any gain realized by a non-U.S. holder from the sale or exchange of Class A shares would constitute ECI to the extent such holder's distributive share of the amount of gain would have been treated as ECI if we had sold all of our assets at their fair market value as of the date of the sale or exchange of such Class A share. Furthermore, the transferee of such Class A shares may be required to deduct and withhold a tax equal to 10% of the amount realized (or deemed realized) on the sale or exchange such Class A shares. If the transferee fails to withhold the required amount, we may be required to deduct and withhold from distributions to the transferee a tax in an amount equal to the amount the transferee failed to withhold (plus interest on such amount). Even if a non-U.S. holder disposes of its Class A shares in a transaction that otherwise qualifies as a non-recognition transaction, such non-U.S. holder may recognize gain and be subject to the withholding if we are treated as engaged in a U.S. trade or business. The TCJA provides that the U.S. Treasury Department has the regulatory authority to prescribe circumstances in which certain non-recognition provisions will continue to apply to defer the recognition of gain. In addition, the IRS recently released a notice suspending the withholding requirements described above for shares of publicly traded partnerships, such as us, and providing several exceptions to this 10% withholding tax that may or may not apply with respect to a non-U.S. holder's transfer of its Class A shares, until such time as regulations or other guidance have been issued. As a result, it is unclear how this provision may impact transfers of Class A shares in the future.

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.

Under new rules introduced by the TCJA, a tax-exempt holder will be required to calculate UBTI separately with respect to each trade or business in which it has an interest and will not be able to use a net operating loss from one trade or business to offset UBTI from another trade or business. Accordingly, losses generated by one operating pass-through entity, in which such tax-exempt holder has an interest, may not be used to reduce UBTI generated by another operating pass-through entity in which such tax-exempt holder has an interest, and such loss must instead be carried forward to subsequent years to offset UBTI generated by the same operating pass-through entity. The use of a net operating loss arising in a taxable year beginning before January 1, 2018, is not subject to such limitation. For these purposes, the IRS recently issued a notice that permits tax-exempt organizations to aggregate their investments in partnerships and treat them as one trade or business if certain de minimis or control requirements are satisfied with respect to the relevant partnership.

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., Apollo Principal Holdings XI, LLC and Apollo Principal Holdings XII, 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 foreign, 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 foreign, 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 foreign, state and local income tax returns and pay state and local income taxes in some or all of these jurisdictions. As a result of the TCJA, for Class A shareholders that are non-corporate U.S. shareholders, the deductibility of foreign, state and local taxes will be subject to substantial limitations for taxable years 2018 through 2025. 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, foreign, 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 partnership audit legislation that has recently become effective.

Legislation enacted in 2015 and effective the 2018 taxable year 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 Treasury recently released final regulations relating to the elective alternative procedure mechanics, which resolved several uncertain aspects of these mechanics, however aspects of these changes remain unclear. Our manager has discretion whether or not to make use of this elective alternative procedure and has not yet 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, San Diego, Houston, Bethesda, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong, Shanghai and Tokyo. 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 26, 2019 was 142 . This does not include the number of shareholders that hold shares in “street name” through banks or broker-dealers. As of February 26, 2019 , there was 1 holder of our Class B share.

Cash Distribution Policy

The quarterly cash distributions paid to our Class A shareholders can be found in note 13 to our consolidated financial statements. We have declared an additional cash distribution of $0.56 per Class A share in respect of the fourth quarter of 2018 which will be paid on February 28, 2019 to holders of record of Class A shares at the close of business on February 21, 2019 .

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 Economic Income (“EI”), is the sum across all segments of (i) total management fees and advisory and transaction fees, (ii) other income (loss), (iii) realized performance fees, excluding realizations received in the form of shares 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. DE After Taxes and Related Payables is net of preferred distributions, if any, to Series A and Series B Preferred shareholders.

Subject to certain exceptions, unless distributions have been declared and paid or declared and set apart for payment on the Series A Preferred shares for a quarterly distribution period, during the remainder of that distribution period, we may not declare or pay or set apart payment for distributions on any Class A shares and any other equity securities that the Company may issue in the future ranking, as to the payment of distributions, junior to our Series A Preferred shares and we may not repurchase any such junior shares. See “Risk Factors—Risks Related to Our Class A Shares and Our Preferred Shares—We cannot assure you that our intended quarterly distributions will be paid such quarter or at all.”

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 or members (as applicable), including our wholly-owned subsidiaries APO Corp., APO Asset Co., LLC, APO (FC), LLC, APO (FC II), LLC, APO UK (FC), Limited and APO (FC III), LLC (as applicable), and Holdings, on a pro rata basis;

- ***Second*** , we will cause our intermediate holding companies, APO Corp., APO Asset Co., LLC, APO (FC), LLC, APO (FC II), LLC, APO UK (FC), Limited and APO (FC III), LLC (as applicable), to distribute to us, from their net after-tax proceeds, amounts equal to the aggregate distribution we have declared; and

- ***Third*** , we will distribute the proceeds received by us to our Class A shareholders on a pro rata basis.

Payments that any of our intermediate holding companies make under the tax receivable agreement will reduce amounts that would otherwise be available for distribution by us on our Class A shares. See note 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 10 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, 2018 , approximately 9.8 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 2, 2018 , November 15, 2018 , November 16, 2018 and November 29, 2018 , we issued 156,907 , 253,694 , 10,833 , and 758 Class A shares, respectively, net of taxes to Apollo Management Holdings, L.P., a subsidiary of Apollo Global Management, LLC, in connection with issuances of shares to participants in the 2007 Equity Plan for an aggregate purchase price of $4.8 million , $7.6 million , $0.3 million and $21.5 thousand , 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, 2018 .

Period	Number of Class A Shares Purchased (1)	Average Price Paid per Share	Class A Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Approximate Dollar Value of Class A Shares that May be Purchased Under the Plan or Programs
October 1, 2018 through October 31, 2018	—	$ —	—	$ 76,007,061
November 1, 2018 through November 30, 2018	300,000	30.17	36,571	74,903,714
December 1, 2018 through December 31, 2018	—	—	—	74,903,714
Total	300,000		36,571	

(1) Certain Apollo employees receive a portion of the profit sharing proceeds of certain funds in the form of (a) restricted Class A shares of AGM that they are required to purchase with such proceeds or (b) RSUs, in each case which equity-based awards generally vest over three years. These equity-based awards are granted under the Company's 2007 Equity Plan. To prevent dilution on account of these awards, Apollo may, in its discretion, repurchase Class A shares on the open market and retire them. During the three months ended December 31, 2018 , we repurchased 263,429 Class A shares at an average price paid per share of $30.17 in open-market transactions not pursuant to a publicly-announced repurchase plan or program on account of these awards. See note 13 for further information on Class A shares.

(2) Pursuant to a publicly announced share repurchase program, the Company is authorized to repurchase up to $500 million in the aggregate of its Class A shares, including through the repurchase of outstanding Class A shares and 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 (or any successor equity plan thereto). Class A shares may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. The Company is not obligated under the terms of the program to repurchase any of its Class A shares. The repurchase program has no expiration date and may be suspended or terminated by the Company at any time without prior notice. Class A shares repurchased as part of this program are canceled by the Company. 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.

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, 2018 , 2017 and 2016 and the selected historical consolidated statements of financial condition data as of December 31, 2018 and 2017 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, 2015 and 2014 and the selected consolidated statements of financial condition data as of December 31, 2016 , 2015 and 2014 from our audited consolidated financial statements which are not included in this report.

	For the Years Ended December 31,				
	2018	2017 (1)	2016 (1)	2015 (1)	2014 (1)
	(in thousands, except per share data)				
Statement of Operations Data					
Revenues:					
Management fees	$ 1,345,252	$ 1,154,925	$ 1,043,513	$ 930,194	$ 850,441
Advisory and transaction fees, net	112,278	117,624	146,665	14,186	315,587
Investment income (loss):					
Performance allocations	(400,305)	1,306,193	712,865	45,079	365,399
Principal investment income	5,122	161,630	103,178	14,855	53,856
Total investment income (loss)	(395,183)	1,467,823	816,043	59,934	419,255
Incentive fees	30,718	31,431	67,341	52,211	28,656
Total Revenues	1,093,065	2,771,803	2,073,562	1,056,525	1,613,939
Expenses:					
Compensation and benefits:					
Salary, bonus and benefits	459,604	428,882	389,130	354,524	338,049
Equity-based compensation	173,228	91,450	102,983	97,676	126,320
Profit sharing expense	(57,833)	515,073	357,074	85,229	276,190
Total compensation and benefits	574,999	1,035,405	849,187	537,429	740,559
Interest expense	59,374	52,873	43,482	30,071	22,393
General, administrative and other	266,444	257,858	247,000	255,061	265,189
Placement fees	2,122	13,913	26,249	8,414	15,422
Total Expenses	902,939	1,360,049	1,165,918	830,975	1,043,563
Other Income (Loss):					
Net gains (losses) from investment activities	(186,449)	95,104	139,721	121,723	213,243
Net gains from investment activities of consolidated variable interest entities	45,112	10,665	5,015	19,050	22,564
Interest income	20,654	6,421	4,072	3,232	10,392
Other income, net	35,829	245,640	4,562	7,673	60,592
Total Other Income (Loss)	(84,854)	357,830	153,370	151,678	306,791
Income before income tax provision	105,272	1,769,584	1,061,014	377,228	877,167
Income tax provision	(86,021)	(325,945)	(90,707)	(26,733)	(147,245)
Net Income	19,251	1,443,639	970,307	350,495	729,922
Net income attributable to Non-Controlling Interests	(29,627)	(814,535)	(567,457)	(215,998)	(561,693)
Net Income (Loss) Attributable to Apollo Global Management, LLC	(10,376)	629,104	402,850	134,497	168,229
Net income attributable to Series A Preferred Shareholders	(17,531)	(13,538)	—	—	—
Net income attributable to Series B Preferred Shareholders	(14,131)	—	—	—	—
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$ (42,038)	$ 615,566	$ 402,850	$ 134,497	$ 168,229
Distributions Declared per Class A Share	$ 1.93	$ 1.85	$ 1.25	$ 1.96	$ 3.11
Net Income (Loss) Available to Class A Share – Basic	$ (0.30)	$ 3.12	$ 2.11	$ 0.61	$ 0.62
Net Income (Loss) Available to Class A Share – Diluted	$ (0.30)	$ 3.10	$ 2.11	$ 0.61	$ 0.62

	For the Years Ended December 31,				
	2018	2017 (1)	2016 (1)	2015 (1)	2014 (1)
	(in thousands)				
Statement of Financial Condition Data					
Total assets	$ 5,991,654	$ 6,991,070	$ 5,629,553	$ 4,559,808	$ 23,172,788
Debt (excluding obligations of consolidated variable interest entities)	1,360,448	1,362,402	1,352,447	1,025,255	1,027,965
Debt obligations of consolidated variable interest entities	855,461	1,002,063	786,545	801,270	14,123,100
Total shareholders' equity	2,451,840	2,897,796	1,867,528	1,388,981	5,943,461
Total Non-Controlling Interests	1,075,644	1,434,870	1,032,412	739,476	4,156,979

(1) Apollo adopted new revenue recognition accounting guidance during the year ended December 31, 2018 on a modified retrospective basis. The adoption did not impact periods prior to 2018. However, in conjunction with the adoption of the new revenue recognition accounting guidance, the Company implemented a change in accounting principle for performance allocations on a full retrospective basis which did impact presentation of various line items within the statements of operations and financial condition in all periods presented. See note 2 to the consolidated financial statements for details regarding the Company's adoption of the new revenue recognition accounting guidance and change in accounting principle.

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, 2018 and 2017 and for the years ended December 31, 2018, 2017 and 2016. 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 credit, private equity and real assets with significant distressed expertise and a flexible mandate in the majority of our funds which enables our funds to invest opportunistically across a company's capital structure. We raise, invest and manage funds on behalf of some of the world's most prominent pension, endowment and sovereign wealth funds as well as other institutional and individual investors. Apollo is led by our Managing Partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 32 years and lead a team of 1,143 employees, including 410 investment professionals, as of December 31, 2018 .

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) ***Credit*** —primarily invests in non-control corporate and structured debt instruments including performing, stressed and distressed instruments across the capital structure;

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

(iii) ***Real assets*** —primarily invests in real estate equity and infrastructure equity for the acquisition and recapitalization of real estate and infrastructure assets, portfolios, platforms and operating companies, and real estate and infrastructure 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 performance fees, which generally constitute 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, 2018 , we had total AUM of $280.3 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 49% of such AUM was in permanent capital vehicles. For our credit segment, total gross and net returns, excluding Athene and Athora assets that are managed or advised by Apollo but not directly invested in Apollo funds and investment vehicles or sub-advised by Apollo, were 2.2% and 1.2% , respectively, for the year ended December 31, 2018 .

As of December 31, 2017, Fund IX held its final closing, raising a total of $23.5 billion in third-party capital and approximately $1.2 billion of additional capital from Apollo and affiliated investors for total commitments of $24.7 billion . 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, 2018 , Fund VIII had $3.4 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, 2018 , Fund VII had $2.0 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, 2018 . Apollo's private equity fund depreciation was (9.8)% for the year ended December 31, 2018 .

For our real assets segment, total combined gross and net returns for U.S. RE Fund I and U.S. RE Fund II including co-investment capital were 10.2% and 8.8% , respectively, for the year ended December 31, 2018 .

For further detail related to fund performance metrics across all of our businesses, see "—The Historical Investment Performance of Our Funds."

Subsequent to December 31, 2018, the Company determined to change the business segment in which it reports certain funds and accounts to align its segment reporting with the manner in which such funds and accounts were managed subsequent to December 31, 2018. Effective January 1, 2019, the European Principal Fund series which the Company has historically reported in the credit segment, moved to the Company's real assets segment. In addition, one of the fund's in the Company's Credit Opportunity Fund series as well as several other funds and accounts that generally invest in illiquid opportunistic investments, which the Company historically reported within its credit segment, moved to the Company's private equity segment.

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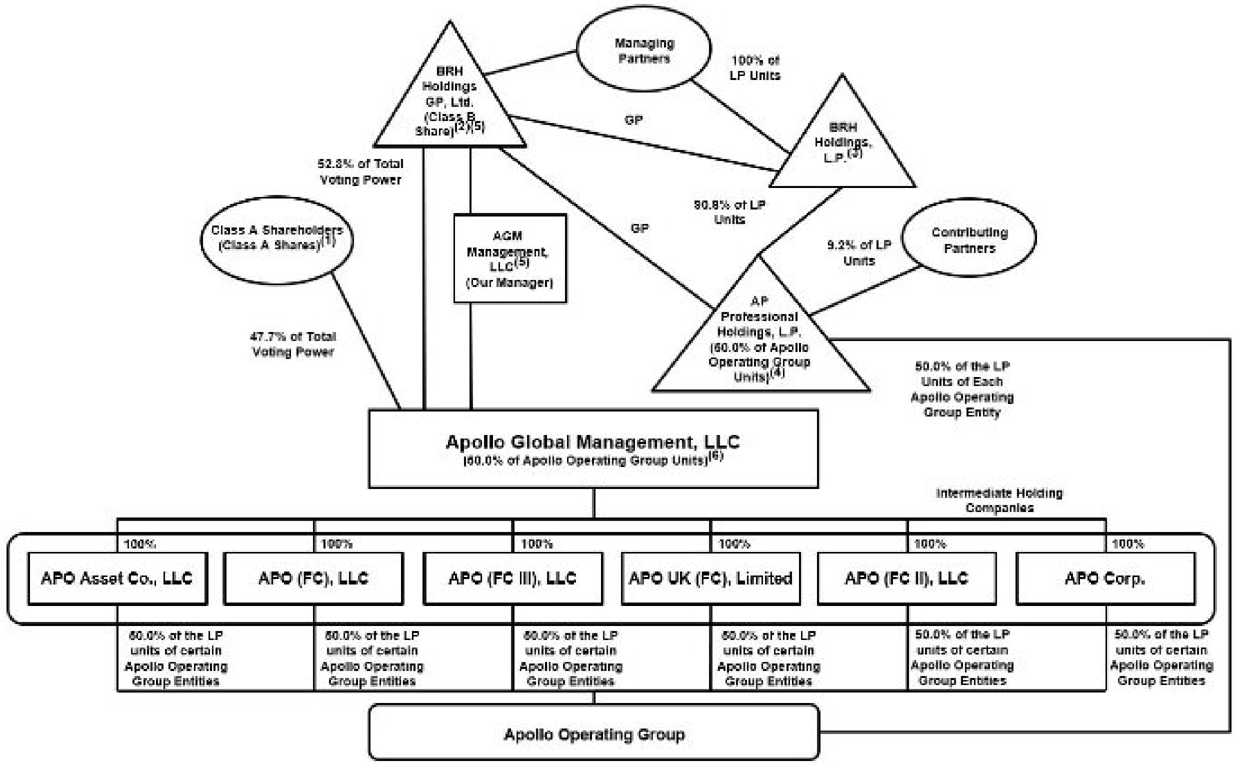
Holding Company Structure

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 26, 2019 .

(1) Based on a Form 13F for the quarter ended December 31, 2018 filed with the SEC on February 8, 2019 by the Strategic Investor, the Strategic Investor holds 8.8% of the Class A shares outstanding and 4.4% of the economic interests in the Apollo Operating Group. The Class A shares held by investors other than the Strategic Investor represent 47.7% of the total voting power of our shares entitled to vote and 45.6% of the economic interests in the Apollo Operating Group. Class A shares held by the Strategic Investor do not have voting rights. However, such Class A shares will become entitled to vote upon transfers by the Strategic Investor in accordance with the agreements entered into in connection with the investments made by the Strategic Investor.

(2) Our Managing Partners own BRH Holdings GP, Ltd., which in turn holds our only outstanding Class B share. The Class B share represents 52.3% 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 45.4% 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 50.0% 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 45.4% of the AOG Units. Our Contributing Partners, through their ownership interests in Holdings, beneficially own 4.6% 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 50.0% 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 entities 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, partnerships or other entities 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 the U.S., the S&P 500 Index decreased by 6.2% during 2018, following an increase of 19.4% in 2017. Outside the U.S., global equity markets depreciated during 2018, with the MSCI All Country World ex USA Index decreasing 14.4% following an increase of 25.9% in 2017.

Conditions in the credit markets also have a significant impact on our business, and in 2018, indices posted mixed returns. The BofAML HY Master II Index fell 2.3% in 2018, following an increase of 7.5% in 2017. The S&P/LSTA Leveraged Loan Index increased 0.4% in 2018, following an increase of 4.1% in 2017. Benchmark interest rates finished the year higher from where they were at the end of 2017, as the Federal Reserve raised the target rate four times during the year and nine times since December 2015. The U.S. 10-year Treasury yield rose slightly to finish the year at 2.7%.

Foreign exchange rates can materially impact the valuations of our investments and those of our funds that are denominated in currencies other than the U.S. dollar. Relative to the U.S. dollar, the Euro depreciated 4.5% during the year after appreciating 14.1% in 2017, and the British pound depreciated 5.6% in 2018, after appreciating 9.5% in 2017. Commodities generally depreciated in 2018, with gold, copper, natural gas and sugar decreasing, while wheat appreciated. The price of crude oil decreased by 24.8% during the year ended December 31, 2018.

In terms of economic conditions in the U.S., the Bureau of Economic Analysis reported real GDP increased at an annual rate of 2.6% in 2018, higher than the 2.3% growth experienced in 2017. As of January 2019, the International Monetary Fund estimated that the U.S. economy will expand by 2.5% in 2019 and 1.8% in 2020. Additionally, the U.S. unemployment rate stood at 3.9% as of December 31, 2018.

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 $16.1 billion of capital through the funds it manages during the year ended December 31, 2018 . We believe Apollo's expertise in credit and its focus on nine core industry sectors, combined with more than 28 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/telecom/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 raise larger successor funds, launch new products, and pursue attractive strategic growth opportunities, such as continuing to grow the assets of our permanent capital vehicles. As such, Apollo had $60.0 billion of capital inflows during the year ended December 31, 2018 . While Apollo continues to attract capital inflows, it also continues to generate realizations for fund investors. Apollo returned $11.1 billion of capital and realized gains to the investors in the funds it manages during the year ended December 31, 2018 .

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 (Loss)

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 includes equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, EI 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 variable interest entities ("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. EI also excludes impacts of the remeasurement of the tax receivable agreement which arises from changes in the associated deferred tax balance, including the impacts related to the Tax Cuts and Jobs Act (the "TCJA").

Economic Net Income ("ENI") 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. ENI excludes the impacts of the remeasurement of deferred tax assets and liabilities which arises from changes in estimated future tax rates, including impacts related to the TCJA. 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. ENI is net of preferred distributions, if any, to Series A and Series B Preferred shareholders.

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.

Management believes that excluding the remeasurement of the tax receivable agreement and deferred taxes from EI and ENI, respectively, is meaningful as it increases comparability between periods. Remeasurement of the tax receivable agreement and deferred taxes are estimates, and may change due to changes in interpretations and assumptions based on additional guidance that may be issued pertaining to the TCJA.

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 performance 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) performance fees earned from business development companies and Redding Ridge Holdings and (iv) other income, net, less (x) salary, bonus and benefits, excluding equity-based compensation, (y) other associated operating expenses and (z) non-controlling interests in the management companies of certain funds the Company manages.

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, (ii) other income (loss), (iii) realized performance fees, excluding realizations received in the form of shares 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. DE After Taxes and Related Payables is net of preferred distributions, if any, to Series A and Series B Preferred shareholders. 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 performance fees" represents fee-related EBITDA plus realized performance fees 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 table below presents Fee-Generating and Non-Fee-Generating AUM by segment:

	As of December 31, 2018				As of December 31, 2017			
	Credit	Private Equity	Real Assets	Total	Credit	Private Equity	Real Assets	Total
	(in millions)				(in millions)			
Fee-Generating AUM	$ 158,031	$ 43,951	$ 12,385	$ 214,367	$ 130,150	$ 29,792	$ 9,023	$ 168,965
Non-Fee-Generating AUM	35,205	25,137	5,550	65,892	33,963	42,640	3,360	79,963
Total AUM	$ 193,236	$ 69,088	$ 17,935	$ 280,259	$ 164,113	$ 72,432	$ 12,383	$ 248,928

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, 2018	As of December 31, 2017
	(in millions)	
Credit	$ 10,603	$ 10,057
Private Equity	8,677	25,912
Real Assets	2,097	464
Total AUM with Future Management Fee Potential	$ 21,377	$ 36,433

The following tables present the components of Performance Fee-Eligible AUM for each of Apollo's three segments:

	As of December 31, 2018				As of December 31, 2017			
	Credit	Private Equity	Real Assets	Total	Credit	Private Equity	Real Assets	Total
	(in millions)				(in millions)			
Performance Fee-Generating AUM (1)	$ 25,053	$ 22,848	$ 666	$ 48,567	$ 25,814	$ 26,775	$ 694	$ 53,283
AUM Not Currently Generating Performance Fees	21,414	1,620	1,335	24,369	17,901	494	437	18,832
Uninvested Performance Fee-Eligible AUM	12,627	34,478	1,786	48,891	11,607	33,412	923	45,942
Total Performance Fee-Eligible AUM	$ 59,094	$ 58,946	$ 3,787	$ 121,827	$ 55,322	$ 60,681	$ 2,054	$ 118,057

(1) As of December 31, 2018 , $0.2 billion of the Performance Fee-Generating AUM is currently above its hurdle rate or preferred return, but in accordance with the adoption of the revenue recognition standard effective January 1, 2018, recognition of performance fees associated with such Performance Fee-Generating AUM has been deferred to future periods when the fees are probable to not be significantly reversed.

The following table presents AUM Not Currently Generating Performance Fees for funds that have commenced investing capital for more than 24 months as of December 31, 2018 and the corresponding appreciation required to reach the preferred return or high watermark in order to generate performance fees:

Category / Fund	Invested AUM Not Currently Generating Performance Fees	Investment Period Active > 24 Months	Appreciation Required to Achieve Performance Fees (1)
	(in millions)		
Credit:			
Drawdown	$ 5,109	$ 2,875	55%
Liquid/Performing	16,002	3,002	< 250bps
		10,545	250-500bps
		1,613	> 500bps
Athora Non-Sub-Advised	303	—	< 250bps
Total Credit	21,414	18,035	12%
Private Equity:			
ANRP I	389	389	58%
Other PE	1,231	224	66%
Total Private Equity	1,620	613	61%
Real Assets:			
Total Real Assets	1,335	404	> 250bps
Total	$ 24,369	$ 19,052	

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

The components of Fee-Generating AUM by segment are presented below:

	As of December 31, 2018			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 8,037	$ 26,849	$ 784	$ 35,670
Fee-Generating AUM based on invested capital	4,128	16,326	5,825	26,279
Fee-Generating AUM based on gross/adjusted assets	125,335	776	5,625	131,736
Fee-Generating AUM based on NAV	20,531	—	151	20,682
Total Fee-Generating AUM	$ 158,031	$ 43,951 (1)	$ 12,385	$ 214,367

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2018 was 79 months.

	As of December 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$ 8,771	$ 21,803	$ 784	$ 31,358
Fee-Generating AUM based on invested capital	6,186	7,197	4,535	17,918
Fee-Generating AUM based on gross/adjusted assets	97,514	792	3,658	101,964
Fee-Generating AUM based on NAV	17,679	—	46	17,725
Total Fee-Generating AUM	$ 130,150	$ 29,792 (1)	$ 9,023	$ 168,965

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2017 was 57 months.

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,	
	2018	2017	2018	2017
	(in millions)			
Liquid/Performing	$ 54,825	$ 43,306	$ 40,323	$ 36,863
Drawdown	25,988	28,468	14,124	16,778
MidCap, AINV, AFT, AIF	14,831	13,428	13,524	12,623
Athene Non-Sub-Advised (1)	85,575	59,670	85,575	59,670
Athora Non-Sub-Advised (1)	4,952	6,719	4,485	4,216
Advisory	7,065	12,522	—	—
Total	$ 193,236	$ 164,113	$ 158,031	$ 130,150

(1) The Company refers to the portion of the AUM related to Athora that is not sub-advised by Apollo or invested in funds and or investment vehicles managed by Apollo as "Athora Non-Sub-Advised" AUM. Athene Non-Sub-Advised AUM and Athora Non-Sub-Advised AUM reflects total combined Athene and Athora AUM of $116.8 billion less $26.2 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo included within other asset categories.

Investment Management and Sub-Advisory Agreements - AAM

Apollo, through its consolidated subsidiary, AAM, provides asset management services to Athene with respect to assets in the Athene Accounts, 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. The Company, through AAM, also provides sub-advisory services with respect to a portion of the assets in the Athene Accounts. From time to time, Athene also invests in funds and investment vehicles that Apollo manages. The Company refers to such assets which are invested directly as "Athene Assets Directly Invested." The Company broadly refers to "Athene Sub-Advised" assets as those assets in the Athene Accounts which the Company explicitly sub-advises as well as Athene Assets Directly Invested. See note 14 to the consolidated financial statements for more details regarding the fee rates of the investment management, sub-advisory and other fee arrangements with respect to the assets in the Athene Accounts.

Investment Advisory and Sub-Advisory Agreements - AAME

Apollo, through AAME, provides investment advisory services with respect to certain assets in certain portfolio companies of Apollo funds and the Athora Accounts and sub-advises certain assets in certain portfolio companies of Apollo funds and the Athora Accounts. From time to time, Athora also invests in funds and investment vehicles Apollo manages. The Company broadly refers to “Athora Sub-Advised” assets as those assets in the Athora Accounts which the Company explicitly sub-advises as well as those assets in the Athora Accounts which are invested directly in funds and investment vehicles Apollo manages. See note 14 to the consolidated financial statements for more details regarding the fee rates of the investment advisory, sub-advisory and other fee arrangements with respect to the assets in the Athora Accounts.

The following table presents the aggregate Athene Sub-Advised AUM and Athora Sub-Advised AUM by segment:

	Total AUM	
	As of December 31,	
	2018	2017
	(in millions)	
Credit		
Liquid/Performing	$ 15,150	$ 10,986
Drawdown	1,264	1,327
Total Credit	16,414	12,313
Private Equity	1,617	1,121
Real Assets		
Debt	7,046	4,509
Equity	1,170	488
Total Real Assets	8,216	4,997
Total	$ 26,247	$ 18,431

Athene and Athora Non-Sub-Advised AUM

The Company refers to the portion of the AUM in the Athene North American Accounts that is not Athene Sub-Advised AUM as “Athene Non-Sub-Advised” AUM. The Company refers to the portion of the Athora AUM that is not Athora Sub-Advised AUM as “Athora Non-Sub-Advised” AUM.

The following table presents the AUM for Athene and Athora:

	As of December 31, 2018			As of December 31, 2017		
	Sub-Advised AUM (1)	Non-Sub-Advised AUM	Total AUM	Sub-Advised AUM (1)	Non-Sub-Advised AUM	Total AUM
	(in millions)					
Athene	$ 23,215	$ 85,575	$ 108,790	$ 17,241	$ 59,670	$ 76,911
Athora	3,032	4,952	7,984	1,190	6,719	7,909
Total	$ 26,247	$ 90,527	$ 116,774	$ 18,431	$ 66,389	$ 84,820

(1) Of the total Athene Sub-Advised AUM and Athora Sub-Advised AUM, $4.3 billion and $3.0 billion , respectively, were Athene Assets Directly Invested as of December 31, 2018 and 2017 , respectively.

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,	
	2018	2017	2018	2017
	(in millions)			
Traditional Private Equity Funds	$ 50,758	$ 57,250	$ 38,345	$ 23,580
Natural Resources	5,034	4,709	3,981	4,058
Other (1)	13,296	10,473	1,625	2,154
Total	$ 69,088	$ 72,432	$ 43,951	$ 29,792

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(1) Includes co-investments and other private equity vehicles.

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

	Total AUM		Fee-Generating AUM	
	As of December 31,		As of December 31,	
	2018	2017	2018	2017
	(in millions)			
Debt	$ 13,186	$ 9,965	$ 9,398	$ 7,451
Equity	4,749	2,418	2,987	1,572
Total	$ 17,935	$ 12,383	$ 12,385	$ 9,023

The following tables summarize changes in total AUM for each of Apollo's three segments:

	For the Years Ended December 31,							
	2018				2017			
	Credit	Private Equity	Real Assets	Total	Credit	Private Equity	Real Assets	Total
	(in millions)							
Change in Total AUM [1]:								
Beginning of Period	$ 164,113	$ 72,432	$ 12,383	$ 248,928	$ 136,607	$ 43,628	$ 11,453	$ 191,688
Inflows	46,806	6,642	6,514	59,962	28,242	25,179	3,099	56,520
Outflows [2]	(11,758)	(209)	—	(11,967)	(3,730)	(83)	(489)	(4,302)
Net Flows	35,048	6,433	6,514	47,995	24,512	25,096	2,610	52,218
Realizations	(5,312)	(4,466)	(1,275)	(11,053)	(4,048)	(4,568)	(2,075)	(10,691)
Market Activity [3]	(613)	(5,311)	313	(5,611)	7,042	8,276	395	15,713
End of Period	$ 193,236	$ 69,088	$ 17,935	$ 280,259	$ 164,113	$ 72,432	$ 12,383	$ 248,928

(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 $2.0 billion and $1.1 billion during the years ended December 31, 2018 and 2017 , respectively.

(3) Includes foreign exchange impacts of $(1.5) billion , $(73.8) million and $(22.5) million for credit, private equity and real assets, respectively, during the year ended December 31, 2018 , and foreign exchange impacts of $3.3 billion , $249.1 million and $146.1 million for credit, private equity and real assets, respectively, during the year ended December 31, 2017 .

Total AUM was $280.3 billion at December 31, 2018 , an increase of $31.3 billion , or 12.6% , compared to $248.9 billion at December 31, 2017 . The net increase was primarily due to:

Net flows of $48.0 billion primarily related to:

- a $35.0 billion increase related to funds we manage in the credit segment primarily consisting of an increase in AUM relating to Athene of $33.2 billion as a result of its completion of the reinsurance transactions relating to Lincoln Financial Group and the fixed annuity business of Voya Financial and subscriptions of $8.5 billion, offset by net segment transfers of $5.5 billion and a decrease in AUM relating to Advisory assets of $3.9 billion driven by portfolio company activity;
- a $6.5 billion increase related to funds we manage in the real assets segment primarily consisting of net segment transfers of $3.6 billion, subscriptions of $1.6 billion and an increase in net leverage of $1.0 billion; and
- a $6.4 billion increase related to funds we manage in the private equity segment consisting of subscriptions of $5.3 billion primarily related to Hybrid Value Fund and co-investments for Fund VIII transactions of $2.8 billion and $0.8 billion, respectively, and net segment transfers of $0.9 billion.

Offsetting these increases were:

Realizations of $11.1 billion primarily related to:

- $5.3 billion related to funds we manage in the credit segment primarily consisting of distributions of $1.4 billion, $1.3 billion, $1.2 billion and $1.0 billion from certain drawdown funds, Apollo Credit Opportunity Fund III, L.P. ("COF III"), certain liquid/performing funds and Apollo European Principal Finance Fund II, L.P. ("EPF II"), respectively;
- $4.5 billion related to funds we manage in the private equity segment primarily consisting of distributions of $1.7 billion, $1.3 billion, $0.6 billion and $0.5 billion from Fund VIII, Fund VI, Fund VII and certain natural resources funds, respectively; and
- $1.3 billion related to funds we manage in the real assets segment primarily consisting of distributions of $1.0 billion from our real estate debt funds.

Market activity of $5.6 billion primarily related to:

- a $5.3 billion decrease related to funds we manage in the private equity segment as a result of depreciation in Fund VIII and co-investment vehicles.

The following tables summarize changes in Fee-Generating AUM for each of Apollo's three segments:

	For the Years Ended December 31,							
	2018				2017			
	Credit	Private Equity	Real Assets	Total	Credit	Private Equity	Real Assets	Total
	(in millions)							
Change in Fee-Generating AUM (1) :								
Beginning of Period	$ 130,150	$ 29,792	$ 9,023	$ 168,965	$ 111,781	$ 30,722	$ 8,295	$ 150,798
Inflows	43,816	25,616	4,745	74,177	23,469	428	2,249	26,146
Outflows (2)	(12,974)	(10,552)	(792)	(24,318)	(6,503)	(590)	(417)	(7,510)
Net Flows	30,842	15,064	3,953	49,859	16,966	(162)	1,832	18,636
Realizations	(2,618)	(937)	(779)	(4,334)	(1,946)	(874)	(1,328)	(4,148)
Market Activity (3)	(343)	32	188	(123)	3,349	106	224	3,679
End of Period	$ 158,031	$ 43,951	$ 12,385	$ 214,367	$ 130,150	$ 29,792	$ 9,023	$ 168,965

(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 $2.0 billion and $840.0 million during the years ended December 31, 2018 and 2017 , respectively.

(3) Includes foreign exchange impacts of $(861.6) million , $(2.6) million and $(27.9) million for credit, private equity and real assets, respectively, during the year ended December 31, 2018 , and foreign exchange impacts of $1.5 billion and $78.5 million for credit and real assets, respectively, during the year ended December 31, 2017 .

Total Fee-Generating AUM was $214.4 billion at December 31, 2018 , an increase of $45.4 billion or 26.9% , compared to $169.0 billion at December 31, 2017 . The net increase was primarily due to:

Net flows of $49.9 billion primarily related to:

- a $30.8 billion increase related to funds we manage in the credit segment primarily consisting of an increase in AUM relating to Athene of $33.2 billion as a result of its completion of the reinsurance transactions relating to Lincoln Financial Group and the fixed annuity business of Voya Financial and subscriptions of $4.0 billion related to our liquid/performing funds, offset by fee-generating capital reduction of $5.2 billion;
- a $15.1 billion increase related to funds we manage in the private equity segment primarily consisting of an increase of $23.5 billion relating to the commencement of Fund IX's investment period, offset by a fee basis adjustment of $5.0 billion in Fund VIII related to the commencement of Fund IX's investment period and a decrease of $2.8 billion relating to the termination of the management fee with respect to Fund VI; and
- a $4.0 billion increase related to funds we manage in the real assets segment primarily consisting of net segment transfers of $2.5 billion, $0.6 billion of capital raised for real estate equity funds and $0.4 billion of capital raised for Infrastructure Equity Fund.

Offsetting these increases were:

Realizations of $4.3 billion primarily related to:

- $2.6 billion related to funds we manage in the credit segment primarily driven by distributions from EPF II, a strategic investment account and certain liquid/performing funds of $1.1 billion, $0.8 billion and $0.3 billion, respectively;
- $0.9 billion related to funds we manage in the private equity segment driven by distributions from Fund VIII and Fund VII of $0.4 billion and $0.4 billion, respectively; and
- $0.8 billion related to funds we manage in the real assets segment primarily consisting of distributions of $0.6 billion from our real estate debt funds.

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 performance fees 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:

	For the Years Ended December 31,		
	2018	2017	2016
	(in millions)		
Credit	$ 4,318	$ 6,279	$ 3,713
Private Equity	5,505	5,029	9,582
Real Assets [(1)]	6,255	3,505	2,638
Total capital deployed	$ 16,078	$ 14,813	$ 15,933

(1) Included in capital deployed is $4.8 billion , $3.2 billion and $2.5 billion for the years ended December 31, 2018, 2017 and 2016 , respectively, related to funds in Apollo's real estate debt strategy.

Uncalled Commitments

The following table summarizes the uncalled commitments by segment:

	As of December 31, 2018	As of December 31, 2017
	(in millions)	
Credit	$ 15,797	$ 15,225
Private Equity	37,950	36,810
Real Assets	1,884	1,074
Total uncalled commitments [(1)]	$ 55,631	$ 53,109

(1) As of December 31, 2018 and December 31, 2017 , $48.5 billion and $47.6 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 the funds, partnerships and accounts we manage. These amounts exclude uncalled commitments which can only be called for fund fees and expenses.

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, 2018 , while Fund V generated a 61% gross IRR and a 44% net IRR since its inception through December 31, 2018 . 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 and our Preferred shares.”

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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, 2018 , unless otherwise noted:

($ in millions)	Vintage Year (1)	Total AUM	Committed Capital	Total Invested Capital (1)	Realized Value (1)	Remaining Cost (1)	Unrealized Value (1)	Total Value (1)	Gross IRR (1)	Net IRR (1)
Private Equity:										
Fund IX	2018	$ 24,769	$ 24,729	NM (2)	NM (2)	NM (2)	NM (2)	NM (2)	NM (2)	NM (2)
Fund VIII	2013	19,518	18,377	$ 15,370	$ 5,227	$ 12,686	$ 15,864	$ 21,091	17%	11%
Fund VII	2008	4,573	14,677	16,233	30,797	2,975	2,330	33,127	34	25
Fund VI	2006	1,618	10,136	12,457	19,983	1,523	1,007	20,990	12	9
Fund V	2001	267	3,742	5,192	12,715	120	12	12,727	61	44
Fund I, II, III, IV & MIA (3)	Various	13	7,320	8,753	17,400	—	—	17,400	39	26
Traditional Private Equity Funds (4)		$ 50,758	$ 78,981	$ 58,005	$ 86,122	$ 17,304	$ 19,213	$ 105,335	39%	25%
ANRP II	2016	3,363	3,454	1,884	818	1,525	1,763	2,581	32	18
ANRP I	2012	672	1,323	1,118	936	650	417	1,353	6	2
AION	2013	740	826	634	272	448	565	837	19	9
Hybrid Value Fund	N/A	2,814	2,822	114	3	114	112	115	NM (2)	NM (2)
Total Private Equity (9)		$ 58,347	$ 87,406	$ 61,755	$ 88,151	$ 20,041	$ 22,070	$ 110,221		
Credit:										
Credit Opportunity Funds										
COF III	2014	$ 1,679	$ 3,426	$ 5,076	$ 4,159	$ 1,194	$ 1,012	$ 5,171	1%	—%
COF II	2008	42	1,583	2,176	3,142	32	32	3,174	14	11
COF I	2008	308	1,485	1,611	4,355	25	39	4,394	30	27
European Principal Finance Funds										
EPF III (5)	2017	4,466	4,543	1,455	13	1,443	1,478	1,491	NM (2)	NM (2)
EPF II (5)	2012	2,155	3,462	3,468	3,821	1,013	1,354	5,175	17	10
EPF I (5)	2007	251	1,485	1,952	3,268	—	13	3,281	23	17
Structured Credit Funds										
FCI III	2017	2,729	1,906	1,751	612	1,454	1,603	2,215	NM (2)	NM (2)
FCI II	2013	2,229	1,555	2,511	1,399	1,705	1,636	3,035	9	6
FCI I	2012	802	559	1,506	1,391	707	658	2,049	14	11
SCRF IV (12)	2017	2,339	2,502	1,750	447	1,730	1,613	2,060	NM (2)	NM (2)
SCRF III	2015	—	1,238	2,110	2,428	—	—	2,428	18	14
SCRF II	2012	—	104	467	528	—	—	528	15	12
SCRF I	2008	—	118	240	357	—	—	357	33	26
Other Drawdown Funds & SIAs (6)	Various	6,766	10,083	10,348	10,301	2,280	2,162	12,463	9	6
Total Credit (10)		$ 23,766	$ 34,049	$ 36,421	$ 36,221	$ 11,583	$ 11,600	$ 47,821		
Real Assets:										
U.S. RE Fund II (7)	2016	$ 1,328	$ 1,233	$ 710	$ 349	$ 498	$ 620	$ 969	19%	16%
U.S. RE Fund I (7)	2012	418	651	633	668	238	279	947	15	11
AGRE Debt Fund I (13)	2011	664	2,278	2,283	1,836	670	656	2,492	9	7
CPI Funds (8)	Various	364	4,947	2,561	2,640	259	48	2,688	14	11
Asia RE Fund (7)	2017	624	709	303	199	150	177	376	18	15
Infrastructure Equity Fund	2018	893	897	620	—	620	620	620	NM (2)	NM (2)
Total Real Assets (11)		$ 4,291	$ 10,715	$ 7,110	$ 5,692	$ 2,435	$ 2,400	$ 8,092		

(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) Data has not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and such 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 $1.15 as of December 31, 2018 .

(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 $1.15 as of December 31, 2018 . Additionally, certain SIAs totaling $1.7 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 $10.7 billion of Total Invested Capital through December 31, 2018 .

(7) U.S. RE Fund I, U.S. RE Fund II and Asia RE Fund had $155 million , $761 million and $366 million of co-investment commitments as of December 31, 2018 , respectively, which are included in the figures in the table. A co-invest entity 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 $1.28 as of December 31, 2018 .

(8) As part of the acquisition of 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, 2018 was (2)% . 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) Private equity co-investment vehicles, funds with AUM less than $500 million and certain vehicles through which Apollo and certain funds and accounts managed or advised by Apollo hold an investment in a single asset, have been excluded. These vehicles and funds had $10.7 billion of aggregate AUM as of December 31, 2018 .

(10) Certain credit funds and SIAs with AUM less than $500 million and $200 million, respectively, have been excluded. These funds and SIAs had $2.2 billion of aggregate AUM as of December 31, 2018 .

(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 $8.1 billion of aggregate AUM as of December 31, 2018 .

(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 has 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, 2018 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, 2018 :

	Total Invested Capital	Total Value	Gross IRR
	(in millions)		
Distressed for Control	$ 7,890	$ 19,072	29%
Non-Control Distressed	5,416	8,399	71
Total	13,306	27,471	49
Corporate Carve-outs, Opportunistic Buyouts and Other Credit [(1)]	44,699	77,864	21
Total	$ 58,005	$ 105,335	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 and Fund VI private equity portfolios based on investment strategy. Amounts for Fund I, II, III, IV and V 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, 2018 :

Fund VIII [(1)]

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 2,673	$ 5,037
Opportunistic Buyouts	12,177	15,231
Distressed	520	823
Total	$ 15,370	$ 21,091

Fund VII [(1)]

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 2,312	$ 4,079
Opportunistic Buyouts	4,338	10,353
Distressed/Other Credit [(2)]	9,583	18,695
Total	$ 16,233	$ 33,127

Fund VI

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$ 3,397	$ 5,828
Opportunistic Buyouts	6,374	10,188
Distressed/Other Credit [(2)]	2,686	4,974
Total	$ 12,457	$ 20,990

(1) Committed capital less unfunded capital commitments for Fund VIII and Fund VII was $15.0 billion and $14.1 billion , respectively, which represents capital commitments from limited partners to invest in such funds less capital that is available for investment or reinvestment subject to the provisions of the applicable limited partnership agreement or other governing agreements.

(2) 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, 2018), our private equity funds have invested $49.9 billion , of which $19.1 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 and VI was 5.7x , 6.1x and 7.7x , respectively, as of December 31, 2018 . 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:

	As of December 31, 2018				Gross Returns [(1)]	Net Returns [(1)]
	AUM	Fee-Generating AUM	Performance Fee-Eligible AUM	Performance Fee-Generating AUM [(2)]	For the Year Ended December 31, 2018	For the Year Ended December 31, 2018
Category	(in millions)					
Liquid/Performing [(3)]	$ 54,825	$ 40,323	$ 25,481	$ 7,979	1.2%	0.8%
Drawdown [(4)]	25,988	14,124	19,603	6,164	1.7	(0.1)
Permanent capital vehicles ex Athene Non-Sub-Advised [(5)]	14,831	13,524	12,151	10,910	13.3	8.8
Athene Non-Sub-Advised [(5)]	85,575	85,575	—	—	N/A	N/A
Athora Non-Sub-Advised [(5)]	4,952	4,485	1,859	—	N/A	N/A
Advisory	7,065	—	—	—	N/A	N/A
Total Credit	$ 193,236	$ 158,031	$ 59,094	$ 25,053	2.2%	(2.2)%

(1) The gross and net returns for the year ended December 31, 2018 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, 2018 , $0.2 billion of the Performance Fee-Generating AUM is currently above its hurdle rate or preferred return, but in accordance with the adoption of the revenue recognition standard effective January 1, 2018, recognition of performance fees associated with such Performance Fee-Generating AUM has been deferred to future periods when the fees are probable to not be significantly reversed.

(3) Liquid/Performing AUM includes $14.4 billion of CLOs, $8.9 billion of which Apollo earns fees based on gross assets and $5.5 billion of which Apollo earns fees based on net equity.
(4) Significant drawdown funds and SIAs had inception-to-date gross and net IRRs of 15.0% and 11.2% , respectively, as of December 31, 2018 . 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.
(5) Athene Non-Sub-Advised and Athora Non-Sub Advised reflects total combined AUM of $116.8 billion less $26.2 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo included within other asset categories.

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.

		Total AUM	Net Returns	
	Vintage Year	As of December 31, 2018	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Credit:		(in millions)		
Hedge Funds [1]	Various	$ 7,159	1%	5%
CLOs [2]	Various	14,371	1	4
SIAs / Other	Various	33,295	1%	7%
Total		$ 54,825		

(1) Hedge Funds primarily includes Apollo Credit Strategies Master Fund Ltd. and Apollo Credit Master Fund Ltd.
(2) CLO returns are calculated based on gross return on invested assets, which excludes cash. Included within Total AUM of CLOs is $5.5 billion of AUM related to Redding Ridge, from which Apollo earns investment-related service fees, but for which Apollo does not provide management or advisory services. CLO returns exclude performance related to this AUM.

Permanent Capital

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

		Total AUM	Total Returns [1]	
	IPO Year [2]	As of December 31, 2018	For the Year Ended December 31, 2018	For the Year Ended December 31, 2017
Credit:		(in millions)		
MidCap [3]	N/A	$ 8,771	19 %	12 %
AIF	2013	365	(5)	10
AFT	2011	404	(4)	—
AINV/Other [4]	2004	4,503	(18)	6
Real Assets:				
ARI [5]	2009	5,224	— %	22 %
Total		$ 19,267		

(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. The returns presented are a gross return based on NAV. The net returns based on NAV were 14% and 8% for the years ended December 31, 2018 and December 31, 2017 , respectively.
(4) Included within Total AUM of AINV/Other is $2.0 billion of AUM related to a non-traded business development company from which Apollo earns investment-related service fees, but for which Apollo does not provide management or advisory services. Net returns exclude performance related to this AUM.
(5) Amounts are as of September 30, 2018 . 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, Athora and SIAs

As of December 31, 2018 , Apollo managed or advised $116.8 billion of total AUM in accounts owned by or related to Athene and Athora, of which approximately $26.2 billion was either sub-advised by Apollo or invested in Apollo funds and investment vehicles managed by Apollo. Of the approximately $26.2 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, 2018 , Apollo managed approximately $24 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 credit, private equity and real assets funds.

Overview of Results of Operations

Revenues

Advisory and Transaction Fees, Net. As a result of providing advisory services with respect to actual and potential credit, private equity, and real assets 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, net, in the consolidated statements of operations (see note 2 to our consolidated financial statements for more detail on advisory and transaction fees, net).

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

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

Management Fees. 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.

Performance Fees. The general partners of our funds are entitled to an incentive return of normally up to 20% of the total returns of a fund's capital, depending upon performance of the underlying funds and subject to preferred returns and high water marks, as applicable. Performance fees, categorized as performance allocations, are accounted for as an equity method investment, and effectively, the performance fees for any period are 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. Performance fees categorized as incentive fees, which are not accounted as an equity method investment, are deferred until fees are probable to not be significantly reversed. Prior to the adoption of the new revenue recognition guidance, incentive fees were recognized on an assumed liquidation basis.The majority of performance fees are comprised of performance allocations.

As of December 31, 2018 , 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 credit, private equity and real assets segments, the percentage determined using market-based valuation methods as of December 31, 2018 was 71% , 20% and 35% , 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.

In our private equity funds, the Company does not earn performance fees 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 assets funds have various performance fee rates and hurdle rates. Certain of our credit and real assets funds allocate performance fees to the general partner in a similar manner as the private equity funds. In our private equity, certain credit and real assets 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 performance fees equate to its incentive fee rate for that fund; thereafter, the Company participates in returns from the fund at the performance fee rate. Performance fees, categorized as performance allocations, are subject to reversal to the extent that the performance fees distributed exceed the amount due to the general partner based on a fund's cumulative investment returns. The Company recognizes potential repayment of previously received performance fees 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) performance fees receivable on an unconsolidated basis and (ii) realized and unrealized performance fees for Apollo's combined segments:

	As of December 31,		For the Year Ended December 31, 2018			For the Year Ended December 31, 2017			For the Year Ended December 31, 2016		
	2018	2017									
	Performance Fees Receivable on an Unconsolidated Basis		Unrealized Performance Fees	Realized Performance Fees	Total Performance Fees	Unrealized Performance Fees	Realized Performance Fees	Total Performance Fees	Unrealized Performance Fees	Realized Performance Fees	Total Performance Fees
						(in thousands)					
Credit:											
Drawdown [1]	$ 253,525	$ 323,860	$ (57,536)	$ 80,435	$ 22,899	$ 35,493	$ 137,786	$ 173,279	$ 119,925	$ 65,047	$ 184,972
Liquid/Performing	16,505	52,803	436	25,400	25,836	(12,103)	41,521	29,418	(3,197)	92,041	88,844
Permanent capital vehicles	111,303	63,588	50,189	24,644	74,833	27,835	17,666	45,501	20,546	22,941	43,487
Total Credit	381,333	440,251	(6,911)	130,479	123,568	51,225	196,973	248,198	137,274	180,029	317,303
Total Credit, net of profit share	141,808	174,461	(6,388)	59,859	53,471	32,957	119,172	152,129	74,261	95,315	169,576
Private Equity:											
Fund VIII [2]	441,736	1,017,000	(575,264)	213,549	(361,715)	693,772	206,393	900,165	323,228	10,653	333,881
Fund VII [1][2]	214	70,499	(108,938)	7,350	(101,588)	(4,156)	19,817	15,661	5,922	9,844	15,766
Fund VI [1][2]	312	38,758	(51,851)	3,338	(48,513)	80,996	—	80,996	(94,798)	—	(94,798)
Fund IV and V [1]	—	—	(4,459)	—	(4,459)	(13,775)	—	(13,775)	(6,442)	266	(6,176)
ANRP I and II [1][2]	34,017	34,710	(3,325)	11,612	8,287	(52,167)	59,519	7,352	80,924	13,326	94,250
AAA/Other [3]	46,328	243,809	(197,853)	205,514	7,661	(62,544)	148,254	85,710	59,973	48,203	108,176
Total Private Equity	522,607	1,404,776	(941,690)	441,363	(500,327)	642,126	433,983	1,076,109	368,807	82,292	451,099
Total Private Equity, net of profit share	321,001	929,220	(621,751)	243,490	(378,261)	430,150	242,413	672,563	254,163	38,399	292,562
Real Assets Funds:											
U.S. RE Fund I & II	16,158	18,311	(1,137)	1,448	311	(2,968)	11,925	8,957	1,268	8,160	9,428
Other [3]	7,133	10,499	(3,031)	5,169	2,138	(1,818)	6,144	4,326	3,650	4,406	8,056
Total Real Assets	23,291	28,810	(4,168)	6,617	2,449	(4,786)	18,069	13,283	4,918	12,566	17,484
Total Real Assets, net of profit share	12,281	17,882	(3,195)	2,858	(337)	(859)	8,600	7,741	2,717	4,382	7,099
Total	$ 927,231	$ 1,873,837	$ (952,769)	$ 578,459	$ (374,310)	$ 688,565	$ 649,025	$ 1,337,590	$ 510,999	$ 274,887	$ 785,886
Total, net of profit share [4]	$ 475,090	$ 1,121,563	$ (631,334)	$ 306,207	$ (325,127)	$ 462,248	$ 370,185	$ 832,433	$ 331,141	$ 138,096	$ 469,237

(1) As of December 31, 2018 , certain credit funds and certain private equity funds had $44.1 million and $93.0 million , respectively, in general partner obligations to return previously distributed performance fees. 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 $355.2 million and $723.2 million , respectively, as of December 31, 2018 .

(2) As of December 31, 2018 , the remaining investments and escrow cash of Fund VIII were valued at 118% of the fund's unreturned capital, which was above the required escrow ratio of 115%. As of December 31, 2018 , the remaining investments and escrow cash of Fund VII, Fund VI, ANRP and ANRP II were valued at 77% , 73% , 63% and 107% 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 performance fee 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, 2018 , Fund VII had $128.5 million of gross performance fees, or $73.1 million net of profit sharing, in escrow. As of December 31, 2018 , Fund VI had $167.6 million of gross performance fees, or $112.4 million net of profit sharing, in escrow. As of December 31, 2018 , ANRP had $38.7 million of gross performance fees, or $24.3 million net of profit sharing, in escrow. As of December 31, 2018 , ANRP II had $ 18.4 million of gross performance fees, or $ 12.5 million net of profit sharing, in escrow. With respect to Fund VII, Fund VI, ANRP II and ANRP I, realized performance fees currently distributed to the general partner are limited to potential tax distributions and interest on escrow balances per the funds' partnership agreements. Performance fees receivable as of December 31, 2018 includes interest earned on escrow balances that is not subject to contingent repayment.

(3) The year ended December 31, 2018 includes realized performance fees of $169.9 million ($123.3 million net of profit sharing expense) from AAA, settled in the form of shares of Athene Holding. Other includes certain SIAs.

(4) There was a corresponding profit sharing payable of $452.1 million as of December 31, 2018 , including profit sharing payable related to amounts in escrow and contingent consideration obligations of $74.5 million .

The general partners of certain of our credit funds accrue performance fees, categorized as performance allocations, 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.

Performance fees from our private equity funds and certain credit and real assets funds are subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative performance fees 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.

The following table summarizes our performance fees since inception for our combined segments through December 31, 2018 :

	Performance Fees 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, 2018 (3)	Maximum Performance Fees Subject to Potential Reversal (4)
	(in millions)				
Credit (5) :					
Drawdown	$ 249.8	$ 1,160.7	$ 1,410.5	$ 42.7	$ 425.6
Liquid/Performing	16.5	546.3	562.8	1.4	20.5
Permanent capital vehicles	102.1	—	102.1	—	102.1
Total Credit	368.4	1,707.0	2,075.4	44.1	548.2
Private Equity:					
Fund VIII	441.7	430.6	872.3	—	692.1
Fund VII	0.2	3,128.8	3,129.0	38.7	454.4
Fund VI	0.3	1,662.0	1,662.3	13.1	482.1
Fund IV and V	—	2,053.1	2,053.1	29.2	2.4
ANRP I and II	34.0	90.6	124.6	12.0	53.9
AAA/Other (5)	46.3	564.7	611.0		89.2
Total Private Equity	522.5	7,929.8	8,452.3	93.0	1,774.1
Real Assets:					
U.S. RE Fund I and II	16.2	26.2	42.4	—	36.1
Other (6)	7.1	25.9	33.0	—	25.6
Total Real Assets	23.3	52.1	75.4	—	61.7
Total	$ 914.2	$ 9,688.9	$ 10,603.1	$ 137.1	$ 2,384.0

(1) Certain funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.15 as of December 31, 2018 . Certain funds are denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.28 as of December 31, 2018 .

(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, 2018 . Performance fees have been allocated to and recognized by the general partner. Based on the amount 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 performance fees at December 31, 2018 . 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 performance fees that would be reversed if remaining fund investments became worthless on December 31, 2018 . Amounts subject to potential reversal of performance fees include amounts undistributed by a fund (i.e., the performance fees 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 performance fees, except for those funds that are gross of taxes as defined in the respective funds’ governing documents.

(5) Amounts exclude certain performance fees from business development companies and Redding Ridge Holdings.

(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 performance fees earned from credit, private equity, and real assets 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 rise. Our compensation costs also 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 performance fees earned in relation to our private equity, certain credit and real assets 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 credit, private equity and real assets performance fees. Profit sharing expense can reverse during periods when there is a decline in performance fees that were 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 performance fees have the same effect on our profit sharing expense. Profit sharing expense increases when unrealized performance fees increases. 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 performance fees 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 realized gains with respect to Fund IV, Fund V and Fund VI, 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 information regarding the Company’s indemnification liability.

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 addition, AHL Awards (as defined in note 12 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. 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. In some instances, vesting of an RSU is also subject to the Company’s receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense. See note 12 to our consolidated financial statements for further discussion of 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 2018 AMH Credit Facility, the 2024 Senior Notes, the 2026 Senior Notes and the 2048 Senior Notes as discussed in note 10 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. 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, remeasurement of the tax receivable agreement liability related to the TCJA 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, the U.S. entities, in some cases, are subject to New York City unincorporated business tax ("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 federal, state, local and foreign corporate income tax. The Company's provision for income taxes is accounted for in accordance with U.S. GAAP.

Significant judgment is required in determining the provision for income taxes and in evaluating income tax positions, including evaluating uncertainties. We recognize the income 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 positions. 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 income tax positions are reviewed and evaluated quarterly to determine whether or not we have uncertain tax positions that require financial statement recognition or de-recognition.

Deferred tax assets and liabilities are recognized for the expected future tax consequences, using currently enacted tax rates, of differences between the carrying amount of assets and liabilities and their respective tax basis. 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 50.1% and 51.5% 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, 2018 and 2017 , 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, 2018, 2017 and 2016 . For additional analysis of the factors that affected our results at the segment level, see "—Segment Analysis" below:

	For the Years Ended December 31, 2018	For the Years Ended December 31, 2017	Amount Change	Percentage Change	For the Years Ended December 31, 2017	For the Years Ended December 31, 2016	Amount Change	Percentage Change
	(in thousands)				(in thousands)			
Revenues:								
Management fees	$ 1,345,252	$ 1,154,925	$ 190,327	16.5 %	$ 1,154,925	$ 1,043,513	$ 111,412	10.7 %
Advisory and transaction fees, net	112,278	117,624	(5,346)	(4.5)	117,624	146,665	(29,041)	(19.8)
Investment income (loss):								
Performance allocations	(400,305)	1,306,193	(1,706,498)	NM	1,306,193	712,865	593,328	83.2
Principal investment income	5,122	161,630	(156,508)	(96.8)	161,630	103,178	58,452	56.7
Total investment income (loss)	(395,183)	1,467,823	(1,863,006)	NM	1,467,823	816,043	651,780	79.9
Incentive fees	30,718	31,431	(713)	(2.3)	31,431	67,341	(35,910)	(53.3)
Total Revenues	1,093,065	2,771,803	(1,678,738)	(60.6)	2,771,803	2,073,562	698,241	33.7
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	459,604	428,882	30,722	7.2	428,882	389,130	39,752	10.2
Equity-based compensation	173,228	91,450	81,778	89.4	91,450	102,983	(11,533)	(11.2)
Profit sharing expense	(57,833)	515,073	(572,906)	NM	515,073	357,074	157,999	44.2
Total compensation and benefits	574,999	1,035,405	(460,406)	(44.5)	1,035,405	849,187	186,218	21.9
Interest expense	59,374	52,873	6,501	12.3	52,873	43,482	9,391	21.6
General, administrative and other	266,444	257,858	8,586	3.3	257,858	247,000	10,858	4.4
Placement fees	2,122	13,913	(11,791)	(84.7)	13,913	26,249	(12,336)	(47.0)
Total Expenses	902,939	1,360,049	(457,110)	(33.6)	1,360,049	1,165,918	194,131	16.7
Other Income (Loss):								
Net gains (losses) from investment activities	(186,449)	95,104	(281,553)	NM	95,104	139,721	(44,617)	(31.9)
Net gains from investment activities of consolidated variable interest entities	45,112	10,665	34,447	323.0	10,665	5,015	5,650	112.7
Interest income	20,654	6,421	14,233	221.7	6,421	4,072	2,349	57.7
Other income, net	35,829	245,640	(209,811)	(85.4)	245,640	4,562	241,078	NM
Total Other Income (Loss)	(84,854)	357,830	(442,684)	NM	357,830	153,370	204,460	133.3
Income before income tax provision	105,272	1,769,584	(1,664,312)	(94.1)	1,769,584	1,061,014	708,570	66.8
Income tax provision	(86,021)	(325,945)	239,924	(73.6)	(325,945)	(90,707)	(235,238)	259.3
Net Income	19,251	1,443,639	(1,424,388)	(98.7)	1,443,639	970,307	473,332	48.8
Net income attributable to Non-Controlling Interests	(29,627)	(814,535)	784,908	(96.4)	(814,535)	(567,457)	(247,078)	43.5
Net Income (Loss) Attributable to Apollo Global Management, LLC	(10,376)	629,104	(639,480)	NM	629,104	402,850	226,254	56.2
Net income attributable to Series A Preferred Shareholders	(17,531)	(13,538)	(3,993)	29.5	(13,538)	—	(13,538)	NM
Net income attributable to Series B Preferred Shareholders	(14,131)	—	(14,131)	NM	—	—	—	NM
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$ (42,038)	$ 615,566	$ (657,604)	NM	$ 615,566	$ 402,850	$ 212,716	52.8 %

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, 2018 Compared to Year Ended December 31, 2017

Management fees increase d by $190.3 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017 . This change was primarily attributable to the commencement of Fund IX's investment period in April 2018, resulting in $240.3 million in management fees during the year ended December 31, 2018 and an increase in management fees earned from Athene of $62.1 million primarily due to its completion of the reinsurance transaction relating to the fixed annuity business of VA Capital Company, L.P. (“VA Capital”) during 2018. This increase in management fees was partially offset by decreased management fees earned from Fund VIII and Fund VI of $79.5 million and $23.0 million, respectively, during the year ended December 31, 2018 as compared to the year ended December 31, 2017 . The decrease in management fees earned from Fund VIII was the result of a change in the basis upon which management fees are earned from capital commitments to invested capital. The decrease in management fees earned from Fund VI resulted from the termination of the fund’s management fee.

Advisory and transaction fees, net, decrease d by $5.3 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017 . This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to FCI III of $20.3 million, partially offset by an increase in net advisory and transaction fees earned with respect to a managed account of $16.7 million during the year ended December 31, 2018 as compared to the same period during 2017 .

Performance allocations were $(400.3) million for the year ended December 31, 2018 as compared to performance allocations of $1.3 billion for the year ended December 31, 2017 . This change was primarily attributable to decrease d performance allocations earned from our private equity funds and our credit funds of $1.6 billion and $124.6 million , respectively, during the year ended December 31, 2018 as compared to the same period in 2017 . For additional details regarding changes in performance allocations in each segment, see “—Segment Analysis” below.

Principal investment income decrease d by $156.5 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017 . This change was primarily driven by a decrease 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 and AAA of $153.5 million and $10.0 million, respectively, which was partially offset by an increase in income from Apollo’s equity ownership interest in VA Capital of $16.8 million during the year ended December 31, 2018 , as compared to the same period in 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Management fees increased by $111.4 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016. This change was primarily attributable to increased management fees earned from EPF III, Athene and FCI III of $59.3 million, $33.9 million and $11.9 million, respectively, during the year ended December 31, 2017 as compared to the same period during 2016. Management fees earned from EPF III and FCI III increased as a result of capital raises that occurred after December 31, 2016, as well as a one-time catch-up of management fees during the year ended December 31, 2017 of $15.1 million and $7.0 million from EPF III and FCI III, respectively.

Advisory and transaction fees, net, decreased by $29.0 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII’s portfolio companies of $46.2 million, partially offset by an increase in net advisory and transaction fees earned with respect to FCI III of $20.3 million during the year ended December 31, 2017 as compared to the same period during 2016.

Performance allocations increased by $593.3 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016. This change was primarily attributable to increased performance fees earned from our private equity funds of $625.0 million , offset by decreased performance fees earned from our credit funds of $69.1 million during the year ended December 31, 2017 as compared to the same period in 2016. For additional details regarding changes in performance fees in each segment, see “—Segment Analysis” below.

Principal investment income increased by $58.5 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. 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 of $64.5 million, which was partially offset by a decrease in Apollo Energy Opportunity Fund, L.P. (“AEOF”) of $6.8 million during the year ended December 31, 2017, as compared to the same period in 2016.

Incentive fees decreased by $35.9 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016. This change was primarily attributable to a decrease in incentive fees recognized from CLOs of $24.4 million during the year ended December 31, 2017 as compared to the same period in 2016.

Expenses

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Compensation and benefits decrease d by $460.4 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to a decrease in profit sharing expense of $572.9 million due to decrease d performance allocations during the year ended December 31, 2018 , as compared to the same period in 2017 . In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance allocations in the period. This decrease was partially offset by an increase in equity-based compensation of $81.8 million , primarily attributable to increased amortization expense relating to grants of RSUs to certain employees under the 2007 Equity Plan during 2018. In addition, salary, bonus and benefits increased $30.7 million during the year ended December 31, 2018 , as compared to the same period in 2017 , primarily due to increased headcount.

Included in profit sharing expense is $62.0 million and $62.3 million for the years ended December 31, 2018 and 2017 , 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 mandatory component and a discretionary component, each of which may vary year to year. 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 “—Profit Sharing Expense” in the Critical Accounting Policies section for an overview of the Incentive Pool.

Interest expense increase d by $6.5 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 as a result of additional interest expense incurred due to the issuance of the 2048 Senior Notes in March 2018, partially offset by a decrease in interest expense as a result of the repayment of the remaining amount of the Term Facility, as described in note 10 to our consolidated financial statements.

General, administrative and other expenses increase d by $8.6 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily driven by an increase in professional fees during the year ended December 31, 2018 as compared to the same period in 2017 .

Placement fees decrease d by $11.8 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily driven by placement fees incurred in connection with capital raising activities relating to EPF III and Fund IX of $8.5 million and $3.5 million, respectively, during the year ended December 31, 2017 . Placement 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, 2017 Compared to Year Ended December 31, 2016

Compensation and benefits increased by $186.2 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to an increase in profit sharing expense of $158.0 million due to increased performance allocations during the year ended December 31, 2017, as compared to the same period in 2016. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance allocations in the period.

Included in profit sharing expense is $62.3 million and $62.1 million for the years ended December 31, 2017 and 2016, respectively, related to the Incentive Pool. See “—Profit Sharing Expense” in the Critical Accounting Policies section for an overview of the Incentive Pool.

Interest expense increased by $9.4 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016 primarily as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 10 to our consolidated financial statements.

Placement fees decreased by $12.3 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily driven by a decrease in placement fees incurred in connection with capital raising activity relating to EPF III of $10.8 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016.

Other Income (Loss)

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Net losses from investment activities were $186.4 million for the year ended December 31, 2018 , as compared to net gains from investment activities of $95.1 million for the year ended December 31, 2017 . This change was primarily attributable to a loss on the Company’s investment in Athene Holding during the year ended December 31, 2018 as compared to a gain on the

Company's investment in Athene Holding during the year ended December 31, 2017. See note 7 to the consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net gains from investment activities of consolidated VIEs increase d by $34.4 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 , primarily driven by increases in net gains from Champ, L.P. during the year ended December 31, 2018 . See note 6 to the consolidated financial statements for details regarding net gains from investment activities of consolidated VIEs.

Interest income increase d by $14.2 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 primarily due to additional interest income earned from money market funds and U.S. Treasury securities held after December 31, 2017 .

Other income, net decrease d by $209.8 million during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to a $35.4 million gain from remeasurement of the tax receivable agreement liability due to a decrease in state tax rates during the year ended December 31, 2018, compared to a $200.2 million gain from remeasurement of the tax receivable agreement liability due to changes in estimated tax rates resulting from legislative reforms in the TCJA during the year ended December 31, 2017. The decrease was also attributable to $19.0 million in proceeds recognized in connection with the Company's early termination of a lease during the year ended December 31, 2017 and $17.5 million in insurance proceeds recognized during the year ended December 31, 2017 in connection with fees and expenses relating to a legal proceeding which did not recur in 2018.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Net gains from investment activities decreased by $44.6 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to reduced gains on the Company's investment in Athene Holding during the year ended December 31, 2017, as compared to the same period in 2016. See note 7 to the consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net gains from investment activities of consolidated VIEs increased by $5.7 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. See note 6 to the consolidated financial statements for details regarding net gains from investment activities of consolidated VIEs.

Other income, net increased by $241.1 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016 primarily attributable to $200.2 million related to the gain from remeasurement of the tax receivable agreement liability due to changes in estimated tax rates resulting from legislative reforms in the TCJA during the year ended December 31, 2017, $19.0 million in proceeds recognized in connection with the Company's early termination of a lease during the year ended December 31, 2017, $17.5 million in insurance proceeds recognized during the year ended December 31, 2017 in connection with fees and expenses relating to a legal proceeding and $6.2 million from the assignment of a CLO collateral management agreement during the year ended December 31, 2017.

Net Income Attributable to Non-Controlling Interests and Series A and Series B Preferred Shareholders

For information related to net income attributable to Non-Controlling Interests and net income attributable to Series A and Series B Preferred shareholders, see note 13 to the consolidated financial statements.

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.

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

The income tax provision decrease d by $239.9 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . The decrease was due to the following: i) additional tax expense recorded in 2017 for the remeasurement of deferred taxes as a result of legislative reforms in the TCJA enacted during the year ended December 31, 2017, ii) a decrease in pre-tax GAAP net income during the year ended December 31, 2018 as compared to the year ended December 31, 2017 and iii) an overall change in the mix of earnings when comparing the amount of earnings that are subject to corporate-level tax to those earnings that are not subject to corporate-level tax as these earnings are passed through to Non-Controlling Interests and Class A shareholders. The provision for income taxes includes federal, state, local and foreign income taxes resulting in an effective income tax rate of 81.7% and 18.4% for the years ended December 31, 2018 and 2017 , respectively. The most significant reconciling items between our U.S. federal statutory income tax rate and our effective income tax rate were due to the following: (i) income passed through to Non-Controlling Interests; (ii) income passed through to Class A shareholders; (iii) state and local income taxes including NYC UBT and (iv) the remeasurement of income taxes due to state tax planning (see note 9 to the consolidated financial statements for further details regarding the Company's income tax provision).

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

The income tax provision increased by $235.2 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. The increase was primarily due to the remeasurement of deferred taxes as a result of legislative reforms in the TCJA enacted on December 22, 2017 as well as an overall change in the mix of earnings when comparing the amount of earnings that are subject to corporate-level taxation to those earnings that are not subject to corporate-level tax as these earnings are passed through to Non-Controlling Interests and Class A shareholders. The provision for income taxes includes federal, state, local and foreign income taxes resulting in an effective income tax rate of 18.4% and 8.5% for the years ended December 31, 2017 and 2016, respectively. The most significant reconciling items between our U.S. federal statutory income tax rate and our effective income tax rate were due to the following: (i) income passed through to Non-Controlling Interests; (ii) income passed through to Class A shareholders; (iii) state and local income taxes including NYC UBT; and (iv) impact of U.S. tax reform legislation (see note 9 to the consolidated financial statements for further details regarding the Company's income tax provision).

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: credit, private equity and real assets. 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 performance fees, which generally constitute 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.

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Credit

The following table sets forth our segment statement of operations information and our supplemental performance measure, EI, within our credit segment.

	For the Years Ended December 31,				For the Years Ended December 31,			
	2018	2017	Total Change	Percentage Change	2017	2016	Total Change	Percentage Change
	(in thousands)				(in thousands)			
Credit:								
Revenues:								
Management fees	$ 763,958	$ 702,191	$ 61,767	8.8 %	$ 702,191	$ 596,709	$ 105,482	17.7 %
Advisory and transaction fees, net	9,530	30,733	(21,203)	(69.0)	30,733	12,533	18,200	145.2
Performance fees [(1)] :								
Unrealized	(6,911)	51,225	(58,136)	NM	51,225	137,274	(86,049)	(62.7)
Realized	130,479	196,973	(66,494)	(33.8)	196,973	180,029	16,944	9.4
Total performance fees	123,568	248,198	(124,630)	(50.2)	248,198	317,303	(69,105)	(21.8)
Principal investment income	44,976	27,718	17,258	62.3	27,718	33,290	(5,572)	(16.7)
Total Revenues	**942,032**	**1,008,840**	**(66,808)**	**(6.6)**	**1,008,840**	**959,835**	**49,005**	**5.1**
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	232,751	231,592	1,159	0.5	231,592	209,256	22,336	10.7
Equity-based compensation	37,132	37,453	(321)	(0.9)	37,453	34,185	3,268	9.6
Profit sharing expense:								
Unrealized	(523)	18,268	(18,791)	NM	18,268	63,012	(44,744)	(71.0)
Realized	70,620	77,801	(7,181)	(9.2)	77,801	84,715	(6,914)	(8.2)
Equity-based	11,100	1,876	9,224	491.7	1,876	—	1,876	NM
Total profit sharing expense	81,197	97,945	(16,748)	(17.1)	97,945	147,727	(49,782)	(33.7)
Total compensation and benefits	351,080	366,990	(15,910)	(4.3)	366,990	391,168	(24,178)	(6.2)
Non-compensation expenses								
General, administrative and other	145,691	139,374	6,317	4.5	139,374	125,639	13,735	10.9
Placement fees	1,530	10,130	(8,600)	(84.9)	10,130	22,047	(11,917)	(54.1)
Total non-compensation expenses	147,221	149,504	(2,283)	(1.5)	149,504	147,686	1,818	1.2
Total Expenses	**498,301**	**516,494**	**(18,193)**	**(3.5)**	**516,494**	**538,854**	**(22,360)**	**(4.1)**
Other Income (Loss):								
Net gains (losses) from investment activities	(135,285)	85,135	(220,420)	NM	85,135	127,229	(42,094)	(33.1)
Net interest loss	(18,778)	(23,709)	4,931	(20.8)	(23,709)	(20,669)	(3,040)	14.7
Other income (loss), net	2,071	17,037	(14,966)	(87.8)	17,037	(4,500)	21,537	NM
Total Other Income (Loss)	**(151,992)**	**78,463**	**(230,455)**	**NM**	**78,463**	**102,060**	**(23,597)**	**(23.1)**
Non-Controlling Interest	(5,008)	(4,379)	(629)	14.4	(4,379)	(7,464)	3,085	(41.3)
Economic Income	**$ 286,731**	**$ 566,430**	**$ (279,699)**	**(49.4)%**	**$ 566,430**	**$ 515,577**	**$ 50,853**	**9.9 %**

(1) Performance fees includes performance allocations and incentive fees.

Revenues

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Management fees increase d by $61.8 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to increase s in management fees earned from Athene and Apollo Total Return Fund L.P. of $62.1 million and $9.8 million, respectively, during the year ended December 31, 2018 , as compared to the same period during 2017 . The increase in management fees earned from Athene was primarily attributable to its completion of the reinsurance transaction relating to the fixed annuity business of VA Capital in 2018. These increases were partially offset by a decrease in management fees earned from EPF II of $12.2 million during the year ended December 31, 2018, as compared to the same period during 2017.

Advisory and transaction fees, net decrease d by $21.2 million during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This decrease was primarily driven by a decrease in net advisory and transaction fees earned with respect to FCI III of $20.3 million during the year ended December 31, 2018 , as compared to the same period during 2017 .

Performance fees decrease d by $124.6 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to decrease s in performance fees earned from EPF II, FCI III, FCI II and Apollo Structured Credit Recovery Master Fund III, L.P. ("SCRF III") of $92.5 million, $21.8 million, $13.7 million and $12.8 million, respectively, during the year ended December 31, 2018 , as compared to the same period during 2017 . The decrease was partially offset by increases in performance fees earned from MidCap and Redding Ridge of $20.8 million and $17.0 million, respectively.

The decrease in performance fees from EPF II was primarily attributable to a loss in connection with the partial sale of a Spanish financial services investment during the year ended December 31, 2018, as well as lower appreciation of a German commercial real estate investment in the fund's portfolio for the year ended December 31, 2018 as compared to the same period in 2017 . The decrease in performance fees from FCI III was primarily attributable due to a decrease in the valuation of the fund's life settlements portfolio for the year ended December 31, 2018 as compared to the same period in 2017 . The decrease in performance fees from FCI II was primarily attributable due to a decrease in the valuation of the fund's life settlements portfolio, lower realized gains and an increase in interest expense for the year ended December 31, 2018 as compared to the same period in 2017 . The decrease in performance fees earned from SCRF III was attributable to performance fees being generated at a slower rate compared to the same period in 2017 as the fund has unwound its portfolio.

The increase in performance fees earned from MidCap was a result of stronger loan portfolio returns and fee income during the year ended December 31, 2018 , as compared to the same period in 2017 . The increase in performance fees from Redding Ridge was primarily due to an increase in fair value from CLO issuances during the year ended December 31, 2018 as compared to the same period in 2017 .

Principal investment income increase d by $17.3 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily driven by increase s in income from Apollo's equity ownership interest in VA Capital and Redding Ridge of $16.8 million and $13.2 million, respectively, during the year ended December 31, 2018 , as compared to the same period in 2017 . This increase in principal investment income was partially offset by a decrease in income from Apollo's equity ownership interest in EPF II of $7.7 million during the year ended December 31, 2018 , as compared to the same period in 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Management fees increased by $105.5 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to increases in management fees earned from EPF III, Athene, FCI III and Apollo Total Return Fund L.P. of $59.3 million, $33.9 million, $11.9 million and $9.9 million, respectively, during the year ended December 31, 2017, as compared to the same period during 2016. Management fees earned from EPF III and FCI III increased as a result of capital raises that occurred after December 31, 2016, as well as a one-time catch-up of management fees during the year ended December 31, 2017 of $15.1 million and $7.0 million from EPF III and FCI III, respectively. These increases were partially offset by a decrease in management fees earned from EPF II of $23.0 million during the year ended December 31, 2017, as compared to the same period during 2016, primarily resulting from a step down in fee basis from committed capital to invested capital during the year ended December 31, 2017.

Advisory and transaction fees, net, increased by $18.2 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016. The change was primarily driven by increases in net advisory and transaction fees from FCI III of $20.3 million during the year ended December 31, 2017, as compared to the same period during 2016.

Performance fees decreased by $69.1 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to decreases in performance fees earned from Apollo Credit Master Fund Ltd, CLOs, SCRF III and AEOF of $29.3 million, $27.1 million, $16.3 million and $14.2 million, respectively, partially offset by an increase in performance fees earned from FCI III of $28.4 million during the year ended December 31, 2017, as compared to the same period during 2016.

The decrease in performance fees related to Apollo Credit Master Fund Ltd. was due to under-performance relative to the fund's hurdle rate during the year ended December 31, 2017, as compared to the same period in 2016 as a result of lower appreciation on investments in the financial and technology sectors during the year ended December 31, 2017. The decrease in performance fees earned from the CLOs was due to under-performance relative to each respective CLO hurdle rate and lower appreciation from the leveraged loan assets during the year ended December 31, 2017 as compared to the same period in 2016. The decrease in performance fees related to SCRF III was attributable to performance fees being generated at a slower rate as the fund unwound its portfolio during the year ended December 31, 2017. The decrease in performance fees earned from AEOF was primarily due to lower mark-to-market performance on energy positions during the year ended December 31, 2017, as compared to the same period in 2016. FCI III was in its first year of its investment cycle and the increase in performance fees earned from FCI III was due to higher valuations of the fund's life settlements portfolio during the year ended December 31, 2017.

Principal investment income decreased by $5.6 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily driven by a decrease in income from Apollo's equity ownership interest in AEOF, EPF II and Apollo Senior Loan Fund, L.P. of $6.8 million, $1.7 million and $1.3 million, respectively, partially offset by an increase in income from Apollo's equity ownership interest in AINV of $5.0 million during the year ended December 31, 2017, as compared to the same period in 2016.

Expenses

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Compensation and benefits expense decrease d by $15.9 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to a decrease in total profit sharing expense of $16.7 million during the year ended December 31, 2018 , as compared to the same period in 2017 . Profit sharing expense decrease d as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period. Equity-based profit sharing expense increased as a result of grants under the 2007 Equity Plan during the year ended December 31, 2018 (see note 12 to the consolidated financial statements).

Included in profit sharing expense is $13.0 million and $16.3 million related to the Incentive Pool for the years ended December 31, 2018 and 2017 , 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 increase d by $6.3 million during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . The change was primarily driven by an increase in professional fees, partially offset by a decrease in fund organizational expenses related to EPF III during the year ended December 31, 2018 , as compared to the same period in 2017 .

Placement fees decrease d by $8.6 million during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily driven by placement fees incurred in connection with capital raising activity relating to EPF III of $8.5 million during the year ended December 31, 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Compensation and benefits expense decreased by $24.2 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to a decrease in profit sharing expense of $49.8 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016 as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period. The decrease in profit sharing expense was partially offset by an increase in salary, bonus and benefits of $22.3 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016 primarily due to increased headcount.

Included in profit sharing expense is $16.3 million and $38.0 million related to the Incentive Pool for the years ended December 31, 2017 and 2016, 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 $13.7 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016. The change was primarily driven by an increase in fund organizational expenses related to the launch of EPF III as well as an increase in professional fees during the year ended December 31, 2017, as compared to the same period in 2016.

Placement fees decreased by $11.9 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily driven by a decrease in placement fees incurred in connection with capital raising activity relating to EPF III of $10.8 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016.

Other Income (Loss)

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Net losses from investment activities were $135.3 million for the year ended December 31, 2018 , as compared to net gains from investment activities of $85.1 million for the year ended December 31, 2017 . This change was primarily attributable to a loss on the Company's investment in Athene Holding during the year ended December 31, 2018 as compared to a gain on the Company's investment in Athene Holding during the year ended December 31, 2017. See note 7 to the consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss decrease d by $4.9 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 , primarily due to additional interest income earned from money market funds and U.S. Treasury securities held after December 31, 2017 . Interest income was partially offset by additional interest expense incurred during the year ended December 31, 2018 as a result of the issuance of the 2048 Senior Notes in March 2018, as described in note 10 to our consolidated financial statements.

Other income (loss), net decrease d by $15.0 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to proceeds received in connection with the Company's early termination of a lease and the Company's recognition of $6.2 million of other income from the assignment of a CLO collateral management agreement during the year ended December 31, 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Net gains from investment activities decreased by $42.1 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016, due to reduced gains on the Company's investment in Athene Holding during the year ended December 31, 2017, as compared to the year ended December 31, 2016. See note 7 to the consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss increased by $3.0 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016, primarily due to additional interest expense incurred during the year ended December 31, 2017 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 10 to our consolidated financial statements.

Other income (loss), net increased by $21.5 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to proceeds recognized in connection with the Company's early termination of a lease and proceeds recognized from the assignment of a CLO collateral management agreement during the year ended December 31, 2017.

Non-Controlling Interests

For information related to Non-Controlling Interests, see note 13 to the consolidated financial statements.

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, 2018	For the Years Ended December 31, 2017	Total Change	Percentage Change	For the Years Ended December 31, 2017	For the Years Ended December 31, 2016	Total Change	Percentage Change
	(in thousands)				(in thousands)			
Private Equity:								
Revenues:								
Management fees	$ 440,719	$ 306,734	$ 133,985	43.7 %	$ 306,734	$ 321,995	$ (15,261)	(4.7)%
Advisory and transaction fees, net	89,385	84,063	5,322	6.3	84,063	128,675	(44,612)	(34.7)
Performance fees (1) :								
Unrealized	(941,690)	642,126	(1,583,816)	NM	642,126	368,807	273,319	74.1
Realized	441,363	433,983	7,380	1.7	433,983	82,292	351,691	427.4
Total performance fees	(500,327)	1,076,109	(1,576,436)	NM	1,076,109	451,099	625,010	138.6
Principal investment income (loss)	(39,382)	132,376	(171,758)	NM	132,376	66,281	66,095	99.7
Total Revenues	**(9,605)**	**1,599,282**	**(1,608,887)**	**NM**	**1,599,282**	**968,050**	**631,232**	**65.2**
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	138,855	123,095	15,760	12.8	123,095	124,463	(1,368)	(1.1)
Equity-based compensation	29,021	27,516	1,505	5.5	27,516	27,549	(33)	(0.1)
Profit sharing expense:								
Unrealized	(319,939)	211,976	(531,915)	NM	211,976	114,643	97,333	84.9
Realized	197,873	191,569	6,304	3.3	191,569	43,893	147,676	336.4
Equity-based	76,906	2,184	74,722	NM	2,184	—	2,184	NM
Total profit sharing expense	(45,160)	405,729	(450,889)	NM	405,729	158,536	247,193	155.9
Total compensation and benefits	122,716	556,340	(433,624)	(77.9)	556,340	310,548	245,792	79.1
Non-compensation expenses:								
General, administrative and other	67,423	68,504	(1,081)	(1.6)	68,504	71,323	(2,819)	(4.0)
Placement fees	585	3,783	(3,198)	(84.5)	3,783	2,297	1,486	64.7
Total non-compensation expenses	68,008	72,287	(4,279)	(5.9)	72,287	73,620	(1,333)	(1.8)
Total Expenses	**190,724**	**628,627**	**(437,903)**	**(69.7)**	**628,627**	**384,168**	**244,459**	**63.6**
Other Income (Loss):								
Net gains (losses) from investment activities	(51,185)	9,652	(60,837)	NM	9,652	11,379	(1,727)	(15.2)
Net interest loss	(14,694)	(16,597)	1,903	(11.5)	(16,597)	(14,187)	(2,410)	17.0
Other income (loss), net	(2,053)	26,299	(28,352)	NM	26,299	1,650	24,649	NM
Total Other Income (Loss)	**(67,932)**	**19,354**	**(87,286)**	**NM**	**19,354**	**(1,158)**	**20,512**	**NM**
Economic Income (Loss)	**$ (268,261)**	**$ 990,009**	**$ (1,258,270)**	**NM**	**$ 990,009**	**$ 582,724**	**$ 407,285**	**69.9 %**

(1) Performance fees includes performance allocations and incentive fees.

Revenues

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Management fees increase d by $134.0 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to the commencement of Fund IX's investment period in April 2018, resulting in $240.3 million in management fees during the year ended December 31, 2018 . The increase in management fees was partially offset by decreased management fees earned from Fund VIII and Fund VI of $79.5 million and $23.0 million, respectively, during the year ended December 31, 2018 as compared to the year ended December 31, 2017 . The decrease in management fees earned from Fund VIII was the result of a change in the basis upon which management fees are earned from capital commitments to invested capital. The decrease in management fees earned from Fund VI resulted from the termination of the fund's management fee.

Advisory and transaction fees, net increase d by $5.3 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to an increase in net advisory and transaction fees earned as a result of the Catalina Holdings transaction of $16.7 million, partially offset by a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of $13.7 million during the year ended December 31, 2018 , as compared to the same period during 2017 .

Performance fees were $(500.3) million for the year ended December 31, 2018 , as compared to performance fees of $1.1 billion for the year ended December 31, 2017 . This change was primarily attributable to decreases in performance fees earned from Fund VIII, Fund VI and Fund VII of $1.3 billion, $129.5 million and $117.2 million, respectively, during the year ended December 31, 2018 as compared to the year ended December 31, 2017 . The decrease in performance fees from Fund VIII was primarily driven by depreciation of the fund's public and private portfolio companies primarily in the consumer services, business services and leisure sectors and lower appreciation in the manufacturing and industrial sector. The decrease in performance fees from Fund VI was primarily driven by depreciation of the fund's public portfolio companies primarily in the leisure sector. The decrease in performance fees from Fund VII was primarily driven by depreciation of the fund's private portfolio companies primarily in the consumer services, media, telecom and technology, leisure and business services sectors.

Principal investment loss was $39.4 million for the year ended December 31, 2018 , as compared to principal investment income of $132.4 million for the year ended December 31, 2017 . This change was primarily attributable to decreases in income from Apollo's equity ownership interest in Fund VIII and AAA of $153.5 million and $10.0 million, respectively, during the year ended December 31, 2018 , as compared to the same period in 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Management fees decreased by $15.3 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to decreases in management fees earned with respect to ANRP II, AION and Fund VI of $7.9 million, $4.2 million and $2.1 million, respectively, during the year ended December 31, 2017 as compared to the year ended December 31, 2016. The decrease in management fees earned from ANRP II was primarily due to catch-up of management fees in connection with capital raised during the year ended December 31, 2016. The decrease in management fees earned from AION and Fund VI primarily resulted from a reduction in fee basis after December 31, 2016.

Advisory and transaction fees, net decreased by $44.6 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of $46.2 million during the year ended December 31, 2017 as compared to the year ended December 31, 2016.

Performance fees increased by $625.0 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to increases in performance fees earned from Fund VIII and Fund VI of $566.3 million and $175.8 million, respectively, offset by decreases in performance fees earned from ANRP I of $67.3 million during the year ended December 31, 2017 as compared to the year ended December 31, 2016. The increase in performance fees earned from Fund VIII was primarily driven by appreciation in value in the fund's private portfolio companies. The increase in performance fees earned from Fund VI was primarily driven by appreciation in value in the fund's public portfolio companies. The decrease in performance fees earned from ANRP I was primarily driven by lower appreciation in value in the fund's private portfolio companies.

Principal investment income increased by $66.1 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to increases in income from Apollo's equity ownership interest in Fund VIII of $64.5 million during the year ended December 31, 2017, as compared to the same period in 2016.

Expenses

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Compensation and benefits expense decrease d by $433.6 million for the year ended December 31, 2018 as compared to the year ended December 31, 2017 . This change was primarily attributable to a decrease in total profit sharing expense of $450.9 million during the year ended December 31, 2018 , as compared to the same period in 2017 , as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period. Equity-based profit sharing expense increased as a result of grants under the 2007 Equity Plan during the year ended December 31, 2018 (see note 12 to the consolidated financial statements).

Included in profit sharing expense is $47.7 million and $44.4 million related to the Incentive Pool for the years ended December 31, 2018 and 2017 , 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.

Placement fees decrease d by $3.2 million during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily driven by placement fees incurred in connection with capital raising activity relating to Fund IX of $3.5 million during the year ended December 31, 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Compensation and benefits expense increased by $245.8 million for the year ended December 31, 2017 as compared to the year ended December 31, 2016. This change was primarily attributable to an increase in profit sharing expense of $247.2 million as a result of a corresponding increase in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period.

Included in profit sharing expense is $44.4 million and $20.6 million related to the Incentive Pool for the years ended December 31, 2017 and 2016, 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 $2.8 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016. The change was primarily driven by a decrease in professional fees during the year ended December 31, 2017, as compared to the same period in 2016.

Placement fees increased by $1.5 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily driven by placement fees incurred during the year ended December 31, 2017 of $3.5 million in connection with capital raising activity relating to Fund IX. Placement fees during the year ended December 31, 2016 were primarily incurred in connection with capital raising activity relating to ANRP II of $2.0 million.

Other Income (Loss)

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Net losses from investment activities were $51.2 million for the year ended December 31, 2018 , as compared to net gains from investment activities of $9.7 million for the year ended December 31, 2017 . This change was primarily attributable to a loss on the Company's investment in Athene Holding during the year ended December 31, 2018 as compared to a gain on the Company's investment in Athene Holding during the year ended December 31, 2017. See note 7 to the consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss decrease d by $1.9 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 , primarily due to additional interest income earned from money market funds and U.S. Treasury securities held after December 31, 2017 . Interest income was partially offset by additional interest expense incurred during the year ended December 31, 2018 as a result of the issuance of the 2048 Senior Notes in March 2018, as described in note 10 to our consolidated financial statements.

Other loss, net was $2.1 million for the year ended December 31, 2018 , as compared to other income, net of $26.3 million for the year ended December 31, 2017 . This change was primarily attributable to proceeds received in connection with the Company's early termination of a lease during the year ended December 31, 2017 , in addition to insurance proceeds of $17.5 million received during the year ended December 31, 2017 in connection with fees and expenses relating to a legal proceeding.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Net gains from investment activities decreased by $1.7 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016, due to reduced gains on the Company's investment in Athene Holding during the year ended December 31, 2017, as compared to the year ended December 31, 2016. See note 7 to the consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss increased by $2.4 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016, primarily due to additional interest expense incurred during the year ended December 31, 2017 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 10 to our consolidated financial statements.

Other income, net increased by $24.6 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to proceeds recognized in connection with the Company's early termination of a lease which occurred during the year ended December 31, 2017, in addition to $17.5 million in insurance proceeds recognized during the year ended December 31, 2017 in connection with fees and expenses relating to a legal proceeding.

Real Assets

The following table sets forth our segment statement of operations information and our supplemental performance measure, EI, within our real assets segment.

	For the Years Ended December 31, 2018	2017	Total Change	Percentage Change	For the Years Ended December 31, 2017	2016	Total Change	Percentage Change
	(in thousands)				(in thousands)			
Real Assets:								
Revenues:								
Management fees	$ 78,011	$ 73,390	$ 4,621	6.3 %	$ 73,390	$ 58,945	$ 14,445	24.5 %
Advisory and transaction fees, net	12,652	2,828	9,824	347.4	2,828	5,907	(3,079)	(52.1)
Performance fees [(1)] :								
Unrealized	(4,168)	(4,786)	618	(12.9)	(4,786)	4,918	(9,704)	NM
Realized	6,617	18,069	(11,452)	(63.4)	18,069	12,566	5,503	43.8
Total performance fees	2,449	13,283	(10,834)	(81.6)	13,283	17,484	(4,201)	(24.0)
Principal investment income	2,020	2,857	(837)	(29.3)	2,857	3,010	(153)	(5.1)
Total Revenues	**95,132**	**92,358**	**2,774**	**3.0**	**92,358**	**85,346**	**7,012**	**8.2**
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	43,356	39,468	3,888	9.9	39,468	33,171	6,297	19.0
Equity-based compensation	3,617	2,905	712	24.5	2,905	2,734	171	6.3
Profit sharing expense:								
Unrealized	(973)	(3,925)	2,952	(75.2)	(3,925)	2,202	(6,127)	NM
Realized	3,759	9,468	(5,709)	(60.3)	9,468	8,185	1,283	15.7
Equity-based	1,504	—	1,504	NM	—	—	—	NM
Total profit sharing expense	4,290	5,543	(1,253)	(22.6)	5,543	10,387	(4,844)	(46.6)
Total compensation and benefits	51,263	47,916	3,347	7.0	47,916	46,292	1,624	3.5
Non-compensation expenses:								
General, administrative and other	26,177	20,701	5,476	26.5	20,701	21,528	(827)	(3.8)
Placement fees	7	—	7	NM	—	89	(89)	(100.0)
Total non-compensation expenses	26,184	20,701	5,483	26.5	20,701	21,617	(916)	(4.2)
Total Expenses	**77,447**	**68,617**	**8,830**	**12.9**	**68,617**	**67,909**	**708**	**1.0**
Other Loss:								
Net gains (losses) from investment activities	44	(13)	57	NM	(13)	—	(13)	NM
Net interest loss	(4,101)	(4,678)	577	(12.3)	(4,678)	(4,163)	(515)	12.4
Other income, net	490	2,460	(1,970)	(80.1)	2,460	692	1,768	255.5
Total Other Loss	**(3,567)**	**(2,231)**	**(1,336)**	**59.9**	**(2,231)**	**(3,471)**	**1,240**	**(35.7)**
Economic Income	**$ 14,118**	**$ 21,510**	**$ (7,392)**	**(34.4)%**	**$ 21,510**	**$ 13,966**	**$ 7,544**	**54.0 %**

(1) Performance fees includes performance allocations and incentive fees.

Revenues

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Management fees increase d by $4.6 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to increases in management fees earned from ARI and real estate debt managed accounts of $5.0 million and $3.0 million, respectively, during the year ended December 31, 2018 , as compared to the same period during 2017 . The increase in management fees was partially offset by a decrease in management fees earned from Trophy Property Development Fund, L.P. of $3.3 million during the year ended December 31, 2018 , as compared to the same period during 2017 .

Advisory and transaction fees, net, increase d by $9.8 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to an increase in net advisory and transaction fees earned with respect to Apollo Infrastructure Equity Fund and the acquisition of management contracts for India-based funds of $6.0 million and $3.5 million, respectively, during the year ended December 31, 2018 .

Performance fees decrease d by $10.8 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . Performance fees earned from certain funds, including U.S. RE Fund I and U.S. RE Fund II, includes an allocation of performance fees from a strategic investment account that invests in the funds. The decrease in performance fees was primarily attributable to decreases in performance fees earned from strategic investment accounts, U.S. RE Fund I and U.S. RE Fund II of $4.5 million, $4.5 million and $4.2 million, respectively, during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . The decrease in performance fees earned from strategic investment accounts is primarily due to the reversal of cumulative unrealized performance fees for one of our strategic investment accounts that invests in Asia and lower appreciation of several of U.S. RE Fund II's investments during the year ended December 31, 2018. Performance fees earned from U.S. RE Fund I decreased primarily due to unrealized depreciation on several of the fund's investments during the year ended December 31, 2018, as compared to the year ended December 31, 2017. Performance fees earned from U.S. RE Fund II decreased primarily due to lower appreciation of several of the fund's real estate investments during the year ended December 31, 2018, as compared to the year ended December 31, 2017.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Management fees increased by $14.4 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to increases in management fees earned with respect to ARI and Asia RE Fund of $8.2 million and $3.3 million, respectively, during the year ended December 31, 2017, as compared to the year ended December 31, 2016, in connection with capital raises for the funds during 2017.

Advisory and transaction fees, net, decreased by $3.1 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to decreases in net advisory and transaction fees earned with respect to AGRE Debt Fund I and U.S. RE Fund II of $2.4 million and $0.4 million, respectively, during the year ended December 31, 2017, as compared to the year ended December 31, 2016.

Performance fees decreased by $4.2 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. Performance fees earned from certain funds, including U.S. RE Fund I and II, includes an allocation of performance fees from a strategic investment account that invests in the funds. This change was primarily attributable to decreases in performance fees earned from strategic investment accounts of $4.3 million during the year ended December 31, 2017, as compared to the same period during 2016. In addition, U.S. RE Fund I had a decrease of $2.4 million during the year ended December 31, 2017, as compared to the year ended December 31, 2016. The decrease in performance fees earned from U.S. RE Fund I was primarily due to lower appreciation of several investments during the year ended December 31, 2017, as compared to the same period during 2016. The decrease was partially offset by an increase in performance fees earned from U.S. RE Fund II of $1.9 million. The increase in performance fees earned from U.S. RE Fund II was primarily due to strong operating performance across many of the fund's underlying properties and appreciation of several real estate investments during the year ended December 31, 2017.

Expenses

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Compensation and benefits increase d by $3.3 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . Salary, bonus and benefits increased by $3.9 million during the year ended December 31, 2018 , as compared to the same period during 2017 primarily due to increased headcount. The increase was partially offset by a decrease in total profit sharing expense of $1.3 million during the year ended December 31, 2018 , as compared to the same period in 2017 , as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period. Equity-based profit sharing expense increased as a result of grants under the 2007 Equity Plan during the year ended December 31, 2018 (see note 12 to the consolidated financial statements).

Included in profit sharing expense is $1.3 million and $1.6 million related to the Incentive Pool for the years ended December 31, 2018 and 2017 , 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 increase d by $5.5 million during the year ended December 31, 2018 , as compared to the year ended December 31, 2017 . This change was primarily attributable to increase s in professional fees during the year ended December 31, 2018 , as compared to the same period in 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Compensation and benefits increased by $1.6 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016. This change was primarily attributable to an increase in salary, bonus and benefits of $6.3 million during the year ended December 31, 2017, as compared to the same period during 2016 primarily due to increased headcount. The increase in salary, bonus and benefits was partially offset by a decrease in profit sharing expense of $4.8 million during the year ended December 31, 2017 as compared to the year ended December 31, 2016 as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period.

Included in profit sharing expense is $1.6 million and $3.5 million related to the Incentive Pool for the years ended December 31, 2017 and 2016, 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.

Other Income (Loss)

Year Ended December 31, 2018 Compared to Year Ended December 31, 2017

Other income, net decrease d by $2.0 million for the year ended December 31, 2018 , as compared to the year ended December 31, 2017 , primarily attributable to proceeds received in connection with the Company's early termination of a lease during the year ended December 31, 2017 .

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Other income, net increased by $1.8 million for the year ended December 31, 2017, as compared to the year ended December 31, 2016, primarily attributable to proceeds recognized in connection with the Company's early termination of a lease during the year ended December 31, 2017.

Summary of Fee Related Earnings

The following table is a summary of Fee Related Earnings.

	For the Years Ended December 31,		
	2018	2017	2016
	(in thousands)		
Management Fees	$ 1,282,688	$ 1,082,315	$ 977,649
Advisory and Transaction Fees, net	111,567	117,624	147,115
Performance fees (1)	28,390	17,666	22,941
Salary, Bonus and Benefits	(414,962)	(394,155)	(366,890)
Non-compensation Expenses	(241,413)	(242,492)	(242,923)
Other Income (Loss) attributable to Fee Related Earnings (2)	9,977	47,834	(554)
Non-Controlling Interest	(5,008)	(4,379)	(7,464)
Fee Related Earnings	$ 771,239	$ 624,413	$ 529,874

(1) Represents certain performance fees earned from business development companies and Redding Ridge Holdings.

(2) Includes $19.0 million in proceeds received in connection with the Company's early termination of a lease and $17.5 million in insurance proceeds received in connection with fees and expenses relating to a legal proceeding during the year ended December 31, 2017 .

Summary of Distributable Earnings

The following table is a reconciliation of Distributable Earnings per share of common and equivalents to net distribution per share of common and equivalent.

	For the Years Ended December 31,		
	2018	2017	2016
	(in thousands, except per share data)		
Distributable Earnings	$ 963,707	$ 1,010,002	$ 647,932
Taxes and related payables [(1)]	(44,215)	(26,337)	(9,635)
Preferred distributions	(31,662)	(13,538)	—
Distributable Earnings After Taxes and Related Payables	887,830	970,127	638,297
Add back: Tax and related payables attributable to common and equivalents	36,645	18,213	110
Distributable Earnings before certain payables [(2)]	924,475	988,340	638,407
Percent to common and equivalents	51%	49%	47%
Distributable Earnings before other payables attributable to common and equivalents	472,095	486,799	302,899
Less: Taxes and related payables attributable to common and equivalents	(36,645)	(18,213)	(110)
Distributable Earnings attributable to common and equivalents	$ 435,450	$ 468,586	$ 302,789
Distributable Earnings per share of common and equivalent [(3)]	$ 2.15	$ 2.37	$ 1.56
Retained capital per share of common and equivalent [(3)(4)]	(0.32)	(0.31)	(0.14)
Net distribution per share of common and equivalent [(3)]	$ 1.83	$ 2.06	$ 1.42

(1) Represents the estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo's tax receivable agreement. DE After Taxes and Related Payables is calculated after current taxes and the impact of the tax receivable agreement ("TRA"). The TRA component of taxes used in calculating DE After Taxes was previously estimated based on the tax asset used to reduce the prior year's tax liability. In 2018, the DE effective tax rate, using this estimation methodology, results in an increase in the tax rate despite the significantly reduced federal tax rate under tax reform. We believe it is more meaningful to estimate the current year impact of the TRA component of taxes when calculating DE After Taxes. The impact of this change is not significant to DE After Taxes and Related Payables as previously reported; giving effect to this change, DE After Taxes and Related Payables would have been $937.8 million and $620.4 million for the years ended December 31, 2017 and 2016 , respectively.

(2) Distributable earnings before certain payables represents Distributable Earnings before the deduction for the estimated current corporate taxes and the payable under Apollo's TRA.

(3) Per share calculations are based on end of period Distributable Earnings Shares Outstanding, which consists of total Class A shares outstanding, AOG Units and RSUs that participate in distributions (collectively referred to as "common and equivalents").

(4) Retained capital is withheld pro-rata from common and equivalent holders.

Summary of Non-U.S. GAAP Measures

The table below sets forth a reconciliation of net income attributable Apollo Global Management, LLC Class A Shareholders to our non-U.S. GAAP performance measures:

	For the Years Ended December 31,		
	2018	2017	2016
	(in thousands)		
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	**$ (42,038)**	**$ 615,566**	**$ 402,850**
Preferred distributions	31,662	13,538	—
Net income attributable to Non-Controlling Interests in consolidated entities	31,648	8,891	5,789
Net income (loss) attributable to Non-Controlling Interests in the Apollo Operating Group	(2,021)	805,644	561,668
Net Income	**$ 19,251**	**$ 1,443,639**	**$ 970,307**
Income tax provision	86,021	325,945	90,707
Income Before Income Tax Provision	**$ 105,272**	**$ 1,769,584**	**$ 1,061,014**
Transaction-related charges and equity-based compensation	(5,631)	17,496	57,042
Gain from remeasurement of tax receivable agreement liability	(35,405)	(200,240)	—
Net income attributable to Non-Controlling Interests in consolidated entities	(31,648)	(8,891)	(5,789)
Economic Income (1)	**$ 32,588**	**$ 1,577,949**	**$ 1,112,267**
Income tax provision on Economic Income	(85,513)	(127,280)	(165,522)
Preferred distributions	(31,662)	(13,538)	—
Economic Net Income (Loss)	**$ (84,587)**	**$ 1,437,131**	**$ 946,745**
Preferred distributions	31,662	13,538	—
Income tax provision on Economic Income	85,513	127,280	165,522
Performance fees (2)	402,700	(1,319,924)	(762,945)
Profit sharing expense	40,327	509,217	316,650
Equity-based compensation (3)	69,770	67,874	64,468
Principal investment income	(7,614)	(162,951)	(102,581)
Net (gains) losses from investment activities	186,426	(94,774)	(138,608)
Net interest loss	37,573	44,984	39,019
Other	9,469	2,038	1,604
Fee Related Earnings	**$ 771,239**	**$ 624,413**	**$ 529,874**
Gain from remeasurement of tax receivable agreement liability	—	—	3,208
Depreciation, amortization and other, net	9,140	13,179	9,928
Fee Related EBITDA	**$ 780,379**	**$ 637,592**	**$ 543,010**
Realized performance fees (4)	380,188	631,359	251,946
Realized profit sharing expense (4)	(225,629)	(278,838)	(136,793)
Fee Related EBITDA + 100% of Net Realized Performance Fees	**$ 934,938**	**$ 990,113**	**$ 658,163**
Non-cash revenues	(3,369)	(3,369)	(3,369)
Realized principal investment income	69,711	68,242	37,180
Net interest loss	(37,573)	(44,984)	(39,019)
Gain from remeasurement of tax receivable agreement liability	—	—	(3,208)
Other	—	—	(1,815)
Distributable Earnings	**$ 963,707**	**$ 1,010,002**	**$ 647,932**
Taxes and related payables	(44,215)	(26,337)	(9,635)
Preferred distributions	(31,662)	(13,538)	—
Distributable Earnings After Taxes and Related Payables	**$ 887,830**	**$ 970,127**	**$ 638,297**

(1) See note 16 for more details regarding Economic Income for the combined segments.
(2) Excludes certain performance fees from business development companies and Redding Ridge Holdings.

(3) Includes equity-based compensation related to RSUs (excluding RSUs granted in connection with the 2007 private placement), share options and restricted share awards.
(4) Excludes realized performance fees and realized profit sharing expense in the form of Athene shares.

Liquidity and Capital Resources

Overview

Apollo's business model primarily derives revenues and cash flows from the assets it manages. Apollo targets operating expense levels such that fee income exceeds total operating expenses each period. The company intends to distribute to its shareholders on a quarterly basis substantially all of its distributable earnings after taxes and related payables in excess of amounts determined to be necessary or appropriate to provide for the conduct of the business. As a result, the Company requires limited capital resources to support the working capital or operating needs of the business. While primarily met by cash flows generated through fee income received, liquidity needs are also met (to a limited extent) through proceeds from borrowings and equity issuances as described in notes 10 and 13 to the consolidated financial statements, respectively. The Company had cash and cash equivalents of $609.7 million at December 31, 2018 .

Primary Sources and Uses of Cash

The Company has multiple sources of short-term liquidity to meet its capital needs, including cash on hand, annual cash flows from its activities, and available funds from the Company's $750 million revolving credit facility as of December 31, 2018 . The Company believes these sources will be sufficient to fund our capital needs for at least the next twelve months. If the Company determines that market conditions are favorable after taking into account our liquidity requirements, we may seek to issue additional senior notes, preferred equity, or other financing instruments.

The section below discusses in more detail the Company's primary sources and uses of cash and the primary drivers of cash flows within the Company's consolidated statements of cash flows:

	For the Years Ended December 31,		
	2018	2017	2016
	(in thousands)		
Operating Activities	$ 814,259	$ 859,852	$ 599,785
Investing Activities	(247,260)	(417,819)	(183,781)
Financing Activities	(752,184)	(453,635)	(236,157)
Net Increase (Decrease) in Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities	$ (185,185)	$ (11,602)	$ 179,847

Operating Activities

The Company's operating activities support its investment management activities. The primary sources of cash within the operating activities section include: (a) management fees, (b) advisory and transaction fees, (c) realized performance revenues, and (d) realized principal investment income. The primary uses of cash within the operating activities section include: (a) compensation and non-compensation related expenses, (b) placement fees, and (c) interest and taxes.

- During the years ended December 31, 2018, 2017 and 2016 , cash provided by operating activities primarily includes cash inflows from the receipt of management fees, advisory and transaction fees, realized performance revenues, and realized principal investment income, offset by cash outflows for compensation, general, administrative, and other expenses. Net cash provided by operating activities also reflects the operating activity of our consolidated funds and VIEs, which primarily include cash inflows from the sale of investments offset by cash outflows for purchases of investments.

Investing Activities

The Company's investing activities support growth of its business. The primary sources of cash within the investing activities section include distributions from investments. The primary uses of cash within the investing activities section include: (a) capital expenditures, (b) investment purchases, including purchases of U.S. Treasury securities, and (c) equity method investments in the funds we manage.

- During the year ended December 31, 2018 , cash used by investing activities primarily reflects purchases of U.S. Treasury securities and other investments and net contributions to equity method investments, offset by proceeds from maturities of U.S. Treasury securities.

- During the year ended December 31, 2017 , cash used by investing activities primarily reflects purchases of U.S. Treasury securities and net contributions to equity method investments, offset by repayment of related party loans.
- During the year ended December 31, 2016 , cash used by investing activities primarily reflects purchases of other investments and net contributions to equity method investments.

Financing Activities

The Company's financing activities reflect its capital market transactions and transactions with owners. The primary sources of cash within the financing activities section includes proceeds from debt and preferred equity issuances. The primary uses of cash within the financing activities section include: (a) distributions, (b) TRA payments, (c) share repurchases, (d) cash paid to settle tax withholding obligations in connection with net share settlements of equity-based awards, and (e) repayments of debt.

- During the year ended December 31, 2018 , cash used by financing activities primarily reflects repayments on the Term Facility and distributions to Class A shareholders and Non-Controlling interest holders, partially offset by proceeds from the issuance of the Series B Preferred shares and the 2048 Senior Notes.
- During the year ended December 31, 2017 , cash used by financing activities primarily reflects distributions to Class A shareholders and Non-Controlling interest holders, offset by proceeds from the issuance of Series A Preferred shares. Net cash provided by financing activities also reflects the financing activity of our consolidated funds and VIEs, which primarily include cash inflows from the issuance of debt offset by cash outflows for the principal repayment of debt.
- During the year ended December 31, 2016 , cash used by financing activities primarily reflects repayments on the Term Facility, distributions to Class A shareholders and Non-Controlling interest holders, offset by proceeds from the issuance of the 2026 Senior Notes.

Future Debt Obligations

The Company had long-term debt of $1.4 billion at December 31, 2018 , which includes $1.3 billion of senior notes with maturities in 2024, 2026 and 2048. See note 10 to the consolidated financial statements for further information regarding the Company's debt arrangements. Additionally, see note 17 to the consolidated financial statements for information regarding the 2029 Senior Notes.

Contractual Obligations, Commitments and Contingencies

The Company had unfunded general partner commitments of $1.2 billion at December 31, 2018 , of which $469 million related to Fund IX. For a summary and a description of the nature of the Company's commitments, contingencies and contractual obligations, see note 15 to the consolidated financial statements and "—Contractual Obligations, Commitments and Contingencies". The Company's commitments are primarily fulfilled through cash flows from operations and (to a limited extent) through borrowings and equity issuances as described in notes 10 and 13 to the consolidated financial statements, respectively.

Consolidated Funds and VIEs

The Company manages its liquidity needs by evaluating unconsolidated cash flows; however, the Company's financial statements reflect the financial position of Apollo as well as Apollo's consolidated funds and VIEs. The primary sources and uses of cash at Apollo's consolidated funds and VIEs include: (a) raising capital from their investors, which have been reflected historically as Non-Controlling Interests of the consolidated subsidiaries in our financial statements, (b) using capital to make investments, (c) generating cash flows from operations through distributions, interest and the realization of investments, (d) distributing cash flow to investors, and (e) issuing debt to finance investments (CLOs).

Other Liquidity and Capital Resource Considerations

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, access to credit facilities, 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 performance 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 or adjusted assets. Additionally, higher performance fees 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 until realized.

Consideration of Financing Arrangements

As noted above, in limited circumstances, the Company may issue debt or equity to supplement its liquidity. The decision to enter into a particular financing arrangement is made after careful consideration of various factors including the Company's cash flows from operations, future cash needs, current sources of liquidity, demand for the Company's debt or equity, and prevailing interest rates.

Revolver Facility

As further described in note 10 to the consolidated financial statements, the 2013 AMH Credit Facilities and all related loan documents were terminated as of July 11, 2018. Under the Company's 2018 AMH Credit Facility, the Company may borrow in an aggregate amount not to exceed $750 million and may incur incremental facilities in an aggregate amount not to exceed $250 million plus additional amounts so long as the Borrower is in compliance with a net leverage ratio not to exceed 4.00 to 1.00. Borrowings under the 2018 AMH Credit Facility may be used for working capital and general corporate purposes, including without limitation, permitted acquisitions. As of December 31, 2018 , the 2018 AMH Credit Facility was undrawn.

Distributions

For information regarding the quarterly distributions which were made at the sole discretion of the Company's manager during 2018 and 2017 to Class A shareholders, Non-Controlling Interest holders in the Apollo Operating Group and participating securities, see note 13 to the consolidated financial statements.

Although the Company expects 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.

On January 31, 2019 , the Company declared a cash distribution of $0.56 per Class A share, which will be paid on February 28, 2019 to holders of record on February 21, 2019 . Also, the Company declared a cash distribution of $0.398438 per Series A Preferred share and Series B Preferred share which will be paid on March 15, 2019 to holders of record on March 1, 2019 .

Tax Receivable Agreement

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. realizes subject to the agreement. For more information regarding the tax receivable agreement, see note 14 to the consolidated financial statements.

APO Share Repurchases

In February 2016, Apollo announced its adoption of a program to repurchase up to $250 million in the aggregate of its Class A shares. In January 2019, the Company increased its authorized share repurchase amount by $250 million bringing the total share repurchase plan authorization to $500 million , which may be used to repurchase outstanding Class A shares as well as to reduce 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 Equity Plan (and any successor equity plan thereto). Under the share repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. Apollo is not obligated under the terms of the share repurchase program to repurchase any of its Class A shares. The repurchase program has no expiration date and may be suspended or terminated by the Company at any time without prior notice. Class A shares repurchased as part of the program will be canceled by the Company.

AINV Share Purchases

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, 2018 , Apollo had purchased approximately 871 thousand shares, or approximately $4.9 million of AINV's common stock.

Athora

On April 14, 2017, Apollo made an unfunded commitment of €125 million to purchase new Class B-1 equity interests in Athora, a strategic platform established to acquire traditional closed life insurance policies and provide capital and reinsurance solutions to insurers in Europe. In January 2018, Apollo purchased Class C-1 equity interests in Athora that represent a profits interest in Athora which, upon meeting certain vesting triggers, will be convertible by Apollo into additional Class B-1 equity interests in Athora. Apollo and Athene are minority investors in Athora and long term strategic partners with aggregate voting power of 35% and 10%, respectively. For more information regarding unfunded general partner commitments, see "—Contractual Obligations, Commitments and Contingencies".

Fund VIII, Fund VII, Fund VI, ANRP I and ANRP II Escrow

As of December 31, 2018 , the remaining investments and escrow cash of Fund VIII were valued at 118% of the fund's unreturned capital, which was above the required escrow ratio of 115%. As of December 31, 2018 , the remaining investments and escrow cash of Fund VII, Fund VI, ANRP I and ANRP II were valued at 77% , 73% , 63% and 107% 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 performance fee distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation.

Clawback

Performance fees from our private equity funds and certain credit and real assets funds are subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative performance fees distributed from inception to date exceeds the amount computed as due to the general partner at the final distribution. See "—Overview of Results of Operations—Performance Fees" for the maximum performance fees subject to potential reversal by each fund.

Indemnification Liability

The Company recorded an indemnification liability 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 performance fees. See note 14 to the consolidated financial statements for further information regarding the Company's indemnification liability.

Investment Management Agreements - Athene Asset Management

On September 20, 2018, a subsidiary of Apollo Global Management, LLC entered into a letter agreement (the "Letter Agreement") with Athene Holding Ltd. In the Letter Agreement, each of the Company and Athene agreed that, if the shareholders of Athene approve an amendment and restatement of the bye-laws of Athene (further described below), it will execute the amendment and restatement of the Sixth Amended and Restated Fee Agreement, dated June 7, 2018, between the Company and Athene (the "Existing Fee Agreement") in substantially the form attached as an exhibit to the Letter Agreement (the "Proposed Amended Fee Agreement").

The Proposed Amended Fee Agreement provides for a monthly fee to be payable by Athene to the Company in arrears, with retroactive effect to the month beginning on January 1, 2019, in an amount equal to the following, to the extent not otherwise payable to the Company pursuant to any one or more investment management or sub-advisory agreements or arrangements:

(1) a base management fee equal to the sum of (i) 0.225% per annum of the lesser of (A) the aggregate market value of substantially all of the assets in substantially all of the investment accounts of or relating to Athene (collectively, the "Accounts") on December 31, 2018 (the "Backbook Value") and (B) the aggregate market value of substantially all of the assets in the Accounts at the end of the respective month, *plus* (ii) 0.15% per annum of the amount, if any (the "Incremental Value"), by which the aggregate market value of substantially all of the assets in the Accounts at the end of the respective month exceeds the Backbook Value; *plus*

(2) with respect to each asset in an Account, subject to certain exceptions, that is managed by the Company and that belongs to a specified asset class tier ("core," "core plus," "yield," and "high alpha"), a sub-allocation fee as follows, which will, in the case of assets acquired after January 1, 2019, be subject to a cap of 10% of the applicable asset's gross book yield:

(i) 0.065% of the market value of “core assets,” which include public investment grade corporate bonds, municipal securities, and agency residential mortgage backed securities (“RMBS”);

(ii) 0.13% of the market value of “core plus assets,” which include private investment grade corporate bonds, first lien commercial mortgage loans (“CML”), and long-term fixed rate mortgages;

(iii) 0.375% of the market value of “yield assets,” which include non-agency RMBS, investment grade CLOs, commercial mortgage backed securities and other asset-backed securities (other than RMBS), emerging market investments, below investment grade corporate bonds, residential mortgage loans, triple net leases, bank loans, investment grade infrastructure debt, and lower yielding floating rate mortgages;

(iv) 0.70% of the market value of “high alpha assets,” which include mezzanine CMLs, below investment grade CLOs, preferred equity, assets originated by MidCap, higher yielding mortgages and below investment grade infrastructure debt; and

(v) 0.00% of the market value of cash, treasuries, equities and alternatives.

The base management fee covers a range of investment services that Athene receives from the Company, including investment management, asset allocation, mergers and acquisition asset diligence and certain operational support services such as investment compliance, tax, legal and risk management support, among others. Additionally, the Proposed Amended Fee Agreement provides for a possible payment by the Company to Athene, or a possible payment by Athene to the Company, equal to 0.025% of the Incremental Value as of the end of each year, beginning on December 31, 2019, depending upon the percentage of Athene’s investments that consist of core assets and core plus assets. In furtherance of yield support for Athene, if more than 60% of Athene’s invested assets which are subject to the sub-allocation fees are invested in core and core plus assets, Athene will receive a 0.025% fee reduction on the Incremental Value. As an incentive for differentiated asset management, if less than 50% of Athene’s invested assets which are subject to the sub-allocation fee are invested in core and core plus assets, thereby reflecting a higher allocation toward assets with the highest alpha-generating abilities, Athene will pay an additional fee of 0.025% on Incremental Value.

The Proposed Amended Fee Agreement is intended to provide for further alignment of interests between Athene and the Company. On the Backbook Value, assuming constant portfolio allocations, the near-term impact of the Proposed Amended Fee Agreement is anticipated to be immaterial. On the Incremental Value, assuming the same allocations as the Backbook Value, total fees paid by Athene to the Company are expected to be marginally lower than fees paid by Athene to the Company would be under the Existing Fee Agreement. If invested asset allocations are more heavily weighted to assets with lower alpha-generating abilities than Athene’s current investment portfolio, the fees that Athene pays to the Company under the Proposed Amended Fee Agreement would be expected to decline relative to the Existing Fee Agreement. Conversely, if a greater proportion of Athene’s investment portfolio is allocated to differentiated assets with higher alpha-generating abilities, Athene’s net investment earned rates would be expected to increase, and so would the fees Athene pays to the Company relative to the Existing Fee Agreement.

To incentivize the Company to make long-term investments that enhances its ability to continue to provide Athene with differentiated asset management, Athene has proposed changes to its existing Bye-Laws (the “Existing Bye-Laws”) set forth in an amendment and restatement of the Existing Bye-Laws in substantially the form attached as an exhibit to the Letter Agreement (the “Proposed Bye-Laws”). Specifically, the Proposed Bye-Laws, if adopted as the Bye-Laws of Athene, will (1) provide for the IMA and each New IMA (each such term as defined in the Existing Bye-Laws) to have initial terms of four years, beginning on the date on which the Proposed Bye-Laws are adopted as the Bye-Laws of Athene (the “Adoption Date”), that extend automatically for successive two-year periods unless otherwise terminated (with any such termination being effective no earlier than two years after the end of the then existing term), and (2) reflect conforming amendments, including by amending the IMA Termination Election Date (as defined in the Existing Bye-Laws) to be the fourth anniversary of the Adoption Date and each two-year anniversary of the Adoption Date. The Proposed Bye-Laws, if adopted as the Bye-Laws of Athene, will continue to permit Athene to terminate the IMA, or any New IMA, for cause. In the Letter Agreement, Athene (1) confirmed that its board of directors approved, and recommended that its shareholders approve, the Proposed Bye-Laws and (2) agreed that it will seek the approval of its shareholders of the Proposed Bye-Laws at the next annual general meeting of its shareholders.

Equity-Based Profit Sharing Expense

Profit sharing amounts are generally not paid until the related performance fees are distributed to the general partner upon realization of the fund’s investments. Under certain profit sharing arrangements, a portion of the performance fees distributed to the general partner is allocated by issuance of equity-based awards, rather than cash, to employees. See note 2 to the consolidated financial statements for further information regarding the accounting for the Company’s profit sharing arrangements.

Strategic Relationship Agreement with CalPERS

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, 2018 , the Company had reduced fees charged to CalPERS on the funds it manages by approximately $107.8 million .

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 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 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 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 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

Performance Fees. We earn performance fees from our funds as a result of such funds achieving specified performance criteria. Such performance fees generally are earned based upon a fixed percentage of realized and unrealized gains of various funds after meeting any applicable hurdle rate or threshold minimum.

Performance allocations are performance fees that are generally structured from a legal standpoint as an allocation of capital to the Company. Performance allocations from certain of the funds that we manage are 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 performance fees 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. We account for performance allocations as an equity method investment, and accordingly, we accrue performance allocations quarterly based on fair value of the underlying investments and separately assess if contingent repayment is necessary. The determination of performance allocations 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 credit, private equity and real assets funds.

Incentive fees are performance fees structured as a contractual fee arrangement rather than a capital allocation. Incentive fees are generally received from the management of CLOs, managed accounts and AINV. For a majority of our incentive fees, once the quarterly or annual incentive fees have been determined, there is no look-back to prior periods for a potential contingent repayment, however, certain other incentive fees can be subject to contingent repayment at the end of the life of the entity. In accordance with the new revenue recognition standard, certain incentive fees are considered a form of variable consideration and therefore are deferred until fees are probable to not be significantly reversed. There is significant judgment involved in determining if the incentive fees are probable to not be significantly reversed, but generally the Company will defer the revenue until the fees are crystallized or are no longer subject to clawback or reversal. Prior to the adoption of the new revenue recognition guidance, incentive fees were recognized on an assumed liquidation basis.

Management Fees. Management fees related to our credit funds, 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 private equity funds, by contrast, 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. The management fees related to our real assets 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 credit, private equity and real assets 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.

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 10 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 performance fees 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.

Several of the Company’s employee remuneration programs are dependent upon performance fee realizations, including the Incentive Pool, dedicated performance fee rights and certain RSU awards for which vesting is contingent, in part, on the realization of performance fees in a specified period. The Company established these programs 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. Dedicated performance fee rights entitle their holders to payments arising from performance fee realizations. The Incentive Pool enables certain partners and employees to earn discretionary compensation based on realized performance fees in a given year, which amounts are reflected in profit sharing expense in the Company’s consolidated financial statements. Amounts earned by participants as a result of their performance fee rights (whether dedicated or Incentive Pool) will vary year-to-year depending on the overall realized performance of the Company (and, in the case of the Incentive Pool, on their individual performance). There is no assurance that the Company will continue to compensate individuals through the same types of arrangements in the future and there may be periods when the executive committee of the Company’s manager determines that allocations of realized performance fees are not sufficient to compensate individuals, which may result in an increase in salary, bonus and benefits, the modification of existing programs or the use of new remuneration programs. Reductions in performance fee revenues could also make it harder to retain employees and cause employees to seek other employment opportunities.

Fair Value Option. Apollo has elected the fair value option for the Company’s investment in Athene Holding, the assets and liabilities of certain of its consolidated VIEs (including CLOs), the Company’s U.S. Treasury securities with original maturities greater than three months when purchased and certain of the Company’s other investments. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition. See notes 4 , 6 , and 7 to the consolidated financial statements for further disclosure.

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. In addition, certain RSUs granted by the Company vest subject to continued employment and the Company’s receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense. In accordance with U.S. GAAP, equity-based compensation expense for such awards, if and when granted, will be recognized on an accelerated recognition method over the requisite service period to the extent the performance fee metrics are met or deemed probable. The addition of these performance measures helps to promote the interests of our Class A shareholders and fund investors by making RSU vesting contingent on the realization and distribution of profits on our funds. In connection with the adoption of new share-based payment guidance during the quarter ended

March 31, 2017, the Company made an accounting policy election to no longer estimate forfeitures in determining the number of equity-based awards that are expected to vest. Under the Company's new policy, which was applied prospectively as of January 1, 2017, forfeitures are accounted for when they occur. 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 12 to our consolidated financial statements. The Company's assumptions made to determine the fair value on grant date 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. The Company has three types of RSU grants, which we refer to as Plan Grants, Bonus Grants, and Performance Grants. Plan Grants may or may not provide the right to receive distribution equivalents until the RSUs vest and, for grants made after 2011, the underlying shares are generally issued by March 15th after the year in which they vest. 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 if applicable. Bonus Grants provide the right to receive distribution equivalents on both vested and unvested RSUs and Performance Grants provide the right to receive distribution equivalents on vested RSUs and may also provide the right to receive distribution equivalents on unvested RSUs. Both Bonus Grants and Performance Grants are generally issued by March 15th of the year following the year in which they vest. For Bonus Grants and Performance Grants, the grant date fair value for the periods presented 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 certain Plan Grant and Performance Grant RSUs. The weighted average for the inputs utilized for the shares granted are presented in the table below for Plan Grants and Performance Grants:

	For the Years Ended December 31,		
	2018	2017	2016
Plan Grants:			
Distribution Yield (1)	5.7%	6.1%	6.6%
Cost of Equity Capital Rate (3)	10.8%	11.0%	11.3%
Performance Grants:			
Distribution Yield (2)	6.8%	N/A	N/A
Cost of Equity Capital Rate (3)	10.8%	N/A	N/A

(1) Calculated based on the historical distributions paid during the year ended December 31, 2018 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

(2) Calculated based on the historical distributions paid during the three months ended December 31, 2018 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

(3) Assumes a discount rate that was equivalent to the opportunity cost of foregoing distributions on unvested Plan Grant and Performance 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 certain Plan Grants and Performance Grants:

	For the Years Ended December 31,		
	2018	2017	2016
Plan Grants:			
Discount for the lack of distributions until vested (1)	12.0%	11.8%	14.0%
Performance Grants:			
Discount for the lack of distributions until vested (1)	12.8%	N/A	N/A

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

We utilize the Finnerty Model to calculate a marketability discount on the Plan Grant, Bonus Grant and Performance 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 are presented in the table below for Plan Grants, Bonus Grants and Performance Grants:

	For the Years Ended December 31,		
	2018	2017	2016
Plan Grants:			
Holding Period Restriction (in years)	0.8	0.6	0.5
Volatility (1)	24.9%	22.1%	24.7%
Distribution Yield (2)	5.7%	6.1%	6.6%
Bonus Grants:			
Holding Period Restriction (in years)	0.2	0.2	0.2
Volatility (1)	22.5%	22.6%	20.6%
Distribution Yield (2)	5.3%	5.4%	6.5%
Performance Grants:			
Holding Period Restriction (in years)	1.2	N/A	N/A
Volatility (1)	23.9%	N/A	N/A
Distribution Yield (2)	5.7%	N/A	N/A

(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 years ended December 31, 2018, 2017 and 2016 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, Bonus Grants and Performance Grants:

	For the Years Ended December 31,		
	2018	2017	2016
Plan Grants:			
Marketability discount for transfer restrictions (1)	4.7%	3.6%	3.8%
Bonus Grants:			
Marketability discount for transfer restrictions (1)	2.3%	2.3%	2.1%
Performance Grants:			
Marketability discount for transfer restrictions (1)	5.6%	N/A	N/A

(1) Based on the Finnerty Model calculation.

For awards granted prior to the adoption of the new share-based payment guidance, which was applied prospectively as of January 1, 2017, after the grant date fair value was determined, an estimated forfeiture rate was applied. The estimated fair value was determined and recognized over the vesting period on a straight-line basis and a 4.0% forfeiture rate was estimated for RSUs, based on the Company’s historical attrition rate as well as industry comparable rates. If award recipients were no longer associated with Apollo or if there were no turnover, we would revise the 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. During 2016, the Company increased the default portion of annual compensation 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 has generally been 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 7 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.

Contractual Obligations, Commitments and Contingencies

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 as of December 31, 2018 :

	2019	2020	2021	2022	2023	Thereafter	Total
				(in thousands)			
Operating lease obligations	$ 39,970	$ 25,923	$ 33,022	$ 36,243	$ 35,231	$ 400,889	$ 571,278
Other long-term obligations (1)	21,677	1,761	1,511	927	688	688	27,252
2018 AMH Credit Facility (2)	675	675	675	675	358	—	3,058
2024 Senior Notes (3)	20,000	20,000	20,000	20,000	20,000	508,333	608,333
2026 Senior Notes (4)	22,000	22,000	22,000	22,000	22,000	552,983	662,983
2048 Senior Notes (5)	15,000	15,000	15,000	15,000	15,000	663,750	738,750
2014 AMI Term Facility I	313	313	15,885	—	—	—	16,511
2014 AMI Term Facility II	309	309	309	17,737	—	—	18,664
2016 AMI Term Facility I	252	252	252	252	252	19,633	20,893
2016 AMI Term Facility II	262	262	262	262	18,845	—	19,893
Obligations	$ 120,458	$ 86,495	$ 108,916	$ 113,096	$ 112,374	$ 2,146,276	$ 2,687,615

(1) 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.

(2) The commitment fee as of December 31, 2018 on the $750 million undrawn 2018 AMH Credit Facility was 0.09% . See note 10 of the consolidated financial statements for further discussion of the 2018 AMH Credit Facility.

(3) $500 million of the 2024 Senior Notes matures in May 2024. The interest rate on the 2024 Senior Notes as of December 31, 2018 was 4.00% . See note 10 of the consolidated financial statements for further discussion of the 2024 Senior Notes.

(4) $500 million of the 2026 Senior Notes matures in May 2026. The interest rate on the 2026 Senior Notes as of December 31, 2018 was 4.40% . See note 10 of the consolidated financial statements for further discussion of the 2026 Senior Notes.

(5) $300 million of the 2048 Senior Notes matures in March 2048. The interest rate on the 2048 Senior Notes as of December 31, 2018 was 5.00% . See note 10 of the consolidated financial statements for further discussion of the 2048 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 performance fees 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 subsidiaries 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 credit, private equity and real assets fund as of December 31, 2018 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
Credit:						
COF III	$ 358.1	10.45%	$ 83.1	2.43%	$ 82.0	$ 20.1
Apollo Credit Opportunity Fund II, L.P. ("COF II")	30.5	1.93	23.4	1.48	0.8	0.6
Apollo Credit Opportunity Fund I, 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") (1)	609.4	13.41	93.2	2.05	407.8	64.2
EPF II (1)	411.4	11.88	60.2	1.74	99.2	18.9
Apollo European Principal Finance Fund, L.P. ("EPF I") (1)	308.1	20.74	20.3	1.37	50.1	4.7
Financial Credit Investment III, L.P. ("FCI III")	224.3	11.76	0.1	0.01	142.8	0.1
Financial Credit Investment II, L.P. ("FCI II")	244.6	15.72	—	—	115.9	—
Financial Credit Investment I, L.P. ("FCI I")	151.3	27.07	—	—	76.8	—
Apollo Structured Credit Recovery Master Fund IV, L.P. ("SCRF IV")	416.1	16.63	33.1	1.32	180.5	14.4
MidCap	1,672.6	80.23	110.9	5.32	169.0	31.0
Apollo Moultrie Credit Fund, L.P.	400.0	100.00	—	—	220.0	—
Apollo/Palmetto Short-Maturity Loan Portfolio, L.P.	300.0	100.00	—	—	—	—
Apollo Asia Private Credit Fund, L.P. ("APC")	126.5	55.12	0.1	0.04	32.0	—
AEOF	125.5	12.01	25.5	2.44	92.7	18.8
Apollo Accord Master Fund II, L.P.	274.7	35.17	11.6	1.49	233.5	9.9
Athora (1)	679.4	27.37	143.3	5.77	530.5	119.7
Other Credit	2,679.1	Various	259.9	Various	974.4	129.4
Private Equity:						
Fund IX	1,849.5	7.48	468.7	1.90	1,849.5	468.7
Fund VIII	1,543.5	8.40	396.4	2.16	292.6	76.3
Fund VII	467.2	3.18	178.1	1.21	66.3	24.9
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	30.3	9.8
ANRP I	426.1	32.21	10.1	0.76	68.0	1.3
ANRP II	561.2	16.25	25.9	0.75	256.3	11.6
ANRP III	640.7	64.11	20.7	2.07	640.7	20.7
A.A. Mortgage Opportunities, L.P.	625.0	80.31	—	—	200.0	—
Apollo Rose, L.P.	299.1	100.00	—	—	—	—
Apollo Rose II, L.P.	887.1	51.07	33.0	1.9	439.7	16.6
Champ, L.P.	193.2	78.25	26.7	10.8	7.2	1.1
Apollo Royalties Management, LLC	108.6	100.00	—	—	—	—
Apollo Hybrid Value Fund, L.P.	821.9	29.13	76.9	2.73	787.4	73.6
Other Private Equity	369.6	Various	6.3	Various	126.4	1.9
Real Assets:						
U.S. RE Fund II (2)	693.8	56.26	4.7	0.39	435.0	3.0
U.S. RE Fund I (2)	434.4	66.76	16.5	2.53	120.2	2.7
CPI Capital Partners Europe, L.P. (1)	6.3	0.47	—	—	—	—
CPI Capital Partners Asia Pacific, L.P.	6.9	0.53	0.5	0.04	0.1	—
Asia RE Fund (2)	376.9	53.12	8.4	1.18	250.8	5.9
Apollo Infrastructure Equity Fund (3)	246.1	27.43	13.1	1.46	59.7	2.7
Other Real Assets	365.3	Various	1.7	Various	63.3	0.1
Other:						
Apollo SPN Investments I, L.P.	12.5	0.27	12.5	0.27	7.2	7.2
Total	$ 20,993.5		$ 2,251.4		$ 9,362.2	$ 1,164.3

(1) Apollo's commitment in these funds is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.15 as of December 31, 2018 .

(2) 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 $1.28 as of December 31, 2018 . Figures for U.S. RE Fund II and Asia RE Fund include co-investment commitments.
(3) Figures for Apollo Infrastructure Equity Fund include Apollo Infra Equity US Fund, L.P. and Apollo Infra Equity International Fund, L.P. commitments.

On April 30, 2015, Apollo entered into the AAA Investments Credit Agreement (see note 14 of our consolidated financial statements for further disclosure regarding this facility). The 2018 AMH Credit Facility, 2024 Senior Notes, 2026 Senior Notes, 2048 Senior Notes, and 2029 Senior Notes will have future impacts on our cash uses. See note 10 of our consolidated financial statements for information regarding the Company's debt arrangements. Additionally, see note 17 to the consolidated financial statements for information regarding the 2029 Senior Notes.

Contingent Obligation— Performance fees with respect to certain credit and private equity funds and real assets funds is subject to reversal in the event of future losses to the extent of the cumulative performance fees recognized in income to date. See note 15 of our consolidated financial statements for a description of our contingent obligation.

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, 2018 , there were no underwriting commitments outstanding related to such offerings.

As of December 31, 2018 , one of the Company's subsidiaries had unfunded contingent commitments of $32.0 million , to facilitate fundings at closing by lead arrangers for syndicated term loans issued by portfolio companies of funds managed by Apollo. The commitments expire by March 31, 2019 . As of March 1, 2019 , the unfunded commitments were approximately $5.3 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 performance fees 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 credit, private equity and real assets 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:

- 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.
- 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.

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 certain credit funds and our private equity 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 credit, private equity and real assets 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. Advisory and transaction fees will be impacted by changes in market risk factors to the extent that they limit our opportunities to engage in credit, private equity and real assets 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 Performance Fees —We earn performance fees from our funds as a result of such funds achieving specified performance criteria. Our performance fees 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' performance fee distributions are subject to contingent repayment.

As a result, the impact of changes in market risk factors on performance fees 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, investments in interest bearing securities 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, 2018 , 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, Shanghai and Tokyo 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, 2018 and 2017 , 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 $0.7 million and $3.7 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 $26.6 million and $18.4 million during the years ended December 31, 2018 and 2017 , 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 $37.5 million and $26.6 million during the years ended December 31, 2018 and 2017 , respectively.

Foreign Exchange Risk— We estimate for the years ended December 31, 2018 and 2017 , 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, performance fees and principal investment income:

	For the Years Ended December 31,	
	2018	2017
	(in thousands)	
Management fees	$ 8,406	$ 7,600
Performance fees	— (1)	3,021
Principal investment income	— (1)	109

(1) We estimate a 10% decline in the rate of exchange of all foreign currencies against the U.S. dollar would result in increases in performance fees and principal investment income as a result of losses incurred during the year ended December 31, 2018.

Net Gains from Investment Activities and Principal Investment Income— 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 7 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 performance fees, also employ a variety of valuation methods of which no single methodology is used more than any other.

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, 2018 and 2017 would decrease by approximately $62.6 million and $50.0 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 assets and certain credit funds are generally 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.

Performance Fees— Performance fees from most of our credit, private equity and real assets 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 assets funds at December 31, 2018 and 2017 would decrease performance fees on a segment basis as presented in the table below:

	For the Years Ended December 31,	
	2018	2017
	(in thousands)	
10% Decline in Fair Value of Investments Held		
Credit	$ 165,184	$ 186,692
Private Equity	776,461	505,297
Real Assets	26,162	14,271

Net Gains From Investment Activities— Net gains from investment activities related to the Company's investment in Athene Holding would decrease by approximately $76.1 million and $80.2 million for the years ended December 31, 2018 and

2017 , respectively, if the fair value of the Company's investment in Athene Holding decreased by 10% during the same respective periods.

Principal Investment Income— 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, 2018 and 2017 would result in an approximate $105.6 million and $93.6 million decrease in principal investment income in our consolidated financial statements, respectively.

ITEM 8 . FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
Apollo Global Management, LLC
New York, New York

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Apollo Global Management, LLC and subsidiaries (the "Company") as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity, and cash flows, for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, 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, 2018, based on criteria established in *Internal Control-Integrated Framework (2013)* issued by COSO.

Basis for Opinions

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 are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. 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.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, 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.

/s/ Deloitte & Touche LLP
New York, New York
March 1, 2019

We have served as the Company's auditor since 2007.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
AS OF DECEMBER 31, 2018 AND DECEMBER 31, 2017
(dollars in thousands, except share data)

	As of December 31, 2018	As of December 31, 2017
Assets:		
Cash and cash equivalents	$ 609,747	$ 751,273
Restricted cash	3,457	3,875
U.S. Treasury securities, at fair value	392,932	364,649
Investments (includes performance allocations of $912,182 and $1,828,930 as of December 31, 2018 and December 31, 2017, respectively)	2,722,612	3,559,834
Assets of consolidated variable interest entities:		
Cash and cash equivalents	49,671	92,912
Investments, at fair value	1,175,677	1,196,190
Other assets	65,543	39,484
Incentive fees receivable	6,792	43,176
Due from related parties	378,108	262,588
Deferred tax assets, net	306,094	337,638
Other assets	173,270	231,757
Goodwill	88,852	88,852
Intangible assets, net	18,899	18,842
Total Assets	**$ 5,991,654**	**$ 6,991,070**
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	$ 70,878	$ 68,873
Accrued compensation and benefits	73,583	62,474
Deferred revenue	111,097	128,146
Due to related parties	425,435	428,013
Profit sharing payable	452,141	752,276
Debt	1,360,448	1,362,402
Liabilities of consolidated variable interest entities:		
Debt, at fair value	855,461	1,002,063
Other liabilities	78,977	115,658
Other liabilities	111,794	173,369
Total Liabilities	**3,539,814**	**4,093,274**
Commitments and Contingencies (see note 15)		
Shareholders' Equity:		
Apollo Global Management, LLC shareholders' equity:		
Series A Preferred shares, 11,000,000 shares issued and outstanding as of December 31, 2018 and December 31, 2017	264,398	264,398
Series B Preferred shares, 12,000,000 and 0 shares issued and outstanding as of December 31, 2018 and December 31, 2017, respectively	289,815	—
Class A shares, no par value, unlimited shares authorized, 201,400,500 and 195,267,669 shares issued and outstanding as of December 31, 2018 and December 31, 2017, respectively	—	—
Class B shares, no par value, unlimited shares authorized, 1 share issued and outstanding as of December 31, 2018 and December 31, 2017	—	—
Additional paid in capital	1,299,418	1,579,797
Accumulated deficit	(473,276)	(379,460)
Accumulated other comprehensive loss	(4,159)	(1,809)
Total Apollo Global Management, LLC shareholders' equity	1,376,196	1,462,926
Non-Controlling Interests in consolidated entities	271,522	140,086
Non-Controlling Interests in Apollo Operating Group	804,122	1,294,784
Total Shareholders' Equity	**2,451,840**	**2,897,796**
Total Liabilities and Shareholders' Equity	**$ 5,991,654**	**$ 6,991,070**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2018 , 2017 AND 2016
(dollars in thousands, except share data)

	For the Years Ended December 31,		
	2018	**2017**	**2016**
Revenues:			
Management fees	$ 1,345,252	$ 1,154,925	$ 1,043,513
Advisory and transaction fees, net	112,278	117,624	146,665
Investment income (loss):			
Performance allocations	(400,305)	1,306,193	712,865
Principal investment income	5,122	161,630	103,178
Total investment income (loss)	(395,183)	1,467,823	816,043
Incentive fees	30,718	31,431	67,341
Total Revenues	1,093,065	2,771,803	2,073,562
Expenses:			
Compensation and benefits:			
Salary, bonus and benefits	459,604	428,882	389,130
Equity-based compensation	173,228	91,450	102,983
Profit sharing expense	(57,833)	515,073	357,074
Total compensation and benefits	574,999	1,035,405	849,187
Interest expense	59,374	52,873	43,482
General, administrative and other	266,444	257,858	247,000
Placement fees	2,122	13,913	26,249
Total Expenses	902,939	1,360,049	1,165,918
Other Income (Loss):			
Net gains (losses) from investment activities	(186,449)	95,104	139,721
Net gains from investment activities of consolidated variable interest entities	45,112	10,665	5,015
Interest income	20,654	6,421	4,072
Other income, net	35,829	245,640	4,562
Total Other Income (Loss)	(84,854)	357,830	153,370
Income before income tax provision	105,272	1,769,584	1,061,014
Income tax provision	(86,021)	(325,945)	(90,707)
Net Income	19,251	1,443,639	970,307
Net income attributable to Non-Controlling Interests	(29,627)	(814,535)	(567,457)
Net Income (Loss) Attributable to Apollo Global Management, LLC	(10,376)	629,104	402,850
Net income attributable to Series A Preferred Shareholders	(17,531)	(13,538)	—
Net income attributable to Series B Preferred Shareholders	(14,131)	—	—
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$ (42,038)	$ 615,566	$ 402,850
Distributions Declared per Class A Share	$ 1.93	$ 1.85	$ 1.25
Net Income (Loss) Per Class A Share:			
Net Income (Loss) Available to Class A Share – Basic	$ (0.30)	$ 3.12	$ 2.11
Net Income (Loss) Available to Class A Share – Diluted	$ (0.30)	$ 3.10	$ 2.11
Weighted Average Number of Class A Shares Outstanding – Basic	199,946,632	190,931,743	183,998,080
Weighted Average Number of Class A Shares Outstanding – Diluted	199,946,632	192,581,693	183,998,080

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED DECEMBER 31, 2018 , 2017 AND 2016
(dollars in thousands, except share data)

	For the Years Ended December 31,		
	2018	**2017**	**2016**
Net Income	**$ 19,251**	**$ 1,443,639**	**$ 970,307**
Other Comprehensive Income (Loss), net of tax:			
Currency translation adjustments, net of tax	(19,078)	13,953	(4,214)
Net gain from change in fair value of cash flow hedge instruments	105	105	106
Net gain (loss) on available-for-sale securities	(786)	36	418
Total Other Comprehensive Income (Loss), net of tax	(19,759)	14,094	(3,690)
Comprehensive Income (Loss)	**(508)**	**1,457,733**	**966,617**
Comprehensive Income attributable to Non-Controlling Interests	(12,218)	(821,715)	(564,870)
Comprehensive Income (Loss) Attributable to Apollo Global Management, LLC	**$ (12,726)**	**$ 636,018**	**$ 401,747**

See accompanying notes to consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 , 2017 AND 2016
(dollars in thousands, except share data)

	Apollo Global Management, LLC Shareholders										
	Class A Shares	Class B Shares	Series A Preferred Shares	Series B Preferred Shares	Additional Paid in Capital	Accumulated Deficit	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, 2016	**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)
Issuances of Class A shares for equity-based awards	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
Currency translation adjustments, net of tax	—	—	—	—	—	—	(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**
Adoption of new accounting guidance	—	—	—	—	—	22,901	—	22,901	—	—	22,901
Dilution impact of issuance of Class A shares	—	—	—	—	(344)	—	—	(344)	—	—	(344)
Equity issued in connection with Preferred shares offering	—	—	264,398	—	—	—	—	264,398	—	—	264,398
Capital increase related to equity-based compensation	—	—	—	—	72,174	—	—	72,174	—	—	72,174
Capital contributions	—	—	—	—	—	—	—	—	47,455	—	47,455
Distributions	—	—	(13,538)	—	(366,700)	—	—	(380,238)	(16,327)	(410,776)	(807,341)
Issuances of Class A shares for equity-based awards	2,323,205	—	—	—	—	(31,741)	—	(31,741)	—	—	(31,741)
Repurchase of Class A shares	(233,248)	—	—	—	(6,903)	—	—	(6,903)	—	—	(6,903)
Exchange of AOG Units for Class A shares	7,717,418	—	—	—	51,545	—	—	51,545	—	(39,609)	11,936
Net income	—	—	13,538	—	—	615,566	—	629,104	8,891	805,644	1,443,639
Currency translation adjustments, net of tax	—	—	—	—	—	—	6,579	6,579	10,004	(2,630)	13,953
Net gain from change in fair value of cash flow hedge instruments	—	—	—	—	—	—	50	50	—	55	105
Net income on available-for-sale securities	—	—	—	—	—	—	285	285	—	(249)	36
Balance at December 31, 2017	**195,267,669**	**1**	**$ 264,398**	**$ —**	**$ 1,579,797**	**$ (379,460)**	**$ (1,809)**	**$ 1,462,926**	**$ 140,086**	**$ 1,294,784**	**$ 2,897,796**

	Apollo Global Management, LLC Shareholders										
	Class A Shares	Class B Shares	Series A Preferred Shares	Series B Preferred Shares	Additional Paid in Capital	Accumulated Deficit	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, 2017	**195,267,669**	**1**	**$ 264,398**	**$ —**	**$ 1,579,797**	**$ (379,460)**	**$ (1,809)**	**$ 1,462,926**	**$ 140,086**	**$ 1,294,784**	**$ 2,897,796**
Adoption of new accounting guidance	—	—	—	—	(34)	(8,116)	—	(8,150)	—	(11,210)	(19,360)
Dilution impact of issuance of Class A shares	—	—	—	—	113	—	—	113	—	—	113
Equity issued in connection with Preferred shares offering	—	—	—	289,815	—	—	—	289,815	—	—	289,815

Capital increase related to equity-based compensation	—	—	—	—	147,537	—	—	147,537	—	—	147,537
Capital contributions	—	—	—	—	—	—	—	—	146,465	—	146,465
Distributions	—	—	(17,531)	(14,131)	(406,863)	—	—	(438,525)	(31,434)	(441,355)	(911,314)
Issuances of Class A shares for equity-based awards	3,440,447	—	—	—	28,740	(43,662)	—	(14,922)	—	—	(14,922)
Repurchase of Class A shares	(2,701,876)	—	—	—	(90,908)	—	—	(90,908)	—	—	(90,908)
Exchange of AOG Units for Class A shares	5,394,260	—	—	—	41,036	—	—	41,036	—	(33,910)	7,126
Net income (loss)	—	—	17,531	14,131	—	(42,038)	—	(10,376)	31,648	(2,021)	19,251
Currency translation adjustments, net of tax	—	—	—	—	—	—	(2,010)	(2,010)	(15,243)	(1,825)	(19,078)
Net gain from change in fair value of cash flow hedge instruments	—	—	—	—	—	—	52	52	—	53	105
Net loss on available-for-sale securities	—	—	—	—	—	—	(392)	(392)	—	(394)	(786)
Balance at December 31, 2018	**201,400,500**	**1**	**$ 264,398**	**$ 289,815**	**$ 1,299,418**	**$ (473,276)**	**$ (4,159)**	**$ 1,376,196**	**$ 271,522**	**$ 804,122**	**$ 2,451,840**

See accompanying notes to consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 , 2017 AND 2016
(dollars in thousands, except share data)

	For the Years Ended December 31,		
	2018	**2017**	**2016**
Cash Flows from Operating Activities:			
Net income	$ 19,251	$ 1,443,639	$ 970,307
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity-based compensation	173,228	91,450	102,983
Depreciation and amortization	15,233	18,379	18,735
Unrealized (gains) losses from investment activities	191,896	(99,376)	(136,417)
Principal investment income	(5,122)	(161,630)	(103,178)
Performance allocations	400,305	(1,306,193)	(712,865)
Change in fair value of contingent obligations	(11,166)	9,916	40,424
Gain from remeasurements of tax receivable agreement liability	(35,405)	(200,240)	(3,208)
Deferred taxes, net	79,188	314,127	81,880
Other non-cash amounts included in net income, net	(18,363)	(42)	(20,989)
Cash flows due to changes in operating assets and liabilities:			
Incentive fees receivable	660	5,674	6,173
Due from related parties	(108,684)	(23,184)	(4,084)
Accounts payable and accrued expenses	2,005	11,408	(34,360)
Accrued compensation and benefits	11,109	9,720	(1,651)
Deferred revenue	(13,680)	(43,378)	387
Due to related parties	(5,668)	(6,949)	(4,281)
Profit sharing payable	(224,796)	215,809	227,771
Other assets and other liabilities, net	3,677	(16,543)	1,250
Cash distributions of earnings from principal investments	66,860	65,448	33,909
Cash distributions of earnings from performance allocations	397,432	650,457	142,077
Satisfaction of contingent obligations	(6,947)	(23,597)	(13,721)
Apollo Fund and VIE related:			
Net realized and unrealized gains from investing activities and debt	(40,850)	(9,773)	(572)
Purchases of investments	(479,674)	(709,928)	(581,226)
Proceeds from sale of investments	467,367	562,150	592,941
Changes in other assets and other liabilities, net	(63,597)	62,508	(2,500)
Net Cash Provided by Operating Activities	**$ 814,259**	**$ 859,852**	**$ 599,785**
Cash Flows from Investing Activities:			
Purchases of fixed assets	$ (14,741)	$ (8,529)	$ (6,356)
Proceeds from sale of investments	49,239	—	—
Purchase of investments	(104,786)	(12,711)	(46,880)
Purchase of U.S. Treasury securities	(449,865)	(363,812)	—
Proceeds from maturities of U.S. Treasury securities	423,342	—	—
Cash contributions to principal investments	(268,933)	(153,309)	(224,946)
Cash distributions from principal investments	121,555	117,577	102,768
Issuance of related party loans	(3,295)	(6,114)	(8,648)
Repayment of related party loans	—	17,700	—
Other investing activities	224	(8,621)	281
Net Cash Used in Investing Activities	**$ (247,260)**	**$ (417,819)**	**$ (183,781)**
Cash Flows from Financing Activities:			
Principal repayments of debt	$ (300,000)	$ —	$ (200,000)
Issuance of Preferred shares, net of issuance costs	289,815	264,398	—
Distributions to Preferred Shareholders	(31,662)	(13,538)	—
Issuance of debt	303,267	—	532,706
Satisfaction of tax receivable agreement	(50,267)	(17,895)	—

Purchase of Class A shares	(90,908)	(18,463)	(13,377)
Payments related to deliveries of Class A shares for RSUs	(43,662)	(31,741)	(40,652)
Distributions paid	(406,863)	(366,700)	(239,109)
Distributions paid to Non-Controlling Interests in Apollo Operating Group	(441,355)	(410,776)	(269,781)
Other financing activities	(9,637)	(3,471)	(13,809)
Apollo Fund and VIE related:			
Issuance of debt	—	553,034	396,266
Principal repayment of debt	(92,153)	(443,082)	(397,275)
Distributions paid to Non-Controlling Interests in consolidated entities	(25,948)	(10,776)	(4,326)
Contributions from Non-Controlling Interests in consolidated entities	147,189	45,375	13,200
Net Cash Used in Financing Activities	**$ (752,184)**	**$ (453,635)**	**$ (236,157)**
Net Increase (Decrease) in Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities	(185,185)	(11,602)	179,847
Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities, Beginning of Period	848,060	859,662	679,815
Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities, End of Period	**$ 662,875**	**$ 848,060**	**$ 859,662**
Supplemental Disclosure of Cash Flow Information:			
Interest paid	$ 55,135	$ 57,310	$ 44,524
Interest paid by consolidated variable interest entities	16,553	13,207	18,208
Income taxes paid	10,220	13,624	8,353
Supplemental Disclosure of Non-Cash Investing Activities:			
Non-cash contributions to principal investments	$ —	$ —	$ 1,231
Non-cash distributions from principal investments	(26,465)	(52,683)	(13,433)
Non-cash purchases of other investments, at fair value	194,003	51,248	8,937
Non-cash sales of other investments, at fair value	(48,587)	—	—
Supplemental Disclosure of Non-Cash Financing Activities:			
Capital increases related to equity-based compensation	$ 147,537	$ 72,174	$ 69,587
Issuance of restricted shares	28,740	—	—
Other non-cash financing activities	113	(345)	559
Adjustments related to exchange of Apollo Operating Group units:			
Deferred tax assets	$ 45,017	$ 56,908	$ 7,342
Due to related parties	(37,891)	(44,972)	(3,588)
Additional paid in capital	(7,126)	(11,936)	(3,754)
Non-Controlling Interest in Apollo Operating Group	33,910	39,609	2,612
Reconciliation of Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities to the Consolidated Statements of Financial Condition:			
Cash and cash equivalents	$ 609,747	$ 751,273	$ 813,664
Restricted cash	3,457	3,875	4,680
Cash held at consolidated variable interest entities	49,671	92,912	41,318
Total Cash and Cash Equivalents, Restricted Cash and Cash and Cash Equivalents Held at Consolidated Variable Interest Entities	**$ 662,875**	**$ 848,060**	**$ 859,662**

See accompanying notes to consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, LLC
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(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 credit, private equity and real assets 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, incentive fees and performance allocations related to the performance of the respective funds that it manages. Apollo has three primary business segments:

- ***Credit*** —primarily invests in non-control corporate and structured debt instruments including performing, stressed and distressed investments across the capital structure;

- ***Private equity*** —primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments; and

- ***Real assets*** —primarily invests in real estate equity and infrastructure equity for the acquisition and recapitalization of real estate and infrastructure assets, portfolios, platforms and operating companies, and real estate and infrastructure 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, its Managing Partners.

As of December 31, 2018 , the Company owned, through six 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, APO UK (FC), Limited, a United Kingdom incorporated company that is treated as a corporation for U.S. federal income tax purposes, and APO (FC III), LLC, a Cayman Islands limited liability company (collectively, the "Intermediate Holding Companies"), 49.9% 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 entities that comprise the Apollo Operating Group ("AOG Units"). As of December 31, 2018 , Holdings owned the remaining 50.1% 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 periods' consolidated financial statements and notes to conform to the current period's presentation and are disclosed accordingly.

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., CLOs). Each of these entities is assessed for consolidation on a case by case basis depending on the specific facts and circumstances surrounding that entity.

Pursuant to 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 fees and/or insignificant indirect interests through related parties, Apollo is not considered to have a variable interest in many of these entities 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 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.

Assets and liabilities of the consolidated VIEs are primarily shown in separate sections within the consolidated statements of financial condition. 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 from investment activities of consolidated variable interest entities in the consolidated statements of operations. The portion attributable to Non-Controlling Interests is reported within net income attributable to Non-Controlling Interests in the consolidated statements of operations. For additional disclosures regarding VIEs, see note 6 .

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 three months or less when purchased to be cash equivalents. Cash and cash equivalents include money market funds and U.S. Treasury securities with original maturities of three months or less when purchased. Interest income from cash and cash equivalents is recorded in interest income in the consolidated statements of operations. The carrying values of the money market funds and U.S. Treasury securities were $231.8 million and $404.7 million as of December 31, 2018 and 2017 , respectively, which approximate their fair values due to their short-term nature and are categorized as Level I within the fair value hierarchy. Substantially all of the Company's cash on deposit is 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.

U.S. Treasury securities, at fair value

U.S. Treasury securities, at fair value includes U.S. Treasury bills with original maturities greater than three months when purchased. These securities are recorded at fair value. Interest income on such securities is separately presented from the overall change in fair value and is recognized in interest income in the consolidated statements of operations. Any remaining change in fair value of such securities, that is not recognized as interest income, is recognized in net gains (losses) from investment activities in the consolidated statements of operations.

Fair Value of Financial Instruments

Apollo has elected the fair value option for the Company's investment in Athene Holding, the assets and liabilities of certain of its consolidated VIEs (including CLOs), the Company's U.S. Treasury securities with original maturities greater than three months when purchased, and certain of the Company's other investments. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition.

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, financial instruments are generally recorded at fair value or at amounts whose carrying values approximate fair value. 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.

Fair Value Hierarchy

U.S. 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 types of financial instruments included in Level I include listed equities and debt. 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.

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 assets 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.

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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 classification as Level II or Level III. 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.

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 Company's share of the underlying net income or loss of such entities is recorded in principal investment income in the consolidated statements of operations.

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.

Financial Instruments held by Consolidated VIEs

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 Company (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, net income attributable to Apollo Global Management, LLC 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.

Due from/to Related Parties

Due from/to related parties includes Apollo's existing partners, employees, certain former employees, portfolio companies of the funds and nonconsolidated credit, private equity and real assets funds. See note 14 for further disclosure of transactions with related parties.

Fixed Assets

Fixed assets consist primarily of leasehold improvements, furniture, fixtures, equipment, and computer hardware 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 performed its annual goodwill impairment test as of October 1, 2018 and 2017 and did not identify any impairment.

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.

Deferred Revenue

Apollo records deferred revenue, which is a type of contract liability, when consideration is received in advance of management services provided.

Apollo also 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 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 Company are presented on a gross basis, any Management Fee Offsets calculated are presented as a reduction to advisory and transaction fees 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 Apollo manages. 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. There was $121.4 million of revenue recognized during the year ended December 31, 2018 that was previously deferred as of January 1, 2018.

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 it manages 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.

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 generally 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. The functional currency of the Company's international subsidiaries is generally the U.S. Dollar, as their operations are considered an extension of U.S. parent operations. Nonmonetary 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 exchange rates prevailing at the end of each reporting period is used for all others. The results of the Company's foreign operations are normally remeasured using an average exchange rate for the respective reporting period. Currency remeasurement adjustments are included within other income, net in the consolidated statements of operations. Gains and losses on the settlement of foreign currency transactions are also included within other income, net in the consolidated statements of operations. Foreign currency denominated assets and liabilities are translated into the reporting currency using the exchange rates prevailing at the end of each reporting period. The results of the Company's foreign operations are normally translated using an average exchange rate for the respective reporting period. Currency translation adjustments are included within other comprehensive income (loss), net of tax within the consolidated statements of comprehensive income.

Revenues

The Company's revenues are reported in four separate categories that include (i) management fees; (ii) advisory and transaction fees, net; (iii) investment income, which is comprised of performance allocations and principal investment income; and (iv) incentive fees.

On January 1, 2018, the Company adopted new revenue guidance issued by the FASB for recognizing revenue from contracts with customers. The new revenue 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 revenue guidance, an entity may recognize variable consideration only to the extent that it is probable to not be significantly reversed. The new revenue 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 Company has concluded that its management fees, advisory and transaction fees, and incentive fees are within the scope of the new revenue guidance. For incentive fees, the new revenue guidance delays the timing of certain revenues compared to the prior accounting treatment. These amounts were previously recognized in carried interest income in the consolidated statements of operations and are now recognized within a separate line, incentive fees.

Effective January 1, 2018, the Company implemented a change in accounting principle for performance allocations to be accounted for under guidance applicable to equity method investments, and therefore not within the scope of the new revenue guidance. The accounting change does not change the timing or amount of revenue recognized related to performance allocation arrangements. These amounts were previously recognized within carried interest income in the consolidated statements of operations and carried interest receivable within the consolidated statements of financial condition. As a result of the change in accounting principle, the Company recognizes performance allocations within investment income along with the related principal investment income (as further described below) in the consolidated statements of operations and within the investments line in the consolidated statements of financial condition. The Company applied this change in accounting principle on a full retrospective basis.

The new revenue guidance was adopted on a modified retrospective basis. The adoption of the new revenue guidance did not have a material impact on the Company. In connection with the adoption of the new revenue guidance, the Company recorded a cumulative effect adjustment to total shareholders' equity as of January 1, 2018 in the amount of $19.4 million net of taxes. Prior periods have not been recast to reflect the new revenue guidance. Accordingly, prior periods reflect recognition under the previous guidance whereby incentive fees were recorded on an assumed liquidation basis at each reporting date. Refer to disclosures below for additional information on each of the Company's revenue streams.

Management Fees

Management fees are recognized over time during the periods in which the related services are performed in accordance with the contractual terms of the related agreement. Management fees are generally based on (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, Net

Advisory fees, including management consulting fees and directors' fees, are generally recognized over time as the underlying services are provided in accordance with the contractual terms of the related agreement. The Company receives such fees in exchange for ongoing management consulting services provided to portfolio companies of funds it manages. Transaction fees, including structuring fees and arranging fees are generally recognized at a point in time when the underlying services rendered are complete.

The amounts due from fund 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 are presented net of the Management Fee Offset in the consolidated statements of operations.

Underwriting fees, which are also included within advisory and transaction fees, net, include gains, losses and fees, arising from securities offerings in which one of the Company's subsidiaries participates in the underwriter syndicate. Underwriting fees are recognized at a point in time when the underwriting is completed. Underwriting fees recognized but not received are recorded in other assets on the consolidated statements of financial condition.

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

Investment Income

Investment income is comprised of performance allocations and principal investment income.

Performance Allocations

Performance allocations are a type of performance revenue (i.e., income earned based on the extent to which an entity's performance exceeds predetermined thresholds). Performance allocations are generally structured from a legal standpoint as an allocation of capital in which the Company's capital account receives allocations of the returns of an entity when those returns exceed predetermined thresholds. The determination of which performance revenues are considered performance allocations is primarily based on the terms of an agreement with the entity.

As noted above, as a result of a change in accounting principle, the Company recognizes performance allocations within investment income along with the related principal investment income (as described further below) in the consolidated statements of operations and within the investments line in the consolidated statements of financial condition.

Principal Investment Income

Principal investment income includes the Company’s income or loss from equity method investments and certain other investments in entities in which the Company is generally eligible to receive performance allocations. Income from equity method investments includes the Company’s share of net income or loss generated from its investments, which are not consolidated, but in which the Company exerts significant influence. Prior to the change in accounting principle noted above, income from equity method investments was included within other income (loss) in the consolidated statements of operations. All prior periods have been conformed to reflect this change in presentation.

Incentive Fees

Incentive fees are a type of performance revenue. Incentive fees differ from performance allocations in that incentive fees do not represent an allocation of capital but rather a contractual fee arrangement with the entity.

Incentive fees are considered a form of variable consideration under the new revenue recognition guidance as they are subject to clawback or reversal and therefore must be deferred until the fees are probable to not be significantly reversed. Accrued but unpaid incentive fees are reported within incentive fees receivable in the Company’s consolidated statements of financial condition. As noted earlier, prior to the adoption of the new revenue recognition guidance, incentive fees were recognized on an assumed liquidation basis. The Company’s incentive fees primarily relate to the credit segment and are generally received from CLOs, managed accounts and AINV.

Compensation and Benefits

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.

Equity-Based Compensation

Equity-based awards granted to employees and non-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. In addition, certain restricted share units (“RSUs”) granted by the Company vest based on both continued service and the Company’s receipt of performance revenues, within prescribed periods, sufficient to cover the associated equity-based compensation expense. In accordance with U.S. GAAP, equity-based compensation expense for such awards, if and when granted, will be recognized on an accelerated recognition method over the requisite service period to the extent the performance revenue metrics are met or deemed probable. The Company accounts for forfeitures of equity-based awards when they occur.

Profit Sharing

Profit sharing expense and profit sharing payable primarily consist of a portion of performance revenues earned from certain funds that are allocated to employees, former employees and Contributing Partners. Profit sharing amounts are recognized as the related performance revenues are earned. Accordingly, profit sharing amounts can be reversed during periods when there is a decline in performance revenues that were previously recognized.

Profit sharing amounts are generally not paid until the related performance revenue is distributed to the general partner upon realization of the fund’s investments. Under certain profit sharing arrangements, the Company requires that a portion of certain of the performance revenues distributed to our employees be used to purchase Class A restricted shares issued under the Company’s 2007 Omnibus Equity Incentive Plan (the “2007 Equity Plan”). Prior to distribution of the performance revenue, the Company records the value of the equity-based awards expected to be granted in other assets and other liabilities within the consolidated statements of financial condition. Such equity-based awards are recorded as equity-based compensation expense over the relevant service period once granted.

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 performance revenue earned by the Company in a given year, which amounts are reflected in profit sharing expense in the accompanying consolidated financial statements.

401(k) Savings Plan

The Company sponsors a 401(k) savings plan (the "401(k) Plan") whereby U.S.-based employees are entitled to participate in the 401(k) Plan based upon satisfying certain eligibility requirements. The Company matches 50% of eligible annual employee contributions up to 3% of the eligible employees' annual compensation. Matching contributions vest after three years of service.

General, Administrative and Other

General, administrative and other primarily includes professional fees, occupancy, depreciation and amortization, travel, information technology and administration expenses. 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.

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 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 from investment activities of consolidated variable interest entities and are attributable to Non-Controlling Interests in the consolidated statements of operations.

Other Income, Net

Other income, net includes the recognition of gains (losses) arising from the remeasurement of foreign currency denominated assets and liabilities, gains arising from the remeasurement of the tax receivable agreement liability (see note 14), 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, certain of these entities are subject to New York City unincorporated business taxes ("NYC UBT") and certain non-U.S. entities are subject to non-U.S. corporate income taxes. In addition, certain consolidated entities are corporations for U.S. and non-U.S. tax purposes and therefore subject to U.S. federal, state and local corporate income tax.

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 includes the net income 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 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 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.

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 other comprehensive income (loss) ("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 and OCI. Apollo's OCI is primarily comprised of foreign currency translation adjustments associated with the Company's non-U.S. dollar denominated subsidiaries.

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, performance allocations, incentive fees, contingent consideration obligation related to an acquisition, non-cash compensation, and fair value of investments and debt. Actual results could differ materially from those estimates.

Recent Accounting Pronouncements

Recently Issued Accounting Standards Adopted in 2018

In November 2016, the Financial Accounting Standards Board ("FASB") issued guidance to reduce diversity in practice in the classification and presentation of changes in restricted cash on the statements 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 are also required to reconcile such total to amounts on the Company's consolidated statements of financial condition and disclose the nature of the restrictions. The Company adopted the standard beginning January 1, 2018 using a retrospective transition method to each period presented. Upon adoption of this standard restricted, cash and cash and cash equivalents held at consolidated VIEs are included within the beginning of period and end of period balances in the Company's consolidated statements of cash flows. Refer to the Company's consolidated statements of cash flows for the impact of this standard.

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 Company adopted the standard beginning January 1, 2018. The adoption of this standard did not have an impact on the consolidated financial statements of the Company.

In June 2018, the FASB issued guidance which generally aligns the measurement and classification for share-based payments to non-employees with the accounting guidance for share-based payments to employees. Among other requirements, the new guidance requires equity-classified non-employee share-based payment awards to be measured at the grant date, rather than remeasured to fair value at the end of each reporting period. The guidance is effective for public business entities on January 1, 2019, however early adoption is permitted. The Company early adopted this standard retroactive to January 1, 2018 and the impact of this guidance was not material to the consolidated financial statements.

In August 2018, the FASB issued guidance which changes the fair value disclosure requirements. The guidance includes new fair value disclosure requirements and eliminates and modifies certain other fair value disclosure requirements. Among other requirements, the guidance requires the following new disclosures: (i) disclosure of changes in unrealized gains or losses included in other comprehensive income for recurring Level III fair value measurements held at the end of the reporting period and (ii) a description of how the weighted average used to develop significant unobservable inputs for Level III fair value measurements was calculated. The guidance eliminates the following disclosure requirements: (i) disclosure of the amount and reason for transfers between Level I and Level II and (ii) disclosure of the policy for timing of transfers between levels of the fair value hierarchy. The guidance is effective for all entities for interim and annual periods beginning after December 15, 2019. Early adoption is permitted for any eliminated or modified disclosure requirements upon issuance of the guidance. The Company early adopted the eliminated and modified disclosure requirements upon issuance of the guidance during the three month period ended September 30, 2018 and will adopt the new disclosure requirements upon their effective date. Eliminated disclosures have been applied retroactively to all periods presented.

Recently Issued Accounting Standards Effective on January 1, 2019

In February 2016, the FASB issued guidance that amends the accounting for leases. The amended guidance requires recognition of a right-of-use lease asset and a lease liability by lessees for leases classified as operating leases. The lease liability represents the aggregate discounted amount of the Company's minimum future lease payments under lease obligations. The right-of-use asset represents the right to use the underlying asset over the lease term. The Company will adopt the guidance in the first quarter of 2019 under the simplified transition method. The simplified transition method allows companies to forgo the comparative reporting requirements initially required under the modified retrospective transition approach and apply the new guidance prospectively. The Company expects to elect to use the practical expedients under which the Company would not need to reassess whether an arrangement is or contains a lease, lease classification, and the accounting for initial direct costs. The Company does not expect the adoption to have a material impact on the consolidated statements of operations because the Company's leases are classified as operating leases, which under the guidance will continue to be recognized as expense on a straight-line basis. The adoption, however, will result in an increase in total assets and total liabilities on the consolidated statements of financial condition. As of December 31, 2018, the lease liability is estimated to be between approximately $110 million to $125 million which is the primary determinant of the right-of-use lease asset. The Company also has additional operating leases for office space that have not yet commenced as of December 31, 2018, which include additional undiscounted minimum future lease payments of approximately $331 million . These operating leases are expected to commence between fiscal year 2019 and fiscal year 2021 with lease terms of approximately 15 years .

(dollars in thousands, except share data, except where noted)

Recently Issued Accounting Standards Effective on January 1, 2020

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 guidance is not expected to have a material impact on the consolidated financial statements of the Company.

3 . GOODWILL AND INTANGIBLE ASSETS

The carrying value of goodwill was $88.9 million as of December 31, 2018 and 2017 . Goodwill primarily relates to the 2007 Reorganization and the Company's acquisition of Stone Tower Capital LLC and its related management companies ("Stone Tower") in 2012. As of December 31, 2018 and 2017 , there was, $64.8 million , $23.1 million and $1.0 million of goodwill related to the credit, private equity and real asset segments, respectively.

Intangible assets, net consists of the following:

	As of December 31,	
	2018	**2017**
Finite-lived intangible assets/management contracts	$ 254,295	$ 248,609
Accumulated amortization	(235,396)	(229,767)
Intangible assets, net	$ 18,899	$ 18,842

The changes in intangible assets, net consist of the following and includes approximately $1.0 million of indefinite-lived intangible assets as of both December 31, 2018 and 2017 .

	For the Years Ended December 31,		
	2018	**2017**	**2016**
Balance, beginning of year	$ 18,842	$ 22,721	$ 28,620
Amortization expense	(5,629)	(6,428)	(9,095)
Acquisitions / additions	5,686	2,549	3,196
Balance, end of year	$ 18,899	$ 18,842	$ 22,721

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

	2019	**2020**	**2021**	**2022**	**2023**	**Thereafter**	**Total**
Amortization of intangible assets	$ 6,507	$ 6,174	$ 3,976	$ 1,103	$ 108	$ 71	$ 17,939

There was no impairment of indefinite lived intangible assets as of December 31, 2018 and 2017 .

4 . INVESTMENTS

The following table represents Apollo's investments:

	As of December 31, 2018	**As of December 31, 2017**
Investments, at fair value	$ 900,959	$ 866,998
Equity method investments	909,471	863,906
Performance allocations	912,182	1,828,930
Total Investments	$ 2,722,612	$ 3,559,834

Investments, at Fair Value

Investments, at fair value, consist of investments for which the fair value option has been elected and primarily include the Company's investment in Athene Holding and investments in debt of unconsolidated CLOs. Changes in the fair value related to these investments are presented in net gains (losses) from investment activities except for certain investments for which the Company is entitled to receive performance allocations. For those investments, changes in fair value are presented in principal investment income.

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 as of December 31, 2018 and 2017 . As such, the following tables present summarized financial information of Athene Holding:

	As of December 31,	
	2018	2017
	(in millions)	
Statements of Financial Condition		
Investments	$ 89,340	$ 82,062
Assets	125,505	100,161
Liabilities	117,229	90,985
Equity	8,276	9,176

	For the Years Ended December 31,		
	2018	2017	2016
Statements of Operations			
Revenues	$ 6,543	$ 8,727	$ 4,105
Expenses	5,368	7,263	3,393
Income before income tax provision (benefit)	1,175	1,464	712
Income tax provision (benefit)	122	106	(61)
Net income	$ 1,053	$ 1,358	$ 773

Net Gains (Losses) from Investment Activities

The following table presents the realized and net change in unrealized gains (losses) reported in net gains (losses) from investment activities:

	For the Years Ended December 31,		
	2018	2017	2016
Realized gains on sales of investments, net	$ 67	$ 103	$ 400
Net change in unrealized gains (losses) due to changes in fair value	(186,516)	95,001	139,321
Net gains (losses) from investment activities	$ (186,449)	$ 95,104	$ 139,721

Equity Method Investments

Apollo's equity method investments include its investments in the credit, private equity and real assets funds it manages, which are not consolidated, but in which the Company exerts significant influence. Apollo's share of net income generated by these investments is recorded in principal investment income in the consolidated statements of operations.

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Equity method investments consisted of the following:

	Equity Held as of	
	December 31, 2018 (4)	December 31, 2017 (4)
Credit (2)	$ 396,384	$ 325,267
Private Equity (1)	473,657	509,707
Real Assets	39,430	28,932
Total equity method investments (3)	$ 909,471	$ 863,906

(1) The equity method investment in Fund VIII was $356.6 million and $385.7 million as of December 31, 2018 and 2017 , respectively, representing an ownership percentage of 2.2% and 2.2% as of December 31, 2018 and 2017 , respectively.
(2) The equity method investment in AINV was $53.9 million and $56.5 million as of December 31, 2018 and 2017 , respectively. The value of the Company's investment in AINV was $36.7 million and $50.2 million based on the quoted market price of AINV as of December 31, 2018 and 2017 , respectively.
(3) Certain funds invest across multiple segments. The presentation in the table above is based on the classification of the majority of such funds' investments.
(4) Some amounts included are a quarter in arrears.

The tables below present summarized financial information of the Company's equity method investments in aggregate:

	Credit		Private Equity		Real Assets		Aggregate Totals	
	As of December 31,		As of December 31,		As of December 31,		As of December 31,	
Statement of Financial Condition	2018 (1)	2017 (1)	2018 (1)	2017 (1)	2018 (1)	2017 (1)	2018 (1)	2017 (1)
Investments	$ 35,114,212	$ 22,829,749	$ 23,479,794	$ 26,967,402	$ 6,247,916	$ 4,676,444	$ 64,841,922	$ 54,473,595
Assets	38,570,948	25,300,139	24,498,401	27,936,030	6,640,389	4,854,334	69,709,738	58,090,503
Liabilities	18,583,397	5,819,426	524,846	133,870	2,723,138	2,066,612	21,831,381	8,019,908
Equity	19,987,551	19,480,713	23,973,555	27,802,160	3,917,251	2,787,722	47,878,357	50,070,595

	Credit			Private Equity			Real Assets			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	2018 (1)	2017 (1)	2016 (1)	2018 (1)	2017 (1)	2016 (1)	2018 (1)	2017 (1)	2016 (1)	2018 (1)	2017 (1)	2016 (1)
Revenues/Investment Income	$ 1,546,880	$ 1,774,987	$ 1,384,414	$ 445,249	$ 726,464	$ 235,231	$ 414,313	$ 280,440	$ 215,738	$ 2,406,442	$ 2,781,891	$ 1,835,383
Expenses	1,351,556	700,660	483,335	571,689	311,171	298,705	221,908	65,141	66,869	2,145,153	1,076,972	848,909
Net Investment Income (Loss)	195,324	1,074,327	901,079	(126,440)	415,293	(63,474)	192,405	215,299	148,869	261,289	1,704,919	986,474
Net Realized and Unrealized Gain (Loss)	(179,024)	1,000,922	1,033,550	(2,990,133)	5,728,099	2,999,627	38,694	45,455	21,193	(3,130,463)	6,774,476	4,054,370
Net Income (Loss)	$ 16,300	$ 2,075,249	$ 1,934,629	$ (3,116,573)	$ 6,143,392	$ 2,936,153	$ 231,099	$ 260,754	$ 170,062	$ (2,869,174)	$ 8,479,395	$ 5,040,844

(1) Certain credit, private equity and real assets fund amounts are as of and for the twelve months ended September 30, 2018 , 2017 and 2016 and exclude amounts related to Athene Holding.

Performance Allocations

Performance allocations from credit, private equity and real assets funds consisted of the following:

	As of December 31, 2018	As of December 31, 2017
Credit	$ 374,541	$ 395,340
Private Equity	514,350	1,404,777
Real Assets	23,291	28,813
Total performance allocations	$ 912,182	$ 1,828,930

(dollars in thousands, except share data, except where noted)

The table below provides a roll forward of the performance allocations balance:

	Credit	Private Equity	Real Assets	Total
Performance allocations, January 1, 2017	$ 372,205	$ 798,465	$ 32,526	$ 1,203,196
Change in fair value of funds	212,768	1,050,141	13,283	1,276,192
Fund distributions to the Company	(189,633)	(443,829)	(16,996)	(650,458)
Performance allocations, December 31, 2017	$ 395,340	$ 1,404,777	$ 28,813	$ 1,828,930
Change in fair value of funds	93,312	(444,476)	1,730	(349,434)
Fund distributions to the Company	(114,111)	(445,951) (1)	(7,252)	(567,314)
Performance allocations, December 31, 2018	$ 374,541	$ 514,350	$ 23,291	$ 912,182

(1) Includes realized performance allocations of $169.9 million from AP Alternative Assets, L.P. ("AAA"), settled in the form of shares of Athene Holding.

The change in fair value of funds excludes the reversal of previously realized performance allocations due to the general partner obligation to return previously distributed performance allocations, which is recorded in due to related parties in the consolidated statements of financial condition. See note 14 for further disclosure regarding the general partner obligation.

The timing of the payment of performance allocations due to the general partner or investment manager varies depending on the terms of the applicable fund agreements. Generally, performance allocations with respect to the private equity funds and certain credit and real assets funds are payable and are 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.

5 . PROFIT SHARING PAYABLE

Profit sharing payable consisted of the following:

	As of December 31, 2018	As of December 31, 2017
Credit	$ 239,525	$ 265,791
Private Equity	201,607	475,556
Real Assets	11,009	10,929
Total profit sharing payable	$ 452,141	$ 752,276

The table below provides a roll forward of the profit sharing payable balance:

	Credit	Private Equity	Real Assets	Total
Profit sharing payable, January 1, 2017	$ 268,855	$ 268,170	$ 13,123	$ 550,148
Profit sharing expense	104,475	402,963	5,544	512,982
Payments/other	(107,539)	(195,577)	(7,738)	(310,854)
Profit sharing payable, December 31, 2017	$ 265,791	$ 475,556	$ 10,929	$ 752,276
Profit sharing expense	60,279	(91,088)	2,785	(28,024)
Payments/other (1)	(86,545)	(182,861) (2)	(2,705)	(272,111)
Profit sharing payable, December 31, 2018	$ 239,525	$ 201,607	$ 11,009	$ 452,141

(1) Includes $10.6 million associated with the adoption of new revenue recognition accounting guidance, as discussed in note 2 .
(2) Includes $46.6 million associated with profit sharing expense related to AAA that was settled in the form of shares of Athene Holding.

Profit sharing expense includes (i) changes in amounts payable to employees and former employees entitled to a share of performance revenues in Apollo's funds and (ii) changes to the fair value of the contingent consideration obligations recognized in connection with certain Apollo acquisitions. Profit sharing expense excludes the potential return of profit sharing distributions that would be due if certain funds were liquidated, which is recorded in due from related parties in the consolidated statements of financial condition. See note 14 for further disclosure regarding the potential return of profit sharing distributions.

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As discussed in note 2 , under certain profit sharing arrangements, the Company requires that a portion of certain of the performance revenues distributed to its employees be used to purchase Class A restricted shares issued under its 2007 Equity Plan. Prior to distribution of the performance revenues, the Company records the value of the equity-based awards expected to be granted in other assets and other liabilities within the consolidated statements of financial condition. See note 8 for further disclosure regarding deferred equity-based compensation.

6 . 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.

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 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 CLOs and primarily relate to corporate loans that are expected to settle within 60 days . As of December 31, 2018 and December 31, 2017 , the Company held investments of $44.2 million and $47.2 million , respectively, in consolidated foreign currency denominated CLOs, which eliminate in consolidation.

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,		
	2018 (1)	2017 (1)	2016 (1)
Net gains from investment activities	$ 23,922	$ 7,960	$ 10,334
Net gains (losses) from debt	16,875	6,416	(11,921)
Interest and other income	35,612	35,154	41,791
Interest and other expenses	(31,297)	(38,865)	(35,189)
Net gains from investment activities of consolidated variable interest entities	$ 45,112	$ 10,665	$ 5,015

(1) Amounts reflect consolidation eliminations.

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Senior Secured Notes, Subordinated Notes and Secured Borrowings

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, 2018			As of December 31, 2017		
	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]	$ 768,860	1.67%	11.2	$ 806,603	1.68%	12.2
Subordinated Notes [2]	95,686	N/A [1]	21.4	100,188	N/A [1]	22.4
Secured Borrowings [2][3]	18,976	3.42%	8.8	109,438	2.70%	9.3
Total	$ 883,522			$ 1,016,229		

(1) The subordinated notes do not have contractual interest rates but instead receive distributions from the excess cash flows of the VIEs.
(2) The debt 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. The fair value of the debt and collateralized assets of the Senior Secured Notes, Subordinated Notes and Secured Borrowings are presented below:

	As of December 31, 2018	As of December 31, 2017
Debt, at fair value	$ 855,461	$ 1,002,063
Collateralized assets	$ 1,290,891	$ 1,328,586

(3) Secured borrowings consist of a consolidated VIE's obligation through a repurchase agreement redeemable at maturity with a third party lender. The fair value of the secured borrowings as of December 31, 2018 and December 31, 2017 was $19.0 million and $109.4 million , respectively.

The consolidated VIEs' debt obligations contain various customary loan covenants. As of December 31, 2018 , the Company was not aware of any instances of non-compliance with any of these covenants.

As of December 31, 2018 , the contractual maturities for debt of the consolidated VIEs is greater than 5 years.

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 table presents 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. In addition, the table presents the maximum exposure to losses relating to these VIEs.

	As of December 31, 2018	As of December 31, 2017
Assets:		
Cash	$ 404,660	$ 254,791
Investments	4,919,118	6,230,397
Receivables	126,873	36,601
Total Assets	**$ 5,450,651**	**$ 6,521,789**
Liabilities:		
Debt and other payables	$ 3,673,219	$ 3,285,263
Total Liabilities	**$ 3,673,219**	**$ 3,285,263**
Apollo Exposure [(1)]	**$ 244,894**	**$ 252,605**

(1) Represents Apollo's direct investment in those entities in which Apollo holds a significant variable interest and certain other investments. Additionally, cumulative performance allocations are subject to reversal in the event of future losses, as discussed in note 15 .

7 . FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following tables summarize the Company's financial assets and financial liabilities recorded at fair value by fair value hierarchy level:

	As of December 31, 2018				
	Level I	Level II	Level III	Total	Cost
Assets					
U.S. Treasury securities, at fair value	$ 392,932	$ —	$ —	$ 392,932	$ 390,336
Investments, at fair value:					
Investment in Athene Holding	761,807	—	—	761,807	592,572
Other investments	—	42,782	96,370 [(1)]	139,152	124,379
Total investments, at fair value	761,807	42,782	96,370	900,959	716,951
Investments of VIEs, at fair value	—	877,427	295,987	1,173,414	
Investments of VIEs, valued using NAV	—	—	—	2,263	
Total investments of VIEs, at fair value	—	877,427	295,987	1,175,677	
Derivative assets [(2)]	—	388	—	388	
Total Assets	$ 1,154,739	$ 920,597	$ 392,357	$ 2,469,956	
Liabilities					
Liabilities of VIEs, at fair value	$ —	$ 855,461	$ —	$ 855,461	
Contingent consideration obligations [(3)]	—	—	74,487	74,487	
Derivative liabilities [(2)]	—	681	—	681	
Total Liabilities	$ —	$ 856,142	$ 74,487	$ 930,629	

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	As of December 31, 2017				
	Level I	**Level II**	**Level III**	**Total**	**Cost**
Assets					
U.S. Treasury securities, at fair value	$ 364,649	$ —	$ —	$ 364,649	$ 363,812
Investments, at fair value:					
Investment in Athene Holding	—	802,985	—	802,985	387,526
Other investments	205	28,107	35,701	64,013	61,179
Total investments, at fair value	205	831,092	35,701	866,998	448,705
Investments of VIEs, at fair value	—	1,058,999	132,348	1,191,347	
Investments of VIEs, valued using NAV	—	—	—	4,843	
Total investments of VIEs, at fair value	—	1,058,999	132,348	1,196,190	
Derivative assets [(2)]	—	478	—	478	
Total Assets	$ 364,854	$ 1,890,569	$ 168,049	$ 2,428,315	
Liabilities					
Liabilities of VIEs, at fair value	$ —	$ 1,002,063	$ 12,620	$ 1,014,683	
Contingent consideration obligations [(3)]	—	—	92,600	92,600	
Derivative liabilities [(2)]	—	1,537	—	1,537	
Total Liabilities	$ —	$ 1,003,600	$ 105,220	$ 1,108,820	

(1) Other investments excludes $17.0 million of performance allocations classified as Level III related to certain investments for which the Company has elected the fair value option. The Company's policy is to account for performance allocations as investments.
(2) Derivative assets and derivative liabilities are presented as a component of Other assets and Other liabilities, respectively, in the consolidated statements of financial condition.
(3) Profit sharing payable includes contingent obligations classified as Level III.

The following tables summarize the changes in financial assets measured at fair value for which Level III inputs have been used to determine fair value:

	For the Year Ended December 31, 2018		
	Other Investments	**Investments of Consolidated VIEs**	**Total**
Balance, Beginning of Period	$ 35,701	$ 132,348	$ 168,049
Purchases	112,645	151,877	264,522
Sale of investments/distributions	(49,288)	(17,000)	(66,288)
Net realized losses	(106)	(1,084)	(1,190)
Changes in net unrealized gains	12,683	45,506	58,189
Cumulative translation adjustment	(591)	(16,787)	(17,378)
Transfer into Level III [(1)]	4,682	18,783	23,465
Transfer out of Level III [(1)]	(19,356)	(17,656)	(37,012)
Balance, End of Period	$ 96,370	$ 295,987	$ 392,357
Change in net unrealized gains included in principal investment income related to investments still held at reporting date	$ 12,618	$ —	$ 12,618
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	44,350	44,350

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	For the Year Ended December 31, 2017		
	Other Investments	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	$ 45,721	$ 92,474	$ 138,195
Purchases	12,760	116,674	129,434
Sale of investments/distributions	—	(70,740)	(70,740)
Net realized gains (losses)	(5)	6,986	6,981
Changes in net unrealized gains (losses)	(607)	4,592	3,985
Cumulative translation adjustment	5,939	6,759	12,698
Transfer into Level III [1]	—	16,392	16,392
Transfer out of Level III [1]	(28,107)	(40,789)	(68,896)
Balance, End of Period	$ 35,701	$ 132,348	$ 168,049
Change in net unrealized losses included in principal investment income related to investments still held at reporting date	$ (614)	$ —	$ (614)
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	3,638	3,638

(1) 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.

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,					
	2018			2017		
	Liabilities of Consolidated VIEs & Apollo Funds	Contingent Consideration Obligations	Total	Liabilities of Consolidated VIEs & Apollo Funds	Contingent Consideration Obligations	Total
Balance, Beginning of Period	$ 12,620	$ 92,600	$ 105,220	$ 11,055	$ 106,282	$ 117,337
Additions	—	—	—	(97)	—	(97)
Payments	(12,620)	(6,947)	(19,567)	94	(23,597)	(23,503)
Net realized gains	—	—	—	10	—	10
Changes in net unrealized (gains) losses [1]	—	(11,166)	(11,166)	1,558	9,915	11,473
Balance, End of Period	$ —	$ 74,487	$ 74,487	$ 12,620	$ 92,600	$ 105,220
Change in net unrealized losses included in net gains from investment activities of consolidated VIEs related to liabilities still held at reporting date	$ —	$ —	$ —	$ 1,565	$ —	$ 1,565

(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, 2018				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Other investments	$ 6,901	Third Party Pricing	N/A	N/A	N/A
	89,469	Discounted cash flow	Discount rate	15.0% - 16.0%	15.5%
Investments of consolidated VIEs:					
Corporate loans/bonds/CLO notes	4,116	Third party pricing	N/A	N/A	N/A
Equity securities	291,871	Book value multiple	Book value multiple	0.65x	0.65x
		Discounted cash flow	Discount rate	15.2%	15.2%
Total investments of consolidated VIEs	295,987				
Total Financial Assets	$ 392,357				
Financial Liabilities					
Contingent consideration obligation	$ 74,487	Discounted cash flow	Discount rate	17.0%	17.0%
Total Financial Liabilities	$ 74,487				

	As of December 31, 2017				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Other investments	$ 20,641	Third party pricing	N/A	N/A	N/A
	15,060	Cost (1)	N/A	N/A	N/A
Investments of consolidated VIEs:					
Corporate loans/bonds/CLO notes	6,824	Third party pricing	N/A	N/A	N/A
Equity securities	125,524	Book value multiple	Book value multiple	0.71x	0.71x
		Discounted cash flow	Discount rate	13.4%	13.4%
Total investments of consolidated VIEs	132,348				
Total Financial Assets	$ 168,049				
Financial Liabilities					
Liabilities of consolidated VIEs	$ 12,620	Other	N/A	N/A	N/A
Contingent consideration obligation	92,600	Discounted cash flow	Discount rate	17.3%	17.3%
Total Financial Liabilities	$ 105,220				

(1) The valuation technique used is cost as it approximates the fair value of the investment.

Fair Value Measurement of Investment in Athene Holding

As of December 31, 2018 , the fair value of Apollo’s Level I investment in Athene Holding was calculated using the closing market price of Athene Holding shares of $39.83 . As of December 31, 2017 , the fair value of Apollo’s Level II investment in Athene Holding was estimated using the closing market price of Athene Holding shares of $51.71 less a discount due to a lack of marketability (“DLOM”) of 4.0% , as applicable. The DLOM was derived based on the average remaining lock up restrictions on the shares of Athene Holding held by Apollo (11.3 months as of December 31, 2017) 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.

Discounted Cash Flow Model

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 and the contingent consideration obligations; conversely decreases in the discount rate can significantly increase the fair value of an investment and the contingent consideration obligations.

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Consolidated VIEs

Investments

As of December 31, 2018 and 2017 , the significant unobservable inputs used in the fair value measurement of the equity securities include the discount rate applied and the book value multiples applied in the valuation models. These unobservable inputs in isolation can cause significant increases or decreases in fair value. The discount rate is determined based on the market rates an investor would expect for a similar investment with similar risks. When a comparable multiple model is used to determine fair value, the comparable multiples are generally multiplied by the underlying companies' earnings before interest, taxes, depreciation and amortization ("EBITDA") to establish the total enterprise value of the company. The comparable multiple is determined based on the implied trading multiple of public industry peers.

Liabilities

As of December 31, 2018 and 2017 , 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.

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. The discount rate was based on the hypothetical cost of equity in connection with the acquisition of Stone Tower. See note 15 for further discussion of the contingent consideration obligations.

Valuation of Underlying Investments of Equity Method Investees

As discussed previously, the underlying entities that the Company manages and invests in are primarily investment companies which account for their investments at estimated 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 the Company, 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.

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.

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.

Real Assets Investments

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

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Certain of the credit, private equity, and real assets 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 the 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.

8 . OTHER ASSETS

Other assets consisted of the following:

	As of December 31, 2018	As of December 31, 2017
Fixed assets	$ 109,039	$ 102,694
Less: Accumulated depreciation and amortization	(89,049)	(83,510)
Fixed assets, net	19,990	19,184
Prepaid expenses	130,091	189,542
Tax receivables	10,464	9,236
Other	12,725	13,795
Total Other Assets	$ 173,270	$ 231,757

Prepaid expenses includes $80.4 million and $135.0 million as of December 31, 2018 and 2017 , respectively, of deferred equity-based compensation related to the value of the equity-based awards that have been or are expected to be granted in connection with the settlement of certain profit sharing arrangements. A corresponding amount for awards expected to be granted of $54.5 million and $124.3 million , as of December 31, 2018 and 2017 , respectively, is included in other liabilities on the consolidated statements of financial condition.

Depreciation expense was $8.5 million , $12.1 million and $9.6 million for the years ended December 31, 2018, 2017 and 2016 , respectively, and is presented as a component of general, administrative and other expense in the consolidated statements of operations.

9 . INCOME TAXES

The Company’s income tax provision totaled $86.0 million , $325.9 million and $90.7 million for the years ended December 31, 2018, 2017 and 2016 , respectively. The Company’s effective income tax rate was 81.7% , 18.4% and 8.5% for the years ended December 31, 2018, 2017 and 2016 , respectively. The Company’s high effective income tax rate for the year ended December 31, 2018 results primarily from a significant portion of the losses from performance allocations and investment activities that are not subject to U.S. income taxes. As a result, these losses have reduced the Company’s net income, but do not generate a tax benefit. The Company’s effective income tax rate was also impacted by the remeasurement of income taxes due to state tax planning.

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The provision for income taxes is presented in the following table:

	For the Years Ended December 31,		
	2018	2017	2016
Current:			
Federal income tax	$ —	$ 3,314	$ —
Foreign income tax (1)	4,208	3,271	5,843
State and local income tax	1,633	6,364	2,847
Subtotal	5,841	12,949	8,690
Deferred:			
Federal income tax	33,936	290,213	66,567
Foreign income tax (1)	—	—	(16)
State and local income tax	46,244	22,783	15,466
Subtotal	80,180	312,996	82,017
Total Income Tax Provision	$ 86,021	$ 325,945	$ 90,707

(1) The foreign income tax provision was calculated on $41.8 million , $24.0 million and $38.8 million of pre-tax income generated in foreign jurisdictions for the years ended December 31, 2018, 2017 and 2016 , respectively.

The following table reconciles the U.S. Federal statutory tax rate to the effective income tax rate:

	For the Years Ended December 31,		
	2018	2017	2016
U.S. Federal Statutory Tax Rate	21.0 %	35.0 %	35.0 %
Income Passed Through to Non-Controlling Interests	(24.2)	(16.3)	(18.9)
(Income) Loss Passed Through to Class A Shareholders	53.8	(10.4)	(9.2)
State and Local Income Taxes (net of Federal Benefit)	29.8	1.2	1.4
Impact of Federal Tax Reform	—	9.7	—
Other	1.3	(0.8)	0.2
Effective Income Tax Rate	81.7 %	18.4 %	8.5 %

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.

Existing accounting rules require the effect of a change in tax law or rates to be recognized in income as a component of the income tax provision on the date a bill is signed into law. Existing accounting rules also require deferred tax assets and liabilities to be measured at the enacted rate. The Tax Cuts and Jobs Act (the "TCJA") was signed into law on December 22, 2017 and includes a broad range of tax reforms including a reduction in the corporate income tax rate to 21% from 35% effective January 1, 2018. As of December 31, 2017, the rate change resulted in a reduction of our net deferred tax assets of $254.3 million , resulting primarily from the remeasurement of tax assets arising from the exchanges of AOG units for Class A shares.

As existing accounting rules do not address all circumstances that may arise for companies in accounting for the income tax effects of the TCJA, the SEC staff issued guidance on December 22, 2017 to clarify the application of existing rules in situations where an entity did not have the necessary information available, prepared, or analyzed (including computations) in reasonable detail to complete the accounting for the income tax effects of the TCJA in the period the TCJA was enacted.

During the year ended December 31, 2018, the Company completed its analysis based on available guidance and no material adjustments were made to the provisional amounts previously recorded. The allowable measurement period is now closed.

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The Company's deferred tax assets and liabilities in the consolidated statements of financial condition consist of the following:

	As of December 31,	
	2018	2017
Deferred Tax Assets:		
Depreciation and amortization	$ 275,793	$ 300,882
Net operating loss carryforwards	16,039	21,091
Deferred revenue	6,469	14,652
Equity-based compensation	3,849	3,196
Foreign tax credit	15,563	13,338
Other	7,174	3,030
Total Deferred Tax Assets	324,887	356,189
Deferred Tax Liabilities:		
Unrealized gains from investments	18,108	17,818
Other	685	733
Total Deferred Tax Liabilities	18,793	18,551
Total Deferred Tax Assets, Net	$ 306,094	$ 337,638

As of December 31, 2018 , the Company had approximately $48.7 million of federal net operating loss ("NOL") carryforwards and $85.7 million of state and local net operating loss carryforwards that will begin to expire after 2035. In addition, the Company's foreign tax credit carryforwards will begin to expire after 2021.

The Company considered its historical and current year earnings, current utilization of existing deferred tax assets and deferred tax liabilities, the 15 year amortization periods of the tax basis of its intangible assets, the 20 year carry forward periods of any NOLs, short and long term business forecasts and the impact of the TCJA on future earnings in evaluating whether it should establish a valuation allowance. 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, 2018 .

Under U.S. GAAP, a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits of the position. Based upon the Company's review of its federal, state, local and foreign income tax returns and tax filing positions, the Company determined that no unrecognized tax benefits for uncertain tax positions were required to be recorded. In addition, the Company does not believe that it has any tax positions for which it is reasonably possible that it will be required to record significant amounts of unrecognized tax benefits within the next twelve months.

The Company's primary jurisdictions in which it operates are the United States, New York State, New York City, California and the United Kingdom. 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, 2018 , the Company's U.S. federal, state, local and foreign income tax returns for the years 2015 through 2018 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 2011 tax year. The State and City of New York are examining certain subsidiaries' tax returns for tax years 2011 to 2018.

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 is 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 benefit the Company obtains from the difference in the tax asset recognized and the related liability results in an increase to additional paid in capital. The amortization period for these tax basis intangibles is 15 years and the deferred tax assets will reverse over the same period.

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The table below presents 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.

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, 2018	$ 45,017	$ 37,891	$ 7,126
For the Year Ended December 31, 2017	$ 56,908	$ 44,972	$ 11,936
For the Year Ended December 31, 2016	$ 7,342	$ 6,187	$ 1,155

10 . DEBT

Debt consisted of the following:

	As of December 31, 2018			As of December 31, 2017		
	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)	$ —	$ —	N/A	$ 299,655	$ 298,875 (3)	2.33%
2024 Senior Notes (1)	496,512	498,736 (4)	4.00%	495,860	511,096 (4)	4.00
2026 Senior Notes (1)	496,191	502,107 (4)	4.40	495,678	525,273 (4)	4.40
2048 Senior Notes (1)	296,386	290,714 (4)	5.00	—	—	—
2014 AMI Term Facility I (2)	15,633	15,633 (3)	2.00	16,399	16,482 (3)	2.00
2014 AMI Term Facility II (2)	17,657	17,657 (3)	1.75	18,548	18,605 (3)	1.75
2016 AMI Term Facility I (2)	19,371	19,371 (3)	1.32	20,372	20,372 (3)	1.75
2016 AMI Term Facility II (2)	18,698	18,698 (3)	1.70	15,890	15,931 (3)	2.00
Total Debt	$ 1,360,448	$ 1,362,916		$ 1,362,402	$ 1,406,634	

(1) Includes amortization of note discount, as applicable. Outstanding balance is presented net of unamortized debt issuance costs:

	As of December 31, 2018	As of December 31, 2017
2013 AMH Credit Facilities - Term Facility	$ —	$ 345
2024 Senior Notes	2,946	3,498
2026 Senior Notes	3,483	3,951
2048 Senior Notes	3,298	—

(2) Apollo Management International LLP ("AMI"), a subsidiary of the Company, entered into several five year credit facilities (collectively referred to as the "AMI Facilities") to fund the Company's investment in certain European CLOs it manages.

Facility	Date	Loan Amount
2014 AMI Term Facility I	July 3, 2014	€ 13,636
2014 AMI Term Facility II	December 9, 2014	€ 15,400
2016 AMI Term Facility I	January 18, 2016	€ 16,895
2016 AMI Term Facility II	June 22, 2016	€ 16,308

(3) Fair value is based on obtained broker quotes. These notes are 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.

(4) Fair value is based on obtained broker quotes. These notes are 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 entered into credit facilities (the "2013 AMH Credit Facilities") with the lenders and issuing banks party thereto and JPMorgan Chase Bank, N.A., as administrative agent for the lenders. The 2013 AMH Credit Facilities provided for (i) a term loan facility to AMH (the "Term Facility") that included $750 million of term loan from third-party lenders and $271.7 million of 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.

In connection with the issuance of the 2024 Senior Notes, the 2026 Senior Notes and the 2048 Senior Notes (as described below), $250 million , $200 million and $300 million of the proceeds, respectively, were used to repay the entire remaining amount of both the term loan from third-party lenders and the term loan held by a subsidiary of the Company as of March 15, 2018. The Revolver Facility was replaced as of July 11, 2018 by the 2018 AMH Credit Facility, as described below. The 2013 AMH Credit Facilities and all related loan documents were terminated as of July 11, 2018.

2018 AMH Credit Facility —On July 11, 2018, AMH as borrower (the "Borrower") entered into a new credit agreement (the "2018 AMH Credit Facility") with the lenders and issuing banks party thereto and Citibank, N.A., as administrative agent for the lenders. The 2018 AMH Credit Facility provides for a $750 million revolving credit facility to the Borrower with a final maturity date of July 11, 2023. The 2018 AMH Credit Facility is to remain available until its maturity, and any undrawn revolving commitments bear a commitment fee. The interest rate on the 2018 AMH Credit Facility is based on adjusted LIBOR and the applicable margin as of December 31, 2018 was 1.00% . The commitment fee on the $750 million undrawn 2018 AMH Credit Facility as of December 31, 2018 was 0.09% .

Borrowings under the 2018 AMH Credit Facility may be used for working capital and general corporate purposes, including, without limitation, permitted acquisitions. The Borrower may incur incremental facilities in respect of the 2018 AMH Credit Facility in an aggregate amount not to exceed $250 million plus additional amounts so long as the Borrower is in compliance with a net leverage ratio not to exceed 4.00 to 1.00 . As of December 31, 2018 , the 2018 AMH Credit 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 is 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 is 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.

2048 Senior Notes —On March 15, 2018, AMH issued $300 million in aggregate principal amount of its 5.000% Senior Notes due 2048 (the "2048 Senior Notes"), at an issue price of 99.892% of par. Interest on the 2048 Senior Notes is payable semi-annually in arrears on March 15 and September 15 of each year. The 2048 Senior Notes will mature on March 15, 2048. The discount is amortized into interest expense on the consolidated statements of operations over the term of the 2048 Senior Notes. The face amount of $300 million related to the 2048 Senior Notes is the amount for which the Company is obligated to settle the 2048 Senior Notes.

As of December 31, 2018 , the 2026 Senior Notes, the 2024 Senior Notes and the 2048 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, Apollo Principal Holdings XII, L.P., AMH Holdings (Cayman), L.P. and any other entity that is required to become a guarantor of the notes under the terms of the indentures governing the 2026 Senior Notes, the 2024 Senior Notes and the 2048 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.

(dollars in thousands, except share data, except where noted)

The following table presents the interest expense incurred related to the Company's debt:

	For the Years Ended December 31,		
	2018	2017	2016
Interest Expense: [1]			
2013 AMH Credit Facilities	$ 2,387	$ 8,328	$ 8,253
2018 AMH Credit Facility	489	—	—
2024 Senior Notes	20,652	20,652	20,652
2026 Senior Notes	22,513	22,513	13,372
2048 Senior Notes	12,009	—	—
AMI Term Facilities	1,324	1,380	1,205
Total Interest Expense	$ 59,374	$ 52,873	$ 43,482

(1) Debt issuance costs incurred in connection with the 2013 AMH Credit Facilities, the 2018 AMH Credit Facility, the 2024 Senior Notes, the 2026 Senior Notes and the 2048 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, 2018 :

	2019	2020	2021	2022	2023	Thereafter	Total
2024 Senior Notes	$ —	$ —	$ —	$ —	$ —	$ 500,000	$ 500,000
2026 Senior Notes	—	—	—	—	—	500,000	500,000
2048 Senior Notes	—	—	—	—	—	300,000	300,000
2014 AMI Term Facility I	—	—	15,633	—	—	—	15,633
2014 AMI Term Facility II	—	—	—	17,657	—	—	17,657
2016 AMI Term Facility I	—	—	—	—	—	19,371	19,371
2016 AMI Term Facility II	—	—	—	—	18,698	—	18,698
Total Obligations as of December 31, 2018	$ —	$ —	$ 15,633	$ 17,657	$ 18,698	$ 1,319,371	$ 1,371,359

(dollars in thousands, except share data, except where noted)

11 . NET INCOME PER CLASS A SHARE

The table below presents basic and diluted net income per Class A share using the two-class method:

	Basic and Diluted		
	For the Years Ended December 31,		
	2018	2017	2016
Numerator:			
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$ (42,038)	$ 615,566	$ 402,850
Distributions declared on Class A shares [(1)]	(388,744)	(354,878)	(230,713)
Distributions on participating securities [(2)]	(18,119)	(11,822)	(8,396)
Earnings allocable to participating securities	— [(3)]	(8,828)	(6,430)
Undistributed income (loss) attributable to Class A shareholders: Basic	$ (448,901)	$ 240,038	$ 157,311
Dilution effect on distributable income attributable to unvested RSUs	—	2,706	—
Undistributed income (loss) attributable to Class A shareholders: Diluted	$ (448,901)	$ 242,744	$ 157,311
Denominator:			
Weighted average number of Class A shares outstanding: Basic	199,946,632	190,931,743	183,998,080
Dilution effect of unvested RSUs	—	1,649,950	—
Weighted average number of Class A shares outstanding: Diluted	199,946,632	192,581,693	183,998,080
Net Income per Class A Share: Basic			
Distributed Income	$ 1.93	$ 1.85	$ 1.25
Undistributed Income (Loss)	(2.23)	1.27	0.86
Net Income (Loss) per Class A Share: Basic	$ (0.30)	$ 3.12	$ 2.11
Net Income (Loss) per Class A Share: Diluted [(4)]			
Distributed Income	$ 1.93	$ 1.84	$ 1.25
Undistributed Income (Loss)	(2.23)	1.26	0.86
Net Income (Loss) per Class A Share: Diluted	$ (0.30)	$ 3.10	$ 2.11

(1) See note 13 for information regarding the quarterly distributions declared and paid during 2018 , 2017 and 2016 .

(2) Participating securities consist of vested and unvested RSUs that have rights to distributions and unvested restricted shares.

(3) 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.

(4) For the year ended December 31, 2017, unvested RSUs were determined to be dilutive, and were accordingly included in the diluted earnings per share calculation. For the year ended December 31, 2017, the share options, AOG Units and participating securities were determined to be anti-dilutive and were accordingly excluded from the diluted earnings per share calculation. For the years ended December 31, 2018 and 2016, 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 during continued employment, Class A shares pursuant to the 2007 Equity Plan. The Company has three types of RSU grants, which we refer to as Plan Grants, Bonus Grants and Performance Grants. “Plan Grants” vest over time (generally one to six years) and may or may not provide the right to receive distribution equivalents on vested RSUs on an equal basis with the Class A shareholders any time a distribution is declared. “Bonus Grants” vest over time (generally three years) and generally provide the right to receive distribution equivalents on both vested and unvested RSUs on an equal basis with the Class A shareholders any time a distribution is declared. “Performance Grants” generally vest over time (three to five years), subject to the Company’s receipt of performance revenues, within prescribed periods, sufficient to cover the associated equity-based compensation expense. Performance Grants provide the right to receive distribution equivalents on vested RSUs and may also provide the right to receive distribution equivalents on unvested RSUs.

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. The RSU participating securities do not have a mandatory redemption amount and the holders of the participating securities are not obligated to fund losses, therefore, neither the vested RSUs nor the unvested RSUs are subject to any contractual obligation to share in losses of the Company.

(dollars in thousands, except share data, except where noted)

Holders of AOG Units are subject to the 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 52.4% , 53.9% and 60.5% of the total voting power of the Company's shares entitled to vote as of December 31, 2018, 2017 and 2016 , respectively.

The following table summarizes the anti-dilutive securities.

	For the Years Ended December 31,		
	2018	2017	2016
Weighted average vested RSUs	384,592	454,929	1,466,803
Weighted average unvested RSUs	8,850,291	N/A	5,975,293
Weighted average unexercised options	204,167	213,545	222,920
Weighted average AOG Units outstanding	203,019,177	211,360,975	215,917,462
Weighted average unvested restricted shares	872,252	300,921	82,301

12 . EQUITY-BASED COMPENSATION

Equity-based awards granted to employees and non-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. Equity-based awards that require performance metrics to be met are expensed only when the performance metric is met or deemed probable.

RSUs

The Company grants RSUs under the 2007 Equity Plan. 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, Bonus Grants and Performance Grants.

	For the Years Ended December 31,		
	2018	2017	2016
Plan Grants:			
Discount for the lack of distributions until vested (1)	12.0%	11.8%	14.0%
Marketability discount for transfer restrictions (2)	4.7%	3.6%	3.8%
Bonus Grants:			
Marketability discount for transfer restrictions (2)	2.3%	2.3%	2.1%
Performance Grants:			
Discount for the lack of distributions until vested (1)	12.8%	N/A	N/A
Marketability discount for transfer restrictions (2)	5.6%	N/A	N/A

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

(dollars in thousands, except share data, except where noted)

The estimated total grant date fair value for Plan Grants and Bonus Grants is charged to compensation expense on a straight-line basis over the vesting period, which for Plan Grants is generally one 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.

During the year ended December 31, 2018 , the Company awarded Performance Grants of 5.6 million RSUs to certain employees with a grant date fair value of $171.7 million , which vest over time (generally 3 to 5 years) subject to the receipt of performance revenues, within prescribed periods, sufficient to cover the associated equity-based compensation expense. In accordance with U.S. GAAP, equity-based compensation expense for such awards will be recognized on an accelerated recognition method over the requisite service period to the extent the performance revenue metrics are met or deemed probable. Accordingly, for the year ended December 31, 2018 , equity-based compensation expense of $75.2 million was recognized relating to these Performance Grants.

Additionally, the Company entered into an agreement in 2018 with several employees under which it expects to grant them RSUs beginning in 2020 if year-over-year growth in certain discretionary earnings metrics is attained prior to grant and they remain employed at the grant date. Once granted, these RSUs will vest based on both continued service and the Company’s receipt of performance revenues, within prescribed periods, sufficient to cover the associated equity-based compensation expense. In accordance with U.S. GAAP, equity-based compensation expense for such awards, if and when granted, will be recognized on an accelerated recognition method over the requisite service period to the extent the performance revenue metrics are met or deemed probable. No equity-based compensation expense was recognized related to these RSUs for the year ended December 31, 2018.

The fair value of all RSU grants made during the years ended December 31, 2018, 2017 and 2016 was $256.1 million , $33.2 million and $62.6 million , respectively.

The following table presents the actual forfeiture rates and equity-based compensation expense recognized:

	For the Years Ended December 31,		
	2018	2017	2016
Actual forfeiture rate	7.8%	9.8%	8.8%
Equity-based compensation	$ 146,708	$ 68,225	$ 67,958

The following table summarizes RSU activity:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of RSUs Outstanding
Balance at January 1, 2018	6,262,288	$ 15.58	2,802,277	9,064,565 (1)
Granted	8,143,541	31.45	—	8,143,541
Forfeited	(1,127,396)	19.74	—	(1,127,396)
Vested	(3,438,465)	20.48	3,438,465	—
Issued	—	18.63	(3,859,959)	(3,859,959)
Balance at December 31, 2018	9,839,968 (2)	$ 26.52	2,380,783	12,220,751 (1)

(1) Amount excludes RSUs which have vested and have been issued in the form of Class A shares.
(2) RSUs were expected to vest over the weighted average period of 3.3 years.

(dollars in thousands, except share data, except where noted)

Restricted Share Awards

The Company has granted restricted share awards under the 2007 Equity Plan primarily in connection with certain profit sharing arrangements. The fair value of restricted share grants is the public share price of the Company's Class A shares on the grant date. The grant date fair value of these awards is recognized as equity-based compensation expense on a straight-line basis over the vesting period.

The fair value of restricted share award grants made during the years ended December 31, 2018, 2017 and 2016 was $30.2 million , $13.9 million and $0.5 million , respectively.

The following table presents the actual forfeiture rates and equity-based compensation expense recognized:

	For the Years Ended December 31,		
	2018	2017	2016
Actual forfeiture rate	2.9%	0.8%	1.6%
Equity-based compensation	$ 13,515	$ 5,064	$ 3,478

The following table summarizes the restricted share award activity:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of Restricted Share Awards Outstanding
Balance at January 1, 2018	508,202	$ 27.21	—	508,202
Granted	927,020	32.57	—	927,020
Forfeited	(41,674)	30.16	—	(41,674)
Issued	—	29.74	(304,565)	(304,565)
Vested	(304,565)	29.74	304,565	—
Balance at December 31, 2018	1,088,983 (1)	$ 30.96	—	1,088,983

(1) Restricted share awards were expected to vest over the next 1.9 years.

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.

The awards 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, and has been categorized as Level II within the fair value hierarchy as a result.

The following table summarizes the management fees, compensation expense, and actual forfeiture rates for the AMTG RSUs.

(dollars in thousands, except share data, except where noted)

	For the Year Ended December 31, 2016
Management fees	$ 2,478
Equity-based compensation	2,478
Actual forfeiture rate	0.1%

During the year ended December 31, 2016, AMTG merged with and into ARI, with ARI continuing as the surviving entity in the merger. 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,		
	2018	2017	2016
Management fees	$ 11,952	$ 11,120	$ 6,643
Equity-based compensation	11,952	11,120	6,643
Actual forfeiture rate	2.6%	2.5%	3.8%

The following tables summarize activity for the ARI Awards that were granted to certain of the Company's employees:

	ARI Awards Unvested	Weighted Average Grant Date Fair Value	ARI Awards Vested	Total Number of ARI Awards Outstanding
Balance at January 1, 2018	1,202,365	$ 17.09	1,040,711	2,243,076
Granted	1,006,800	16.35	—	1,006,800
Forfeited	(56,552)	18.01	—	(56,552)
Delivered	—	18.29	(610,959)	(610,959)
Vested	(737,999)	16.35	737,999	—
Balance at December 31, 2018	1,414,614 (1)	$ 16.91	1,167,751	2,582,365

(1) ARI Awards were expected to vest over the next 2.4 years.

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, with certain exceptions, 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, and has been categorized as Level II within the fair value hierarchy as a result. The AHL Awards that function similarly to options were valued using a multiple-scenario model, which considers the price volatility of the underlying share 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.

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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,		
	2018	2017	2016
Management fees	$ (2,743)	$ 4,058	$ 19,173
Equity-based compensation	(2,136)	6,913	20,560
Actual forfeiture rate	3.6%	0.1%	3.2%

The following table summarizes activity for the AHL Awards that were granted to certain employees of the Company:

	AHL Awards Unvested	Weighted Average Grant Date Fair Value	AHL Awards Vested	Total Number of AHL Awards Outstanding
Balance at January 1, 2018	334,791	$ 16.45	632,290	967,081
Granted	843	44.74	—	843
Vested	(180,275)	11.83	180,275	—
Forfeited	(11,960)	24.66	—	(11,960)
Delivered	—	10.68	(206,214)	(206,214)
Balance at December 31, 2018	143,399 (1)	$ 21.75	606,351	749,750

(1) 135,649 AHL Awards are expected to vest over the next 1.1 years and 7,750 AHL Awards may vest if certain performance 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 AGM 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 AGM in the Company’s consolidated financial statements.

Below is a reconciliation of the equity-based compensation allocated to Apollo Global Management, LLC:

	For the Year Ended December 31, 2018			
	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	$ 159,575	—%	$ —	$ 159,575
AHL Awards	(2,136)	50.1	(1,070)	(1,066)
Other equity-based compensation awards	15,789	50.1	7,913	7,876
Total equity-based compensation	$ 173,228		6,843	166,385
Less other equity-based compensation awards (2)			(6,843)	(18,848)
Capital increase related to equity-based compensation			$ —	$ 147,537

(dollars in thousands, except share data, except where noted)

	For the Year Ended December 31, 2017			
	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	$ 73,352	—%	$ —	$ 73,352
AHL Awards	6,913	51.5	3,560	3,353
Other equity-based compensation awards	11,185	51.5	5,760	5,425
Total equity-based compensation	$ 91,450		9,320	82,130
Less other equity-based compensation awards (2)			(9,320)	(9,956)
Capital increase related to equity-based compensation			$ —	$ 72,174

	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

(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.

13 . EQUITY

Class A Shares

Class A shares represent limited liability company interests in the Company. Holders of Class A shares are entitled to participate in distributions from the Company on a pro rata basis. Class A shareholders do not elect the Company's manager or the manager's executive committee and have limited voting rights.

During the years ended December 31, 2018, 2017 and 2016 , 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.

In February 2016, Apollo 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 net share settlement of equity-based awards granted under the 2007 Equity Plan. In January 2019, Apollo increased its authorized share repurchase amount (see note 17 for details).

(dollars in thousands, except share data, except where noted)

The table below summarizes the issuance of Class A shares for equity-based awards:

	For the Years Ended December 31,		
	2018	2017	2016
Class A shares issued in settlement of vested RSUs and share options exercised (1)	3,866,209	3,565,098	7,325,834
Reduction of Class A shares issued (2)	(1,311,108)	(1,318,632)	(2,700,530)
Class A shares purchased related to share issuances and forfeitures (3)	(208,521)	76,739	(2,117)
Issuance of Class A shares for equity-based awards	2,346,580	2,323,205	4,623,187

(1) The gross value of shares issued was $129.0 million , $85.1 million and $108.7 million for the years ended December 31, 2018, 2017 and 2016 , respectively, based on the closing price of a Class A share at the time of issuance.

(2) Cash paid for tax liabilities associated with net share settlement was $43.7 million , $31.7 million and $40.7 million for the years ended December 31, 2018, 2017 and 2016 , respectively.

(3) Certain Apollo employees receive a portion of the profit sharing proceeds of certain funds in the form of (a) restricted Class A shares of AGM that they are required to purchase with such proceeds or (b) RSUs, in each case which equity-based awards generally vest over three years. These equity-based awards are granted under the Company's 2007 Equity Plan. To prevent dilution on account of these awards, Apollo may, in its discretion, repurchase Class A shares on the open market and retire them. During the years ended December 31, 2018, 2017 and 2016 , we issued 927,020 , 495,326 and 27,151 of such restricted shares and 85,371 , zero and zero of such RSUs under the 2007 Equity Plan, respectively, and repurchased 1,093,867 , 413,850 and 27,151 Class A shares in open-market transactions not pursuant to a publicly-announced repurchase plan or program, respectively. In addition, there were 41,674 , 4,737 and 2,117 restricted shares forfeited during the years ended December 31, 2018, 2017 and 2016 , respectively.

Additionally, during the years ended December 31, 2018, 2017 and 2016 , 1,608,009 , 233,248 and 954,447 Class A shares were repurchased in open market transactions as part of the publicly announced share repurchase program adopted in February 2016, respectively, and such shares were subsequently canceled by the Company. The Company paid $55.4 million , $6.9 million and $12.9 million for these open market share repurchases during the years ended December 31, 2018, 2017 and 2016 , respectively.

Preferred Share Issuance

On March 7, 2017, Apollo issued 11,000,000 6.375% Series A Preferred shares (the “Series A Preferred shares”) for gross proceeds of $275.0 million , or $264.4 million net of issuance costs and on March 19, 2018, Apollo issued 12,000,000 6.375% Series B Preferred shares (the “Series B Preferred shares” and collectively with the Series A Preferred shares, the “Preferred shares”) for gross proceeds of $300.0 million , or $289.8 million net of issuance costs. When, as and if declared by the manager of Apollo, distributions on the Preferred shares will be payable quarterly on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2018 for the Series B Preferred shares, at a rate per annum equal to 6.375% . Distributions on the Preferred shares are discretionary and non-cumulative.

Subject to certain exceptions, unless distributions have been declared and paid or declared and set apart for payment on the Preferred shares for a quarterly distribution period, during the remainder of that distribution period Apollo may not declare or pay or set apart payment for distributions on any Class A shares or any other equity securities that the Company may issue in the future ranking as to the payment of distributions, junior to the Preferred shares (“Junior Shares”) and Apollo may not repurchase any Junior Shares. These restrictions were not applicable during the initial distribution period, which was the period from March 19, 2018 to but excluding June 15, 2018 for the Series B Preferred shares.

The Series A Preferred shares and the Series B Preferred shares may be redeemed at Apollo’s option, in whole or in part, at any time on or after March 15, 2022 and March 15, 2023, respectively, at a price of $25.00 per Preferred share, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the Preferred shares will have no right to require the redemption of the Preferred shares and there is no maturity date.

If a certain change of control event or a certain tax redemption event occurs prior to March 15, 2022 and March 15, 2023 for the Series A Preferred shares and the Series B Preferred shares, respectively, the Preferred shares may be redeemed at Apollo’s option, in whole but not in part, upon at least 30 days’ notice, within 60 days of the occurrence of such change of control event or such tax redemption event, as applicable, at a price of $25.25 per Preferred share, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. If a certain rating agency event occurs prior to March 15, 2023, the Series B Preferred shares may be redeemed at Apollo’s option, in whole but not in part, upon at least 30 days’ notice, within 60 days of the occurrence of such rating agency event, at a price of $25.50 per Series B Preferred share, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. If (i) a change of control event occurs (whether before, on or after March 15, 2022 and March 15, 2023 for the Series A Preferred shares and the Series B Preferred shares, respectively) and (ii) Apollo does not give notice prior to the 31st day following the change of control event to redeem all the outstanding Preferred shares, the distribution rate per annum on the Preferred shares will increase by 5.00% , beginning on the 31st day following such change of control event.

The Preferred shares are not convertible into Class A shares and have no voting rights, except in limited circumstances as provided in the Company's limited liability company agreement. In connection with the issuance of the Preferred shares, certain Apollo Operating Group entities issued for the benefit of Apollo a series of preferred units with economic terms that mirror those of the Preferred shares.

The table below summarizes the distributions on the Preferred shares:

	For the Years Ended December 31,		
	2018	2017	2016
Series A Preferred Shares total distribution	$ 17,531	$ 13,538	—
Series B Preferred Shares total distribution	14,131	—	—

Distributions

The table below presents information regarding the quarterly distributions which were made at the sole discretion of the manager of the Company (in millions, except per share data). Certain subsidiaries of AGM may be subject to U.S. federal, state, local and non-U.S. income taxes at the entity level and may pay taxes and/or make payments under the tax receivable agreement in a given fiscal year; therefore, the net amounts ultimately distributed by AGM to its Class A shareholders in respect of each fiscal year are generally expected to be less than the net amounts distributed to AOG Unitholders.

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 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
February 3, 2017	$ 0.45	February 28, 2017	$ 84.2	$ 97.0	$ 181.2	$ 2.9
April 13, 2017	—	April 13, 2017	—	20.5 (1)	20.5	—
April 28, 2017	0.49	May 31, 2017	94.5	102.9	197.4	3.3
August 2, 2017	0.52	August 31, 2017	100.6	108.8	209.4	3.2
November 1, 2017	0.39	November 30, 2017	75.6	81.6	157.2	2.4
For the year ended December 31, 2017	$ 1.85		$ 354.9	$ 410.8	$ 765.7	$ 11.8
February 1, 2018	$ 0.66	February 28, 2018	$ 133.0	$ 133.7	$ 266.7	$ 5.4
April 12, 2018	—	April 12, 2018	—	50.5 (1)	50.5	—
May 03, 2018	0.38	May 31, 2018	76.6	77.0	153.6	4.1
August 2, 2018	0.43	August 31, 2018	86.5	87.1	173.6	4.2
November 1, 2018	0.46	November 30, 2018	92.6	93.0	185.6	4.4
For the year ended December 31, 2018	$ 1.93		$ 388.7	$ 441.3	$ 830.0	$ 18.1

(1) On April 13, 2017 and April 12, 2018, the Company made a $0.10 and $0.25 per AOG Unit pro rata distribution, respectively, to the Non-Controlling Interest holders in the Apollo Operating Group, in connection with taxes and payments made under the tax receivable agreement. See note 14 for more information regarding the tax receivable agreement.

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Non-Controlling Interests

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,		
	2018	**2017**	**2016**
Net income attributable to Non-Controlling Interests in consolidated entities:			
Interest in management companies and a co-investment vehicle [1]	$ 4,176	$ 4,415	$ 7,403
Other consolidated entities	27,472	4,476	(1,614)
Net income attributable to Non-Controlling Interests in consolidated entities	$ 31,648	$ 8,891	$ 5,789
Net income attributable to Non-Controlling Interests in the Apollo Operating Group:			
Net income	$ 19,251	$ 1,443,639	$ 970,307
Net income attributable to Non-Controlling Interests in consolidated entities	(31,648)	(8,891)	(5,789)
Net income (loss) after Non-Controlling Interests in consolidated entities	(12,397)	1,434,748	964,518
Adjustments:			
Income tax provision [2]	86,021	325,945	90,707
NYC UBT and foreign tax benefit [3]	(9,764)	(9,798)	(9,899)
Net loss in non-Apollo Operating Group entities	(35,072)	(200,225)	(3,156)
Net income attributable to Series A Preferred Shareholders	(17,531)	(13,538)	—
Net income attributable to Series B Preferred Shareholders	(14,131)	—	—
Total adjustments	9,523	102,384	77,652
Net income (loss) after adjustments	(2,874)	1,537,132	1,042,170
Weighted average ownership percentage of Apollo Operating Group	50.3%	52.5%	54.0%
Net income (loss) attributable to Non-Controlling Interests in Apollo Operating Group	$ (2,021)	$ 805,644	$ 561,668
Net income attributable to Non-Controlling Interests	$ 29,627	$ 814,535	$ 567,457
Other comprehensive income (loss) attributable to Non-Controlling Interests	(17,409)	7,180	(2,587)
Comprehensive Income Attributable to Non-Controlling Interests	$ 12,218	$ 821,715	$ 564,870

(1) Reflects the remaining interest held by certain individuals who receive an allocation of income from certain of the credit funds managed by Apollo.
(2) 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.
(3) Reflects New York City Unincorporated Business Tax ("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.

14 . RELATED PARTY TRANSACTIONS AND INTERESTS IN CONSOLIDATED ENTITIES

Management fees, transaction and advisory fees and reimbursable expenses from the funds the Company manages and their portfolio companies are included in due from related parties in the consolidated statements of financial condition. The Company also typically facilitates the 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. Other related party transactions include loans to employees and periodic sales of ownership interests in Apollo funds to employees. Due from related parties and due to related parties are comprised of the following:

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	As of December 31, 2018	As of December 31, 2017
Due from Related Parties:		
Due from credit funds	$ 175,562	$ 128,198
Due from private equity funds	14,526	18,120
Due from real assets funds	26,063	20,105
Due from portfolio companies	67,740	37,366
Due from Contributing Partners, employees and former employees	94,217	58,799
Total Due from Related Parties	$ 378,108	$ 262,588
Due to Related Parties:		
Due to Managing Partners and Contributing Partners	$ 285,598	$ 333,379
Due to credit funds	46,554	63,491
Due to private equity funds	92,968	30,848
Due to real assets funds	315	283
Distributions payable to employees	—	12
Total Due to Related Parties	$ 425,435	$ 428,013

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, 2018, 2017 and 2016 , a $37.9 million , $45.0 million and $6.2 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 2018, Apollo made a $50.3 million cash payment pursuant to the tax receivable agreement resulting from the realized tax benefit for the 2017 tax year. Additionally, in connection with this payment, the Company made a corresponding pro rata distribution of $50.5 million ($0.25 per AOG Unit) to the Non-Controlling Interest holders in the Apollo Operating Group. In April 2017, Apollo made a $17.9 million cash payment pursuant to the tax receivable agreement resulting from the realized tax benefit for the 2016 tax year. Additionally, in connection with this payment, the Company made a corresponding pro rata distribution of $20.5 million ($0.10 per AOG Unit) to the Non-Controlling Interest holders in the Apollo Operating Group.

During the year ended December 31, 2018 , the Company remeasured the tax receivable agreement liability and recorded $35.4 million in other income, net in the consolidated statements of operations due to a change in estimated state tax rates during the year. During the year ended December 31, 2017 , the Company remeasured the tax receivable agreement liability and recorded $200.2 million in other income, net in the consolidated statements of operations due to changes in estimated tax rates resulting from legislative reforms in the TCJA. During the year ended December 31, 2016 , Company remeasured the tax receivable agreement liability and recorded $3.2 million in other income, net in the consolidated statements of operations due to changes in estimated tax rates.

Due from Contributing Partners, Employees and Former Employees

As of December 31, 2018 and December 31, 2017 , 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, 2018 and December 31, 2017 , the balance included interest-bearing employee loans receivable of $16.8 million and $15.3 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, 2018 and December 31, 2017 of $66.3 million and $36.4 million , respectively.

Indemnity

Performance revenues from certain funds can be distributed to the Company on a current basis, but is subject to repayment by the subsidiaries of the Apollo Operating Group that act as general partners of the funds in the event that certain specified return thresholds are not ultimately achieved. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligations of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular Managing Partner's or Contributing Partner's distributions. Pursuant to an existing shareholders agreement, 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 with respect to Fund IV, Fund V and Fund VI, 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 $12.2 million and $10.5 million as of December 31, 2018 and December 31, 2017 , respectively.

Due to Credit and Private Equity Funds

Based upon an assumed liquidation of certain of the credit and private equity funds the Company manages, the Company has recorded a general partner obligation to return previously distributed performance allocations, which represents amounts due to these funds. The general partner obligation is recognized based upon an assumed 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 or other governing document of the fund.

There was a general partner obligation to return previously distributed performance allocations related to certain private equity funds of $93.0 million and $30.1 million accrued as of December 31, 2018 and December 31, 2017 , respectively. There was a general partner obligation to return previously distributed performance allocations related to certain credit funds of $44.1 million and $56.1 million accrued as of December 31, 2018 and December 31, 2017 , respectively.

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 under the Exchange Act on December 9, 2016. Athene Holding is currently listed on the New York Stock Exchange (NYSE) under the symbol "ATH".

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The Company provides asset management and advisory 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.

The Company, through its consolidated subsidiary Athene Asset Management, or AAM, earns management fees of 0.40% per year on all assets that it manages in accounts owned by Athene in the U.S. and Bermuda or in accounts supporting reinsurance ceded to U.S. and Bermuda subsidiaries of Athene Holding by third-party insurers (collectively, the "Athene Accounts") up to $65.846 billion (the level of assets in the Athene North American Accounts as of December 31, 2016) and 0.30% per year on all assets in excess of $65.846 billion , respectively, subject to certain discounts and exceptions.

Athora

The Company, through its consolidated subsidiary, AAME, provides investment advisory services to certain portfolio companies of Apollo funds and Athora, a strategic platform established to acquire or reinsure blocks of insurance business in the German and broader European life insurance market (collectively, the "Athora Accounts").

Athene and Athora Sub-Advised

The Company, through AAM, provides sub-advisory services with respect to a portion of the assets in the Athene Accounts. In addition, Apollo, through AAME, provides sub-advisory services with respect to a portion of the assets in certain portfolio companies of Apollo funds and the Athora Accounts.

From time to time, Athene also invests in funds and investment vehicles that Apollo manages. The Company refers to such assets which are invested directly as "Athene Assets Directly Invested."

The Company broadly refers to "Athene Sub-Advised" assets as those assets in the Athene Accounts which the Company explicitly sub-advises as well as Athene Assets Directly Invested. The Company broadly refers to "Athora Sub-Advised" assets as those assets in the Athora Accounts which the Company explicitly sub-advises as well as those assets in the Athora Accounts which are invested directly in funds and investment vehicles Apollo manages.

With limited exceptions, the sub-advisory fee arrangements between the Company, Athene, Athora and the fee arrangements with respect to Athene Assets Directly Invested are presented in the following table:

	As of December 31, 2018
Athene Accounts sub-advised by AAM (1) :	
Assets up to $10.0 billion	0.40%
Assets between $10.0 billion to $12.4 billion	0.35%
Assets between $12.4 billion to $16.0 billion	0.40%
Assets in excess of $16.0 billion	0.35%
Athora Accounts sub-advised by AAME	0.35%
Athene Assets Directly Invested (2)	0% to 1.75%

(1) The sub-advisory fees with respect to the assets in the Athene North American Accounts are in addition to the management fee earned by the Company described above.
(2) With respect to Athene Assets Directly Invested, Apollo earns performance revenues of 0% to 20% in addition to the fees presented above. The fees set forth above with respect to the Athene Assets Directly Invested, and the performance revenues that Apollo earns on such assets, are in addition to the fees described above, with certain limited exceptions.

Investment Management Agreement Proposed Amendments - Athene Asset Management

On September 20, 2018, Athene and Apollo agreed to revise the existing fee arrangements between Athene and Apollo (the "proposed amended fee agreement"). The proposed amended fee agreement remains subject to approval by Athene's shareholders in 2019 of a bye-law amendment providing that Athene will not elect to terminate the investment management arrangement between Athene and Apollo, except for cause, for a period of four years from the date of the bye-law amendment and thereafter only on each successive two -year anniversary of the expiration of the initial four -year period. Following the approval by Athene's shareholders, the proposed amended fee agreement would have retroactive effect to the month beginning January 1, 2019. The proposed amended fee agreement amends the existing management fee and sub-advisory terms described above and provides for sub-allocation fees which vary based on portfolio allocation differentiation.

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AAA Investments

Apollo, as general partner of AAA Investments, is generally entitled to performance allocations equal to 20% of the realized returns (net of related expenses, including borrowing costs) on AAA Investments' investment in Athene Holding, except that Apollo is not entitled to receive any performance allocations 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.

The following table presents the performance allocations earned from AAA Investments:

	For the Years Ended December 31,		
	2018	2017	2016
Performance Allocations from AAA Investments, net [1]	$ (5,158)	$ 23,119	$ 47,785

(1) Net of related profit sharing expense.

The following table presents the revenues earned in aggregate from Athene, Athora and AAA Investments:

	For the Years Ended December 31,		
	2018	2017	2016
Revenues earned in aggregate from Athene, Athora and AAA Investments, net [1][2]	$ 310,412	$ 529,150	$ 547,031

(1) Consisting of management fees, sub-advisory fees, performance revenues from Athene, Athora and AAA Investments, as applicable (net of related profit sharing expense) and changes in the market value of the Athene Holding shares owned directly by Apollo. These amounts exclude the deferred revenue recognized as management fees associated with the vesting of AHL Awards granted to employees of Apollo as further described in note 12 .

(2) Gains (losses) on the market value of the shares of Athene Holding owned directly by Apollo were $(186.6) million , $95.5 million and $138.5 million for the years ended December 31, 2018, 2017 and 2016 , respectively.

During the year ended December 31, 2018 , the Company received performance allocations of $169.9 million and settled $46.6 million of profit sharing expense in the form of Athene Holding shares. The following table presents performance allocations and profit sharing payable from AAA Investments:

	As of December 31, 2018	As of December 31, 2017
Performance allocations	$ 1,611	$ 178,600
Profit sharing payable	442	49,038

The Company's economic ownership interest in Athene Holding is comprised of the following:

	As of December 31, 2018 [1]	As of December 31, 2017 [1]
Indirect interest in Athene Holding:		
Interest in AAA	2.2%	2.2%
Plus: Interest in AAA Investments	0.1%	0.1%
Total Interest in AAA and AAA Investments	2.3%	2.3%
Multiplied by: AAA Investments' interest in Athene Holding	—%	14.0%
Indirect interest in Athene Holding	—%	0.3%
Plus: Direct interest in Athene Holding	10.2%	8.5%
Total interest in Athene Holding	10.2%	8.8%

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(1) Ownership interest percentages are based on approximate share count as of the reporting date.

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 the loan. As of December 31, 2018 and December 31, 2017 , $6.7 million and $4.5 million , respectively, had been advanced by the Company and remained outstanding on the AAA Investments Credit Agreement. AAA Investments was obligated to pay the aggregate borrowings plus accrued interest at the earlier of (a) the third anniversary of the closing date, or (b) the date that was fifteen months following the initial public offering of shares of Athene Holding Ltd. (the "Maturity Date"). On January 30, 2019, the Company and AAA agreed to extend the maturity date of the AAA Investments Credit Agreement to April 30, 2020. See note 17 for more information regarding the AAA Investments Credit Agreement.

AINV Amended and Restated Investment Advisory Management Agreement

On May 17, 2018, the board of directors of AINV approved an amended and restated investment advisory management agreement with Apollo Investment Management, L.P., the Company's consolidated subsidiary, which reduced the base management fee and revised the incentive fee on income to include a total return requirement. Effective April 1, 2018, the base management fee was reduced from 2.0% to 1.5% of the average value of AINV's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) at the end of each of the two most recently completed calendar quarters; provided, however, the base management fee would be 1.0% of the average value of AINV's gross assets (excluding cash or cash equivalents but including other assets purchased with borrowed amounts) that exceeds the product of (i) 200% and (ii) the value of AINV's net asset value at the end of the most recently completed calendar quarter. In addition, beginning January 1, 2019, the incentive fee on income calculation included a total return requirement with a rolling twelve quarter look-back starting from April 1, 2018. The incentive fee rate remained 20% and the performance threshold remained 1.75% per quarter (7% annualized).

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, 2018 . 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.

Other Transactions

The Company recognized $3.8 million and $6.2 million of other income in the consolidated statements of operations from the assignment of a CLO collateral management agreement to a related party during the years ended December 31, 2018 and 2017 , respectively.

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, 2018 and December 31, 2017 of $1.2 billion and $1.7 billion , respectively, of which $469 million and $823 million related to Fund IX as of December 31, 2018 and December 31, 2017 , respectively.

Debt Covenants— Apollo's debt obligations contain various customary loan covenants. As of December 31, 2018 , 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.

On April 15, 2013, Alfred J. Villalobos, the former principal of Arvco Capital Research ("Arvco"), a placement agent firm that Apollo at one time used, and related entities (the "Arvco Debtors") brought a civil action in the United States Bankruptcy Court for the District of Nevada against Apollo. This action sought to recover purported fees the Arvco Debtors claimed Apollo had not paid them for a portion of Arvco's alleged placement agent services in connection with certain funds managed by Apollo. Subsequently, a Chapter 7 Trustee was appointed for the Arvco Debtors, and after a lengthy stay in light of a criminal case against Mr. Villalobos, and Mr. Villalobos's death, the Trustee filed an amended complaint, and Apollo asserted counterclaims for indemnification. On March 20, 2017, the court granted Apollo's motion to dismiss certain claims, leaving two breach of contract claims remaining. On October 20, 2017, the court granted summary judgment in favor of Apollo as to part of the remaining claims, and on August 2, 2018, the court granted summary judgment for Apollo on the remaining claims. On November 13, 2018, Apollo and the Trustee entered into a settlement agreement in which, in exchange for releases, the Trustee agreed not to appeal the grant of summary judgment in Apollo's favor, and Apollo agreed to withdraw its counterclaims. The Court approved the settlement on January 3, 2019.

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 sought, 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 was 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. 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. Following the Bankruptcy Court's denial of the Indenture Trustees' attempts to amend their respective complaints, the Indenture Trustees appealed the orders issued by the Bankruptcy Court. The federal district court consolidated those appeals. On November 30, 2018, the federal district court issued its opinion affirming the Bankruptcy Court's orders in their entirety.

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. Plaintiff alleged causes of action against the AP Entities for violations of Sections 11 and 15 of the Securities Act of 1933, seeking compensatory damages for alleged losses sustained from a decline in SFM's stock price. Defendants moved to dismiss the action, and the court dismissed the Section 11 claim against the AP Entities but not the Section 15 claim. On December 27, 2018, the parties executed a settlement agreement, and on December 28, 2018, the parties filed a motion for preliminary approval of the settlement.

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 alleged 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 were 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. With judgment no. 3118/2018 published on December 6, 2018, the Court of Genoa fully rejected all the claims raised by Carige against AGM and the Apollo Entities, also awarding attorneys' fees in their favor for an amount of €428,996.10 . Carige filed an appeal on January 3, 2019. A hearing before the Court of Appeals of Genoa is scheduled for April 30, 2019. Although the case appears to be in its final stages, no reasonable estimate of possible loss, if any, can be made at this time.

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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"), 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, that was stayed on October 3, 2017, in favor of litigating in New York state court. On November 9, 2017, the Trust commenced an action in the Supreme Court of the State of New York, captioned Core Litigation Trust v. Apollo Global Management, LLC, et al., Index No. 656856/2017. The complaint names as defendants: (i) AGM and certain AGM affiliates including the Apollo-managed funds that were CORE's beneficial owners (the "CORE Funds"), (ii) Twenty-First Century Fox, Inc. ("Fox") and certain Fox affiliates, (iii) Endemol USA Holding, Inc. ("Endemol") and certain Endemol-affiliated entities, and (iv) the joint venture through which the CORE Funds and Fox beneficially owned CORE Media and Endemol Shine (the "JV"). The Trust asserts claims against (i) all defendants for tortiously interfering with $360 million in loans under the 2011 loan agreements entered into between CORE and certain Lenders, and (ii) certain defendants for alter-ego and de-facto merger. The Trust seeks $240 million in compensatory, unspecified punitive damages, pre-judgment interests, and costs and expenses. The Court has scheduled further oral argument on Defendants' motions to dismiss the complaint for May 6, 2019. On April 27, 2018, the Trust filed an adversary complaint in the Southern District of New York Bankruptcy Court captioned Core Litigation Trust v. Apollo Global Management, LLC, et al., Adv. Pro. No. 18-01539. The complaint names as defendants (i) AGM and certain AGM affiliates including the CORE Funds, (iii) certain former CORE directors who are current or former employees of AGM subsidiaries (the "Directors"), (iv) CORE Entertainment Holdings (CORE's direct parent), and (v) the JV (which the Trust voluntarily dismissed on August 24, 2018). The Trust asserts (i) fiduciary-duty breach claims against the Directors and an aiding-and-abetting claim against AGM for allegedly preventing CORE Media from investing in the JV, and (ii) fiduciary-duty breach claims against the Directors and Apollo CORE Holdings, aiding-and-abetting claims against all defendants, and a fraudulent conveyance claim against AGM related to CORE Media paying $93 million to satisfy a legal judgment in March 2015. The Trust seeks unspecified compensatory damages, to avoid and recover the $93 million judgment payment, pre-judgment interest, and costs and fees. Defendants' motion to abstain or, in the alternative, to dismiss, which was argued on December 11, 2018, is pending. Apollo believes the claims in each action are without merit. Because the actions are in their early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On August 3, 2017, a complaint was filed in the United States District Court for the Middle District of Florida against AGM, a senior partner of Apollo and a former principal of Apollo by Michael McEvoy on behalf of a purported class of employees of subsidiaries of CEVA Group, LLC ("CEVA Group") who purchased shares in CEVA Investment Limited ("CIL"), the former parent company of CEVA Group. The complaint alleged that the defendants breached fiduciary duties to and defrauded the plaintiffs by inducing them to purchase shares in CIL and subsequently participating in a debt restructuring of CEVA Group in which shareholders of CIL did not receive a recovery. On February 9, 2018, the Bankruptcy Court for the Southern District of New York held that the claims asserted in the complaint were assets of CIL, which is a chapter 7 debtor, and that the complaint was null and void as a violation of the automatic stay. McEvoy subsequently revised his complaint to attempt to assert claims that do not belong to CIL. The amended complaint no longer names any individual defendants, but Apollo Management VI, L.P. and CEVA Group have been added as defendants. The amended complaint purports to seek damages of approximately €30 million and asserts, among other things, claims for violations of the Investment Advisers Act of 1940, breach of fiduciary duties, and breach of contract. On December 7, 2018, after receiving permission from the Bankruptcy Court, McEvoy filed his amended complaint in the District Court in Florida. Apollo is currently seeking dismissal of this action and believes that there is no merit to the 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 21, 2017, Harbinger Capital Partners II, LP, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Harbinger Capital Partners Special Situations GP, LLC, Harbinger Capital Partners Offshore Manager, L.L.C., Global Opportunities Breakaway Ltd. (in voluntary liquidation), and Credit Distressed Blue Line Master Fund, Ltd. (collectively, "Harbinger") commenced an action in New York Supreme Court captioned Harbinger Capital Partners II LP et al. v. Apollo Global Management LLC, et al. (No. 657515/2017). The complaint names as defendants (i) AGM, (ii) the funds managed by Apollo that invested in SkyTerra Communications, Inc. ("SkyTerra") equity before selling their interests to Harbinger under an April 2008 agreement that closed in 2010, and (iii) six former SkyTerra directors, five of whom are current or former Apollo employees. The complaint alleges that during the period of Harbinger's various equity and debt investments in SkyTerra, from 2004 to 2010, Defendants concealed from Harbinger material defects in SkyTerra technology that was to be used to create a new mobile wi-fi network. The complaint alleges that Harbinger would not have made investments in SkyTerra totaling approximately $1.9 billion had it known of the defects, and that the public disclosure of these defects ultimately led to SkyTerra filing for bankruptcy in 2012 (after it had been renamed LightSquared). The complaint asserts claims against (i) all defendants for fraud, civil conspiracy, and negligent misrepresentation, (ii) AGM and the Apollo-managed funds only for breach of fiduciary duty, breach of contract, and unjust enrichment, and (iii) the SkyTerra director defendants only for aiding and abetting breach of fiduciary duty. The complaint seeks $1.9 billion in damages, as well as punitive damages, interest, costs, and fees. On February 14, 2018, the parties filed a stipulation in the state court to stay the state court action until December 31, 2018. The Court entered the stay on February 21, 2018. On February 14, 2018, Defendants moved the United States Bankruptcy Court for the Southern District of New York to reopen the LightSquared bankruptcy proceeding for the limited purpose of enforcing Harbinger's assignment and release in that bankruptcy of the claims that it asserts in the New York state court action. On February 23, 2018, Apollo filed a Notice of Adjournment on behalf of all parties that adjourned without date the hearing on the motion to reopen, to be rescheduled to a new date and time following the expiration of the state-court stay. On January 4, 2019, the state court entered a stipulation submitted by the parties extending the stay until April 3, 2019. On January 11, 2019, Apollo filed a Notice of Adjournment in the Bankruptcy Court on behalf of all parties that adjourned the hearing on the motion to reopen to May 29, 2019. 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.

On February 9, 2018, plaintiffs Joseph M. Dropp, Mary E. Dropp, Robert Levine, Susan Levine, and Kaarina Pakka filed a complaint in the United States District Court for the District of Nevada (the "Nevada Court") against Apollo Management VIII, L.P. ("Management VIII"), AGM and Diamond Resorts International, Inc. ("Diamond") and several of its affiliates and executives. Plaintiffs, who allege that they bought vacation interest points from Diamond, allege that the points are securities and that defendants violated federal securities laws by selling the points without registering them as securities. Plaintiffs also assert a "control person" claim against Management VIII and AGM. Plaintiffs assert their claims on their own behalf and on behalf of a purported class of Diamond customers who bought vacation interest points over a certain period of time. They seek injunctive relief prohibiting defendants from continuing to market and sell unregistered securities, the right to rescind their purchases, and unspecified compensatory damages. On April 11, 2018, Defendants filed motions to sever Ms. Pakka's claims from the claims of the other plaintiffs and to transfer those claims to the United States District Court for the District of Hawaii. On January 25, 2019, the Nevada Court entered an order granting defendants' motion to compel the Dropps and Levines to arbitrate their claims individually and dismissing their claims without prejudice to pursue them in arbitration. The Nevada Court also severed Ms. Pakka's claims and transferred the complaint as to Ms. Pakka only to the United States District Court for the District of Hawaii (the "Hawaii Court"). On January 28, 2019, the Hawaii Court entered an order directing Ms. Pakka to file an amended complaint to reflect only the claims that were transferred to that Court, after she obtains Hawaii counsel. Ms. Pakka has not yet filed an amended complaint. Apollo believes the claims in this action are without merit. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Five shareholders filed substantially similar putative class action lawsuits in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida in March, April, and May 2018, alleging violations of the Securities Act in connection with the January 19, 2018 IPO of ADT Inc. common stock. The actions were consolidated on July 10, 2018, and the case was re-captioned In re ADT Inc. Shareholder Litigation. On August 24, 2018, the state-court plaintiffs filed a consolidated complaint naming as defendants ADT Inc., several ADT officers and directors, the IPO underwriters (including Apollo Global Securities, LLC), AGM and certain other Apollo affiliates. Plaintiffs generally allege that the registration statement and prospectus for the IPO contained false and misleading statements and failed to disclose material information about certain litigation in which ADT was involved, ADT's efforts to protect its intellectual property, and competitive pressures ADT faced. Defendants filed motions to dismiss the consolidated complaint on October 23, 2018, and those motions are fully briefed. On May 21, 2018, a similar shareholder class action lawsuit was filed in the United States District Court for the Southern District of Florida, naming as defendants ADT, several officers and directors, and AGM. The federal action, captioned Perdomo v. ADT Inc., generally alleges that the registration statement was materially misleading because it failed to disclose ongoing deterioration in ADT's financial results, along with certain customer and business metrics. On July 20, 2018, several alleged ADT shareholders filed competing motions to be named lead plaintiff in the federal action. On November 20, 2018, the court appointed a lead plaintiff, and on January 15, 2019, the lead plaintiff filed an amended complaint. The amended complaint names the same Apollo-affiliated defendants as the state-court action, along with three new Apollo entities. The defendants' deadline to respond to the complaint is March 29, 2019. In September and October 2018, four shareholder derivative actions were also filed in the United States District Court for the Southern District of Florida. On November 19, 2018, the court consolidated the derivative actions, and on November 26, 2018, plaintiffs filed a notice of voluntary dismissal without prejudice. Based on the allegations in the complaints, Apollo believes that there is no merit to any of the claims against AGM or the other Apollo defendants. Thus, no reasonable estimate of possible loss, if any, can be made at this time.

On May 3, 2018, Caldera Holdings Ltd, Caldera Life Reinsurance Company, and Caldera Shareholder, L.P. (collectively, "Caldera") filed a summons with notice in the Supreme Court of the State of New York, New York County, naming as defendants AGM, Apollo Management, L.P., Apollo Advisors VIII, L.P., Apollo Capital Management VIII, LLC, Athene Asset

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Management, L.P., Athene Holding, Ltd., and Leon Black (collectively, "Defendants" and all but Athene Holding, Ltd., the "Apollo Defendants"). On July 12, 2018, Caldera filed a complaint, Index No. 652175/2018 (the "Complaint"), alleging three causes of action: (1) tortious interference with prospective business relations/prospective economic advantage; (2) defamation/trade disparagement/injurious falsehood; and (3) unfair competition. The Complaint seeks damages of no less than $1.5 billion , as well as exemplary and punitive damages, attorneys' fees, interest, and an injunction. D efendants moved to dismiss the Complaint on September 21, 2018 and Caldera filed an amended complaint on January 21, 2019. The Apollo Defendants believe that the claims contained in the Complaint lack merit and intend to defend the case vigorously. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Commitments and Contingencies— Apollo leases office space and certain office equipment under various lease and sublease arrangements, which expire on various dates through 2036. 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, 2018 , the approximate aggregate minimum future payments required for operating leases were as follows:

	2019	2020	2021	2022	2023	Thereafter	Total
Aggregate minimum future payments	$ 39,970	$ 25,923	$ 33,022	$ 36,243	$ 35,231	$ 400,889	$ 571,278

The Company received $19.0 million in proceeds in connection with the early termination of a lease during the year ended December 31, 2017 which was recorded in other income, net on the consolidated statements of operations.

Expenses related to non-cancellable contractual obligations for premises, equipment, auto and other assets were $40.4 million , $38.2 million and $40.5 million for the years ended December 31, 2018, 2017 and 2016 , 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, 2018 , fixed and determinable payments due in connection with these obligations were as follows:

	2019	2020	2021	2022	2023	Thereafter	Total
Other long-term obligations	$ 21,677	$ 1,761	$ 1,511	$ 927	$ 688	$ 688	$ 27,252

Contingent Obligations— Performance allocations with respect to certain funds are subject to reversal in the event of future losses to the extent of the cumulative revenues 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, 2018 and that would be reversed approximates $2.4 billion . Management views the possibility of all of the investments becoming worthless as remote. Performance allocations are 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 performance allocations 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 performance allocations as a result of unrealized and realized losses that are recognized in the current and prior reporting period. In certain cases, performance allocations 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, 2018 , there were no underwriting commitments outstanding related to such offerings.

As of December 31, 2018 , one of the Company's subsidiaries had unfunded contingent commitments of $32.0 million , to facilitate fundings at closing by lead arrangers for syndicated term loans issued by portfolio companies of funds managed by Apollo. The commitments expire by March 31, 2019 . As of March 1, 2019 , the unfunded commitments were approximately $5.3 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 performance revenues 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 performance revenue payments, and is recorded in profit sharing payable in the consolidated statements of financial condition. The fair value of the remaining contingent obligation was $74.5 million and $92.6 million as of December 31, 2018 and December 31, 2017 , respectively.

The contingent consideration obligations will be remeasured to fair value at each reporting period until the obligations are satisfied and are characterized as Level III liabilities. The changes in the fair value of the contingent consideration obligations is reflected in profit sharing expense in the consolidated statements of operations. See note 7 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: credit, private equity and real assets. 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.

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 (Loss)

Economic Income (Loss), or "EI", is a key performance measure used by management in evaluating the performance of Apollo's credit, private equity and real assets segments. Management believes the components of EI, such as the amount of management fees, advisory and transaction fees and performance fees, 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 related 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 performance fees 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 (loss) before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges includes equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, EI 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. 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. EI also excludes impacts of the remeasurement of the tax receivable agreement recorded in other income, which arises from changes in the associated deferred tax balance, including the impacts related to the TCJA.

Management believes that excluding the remeasurement of the tax receivable agreement from EI is meaningful as it increases comparability between periods. Remeasurement of the tax receivable agreement is an estimate, and may change due to changes in interpretations and assumptions based on additional guidance that may be issued pertaining to the TCJA.

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The following tables present financial data for Apollo's reportable segments.

	As of and for the Year Ended December 31, 2018			
	Credit Segment	Private Equity Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees	$ 763,958	$ 440,719	$ 78,011	$ 1,282,688
Advisory and transaction fees, net	9,530	89,385	12,652	111,567
Performance fees [1] :				
Unrealized [2]	(6,911)	(941,690)	(4,168)	(952,769)
Realized	130,479	441,363	6,617	578,459
Total performance fees	123,568	(500,327)	2,449	(374,310)
Principal investment income (loss)	44,976	(39,382)	2,020	7,614
Total Revenues [3]	942,032	(9,605)	95,132	1,027,559
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	232,751	138,855	43,356	414,962
Equity-based compensation	37,132	29,021	3,617	69,770
Profit sharing expense:				
Unrealized	(523)	(319,939)	(973)	(321,435)
Realized	70,620	197,873	3,759	272,252
Equity-based [4]	11,100	76,906	1,504	89,510
Total profit sharing expense	81,197	(45,160)	4,290	40,327
Total compensation and benefits	351,080	122,716	51,263	525,059
Non-compensation expenses:				
General, administrative and other	145,691	67,423	26,177	239,291
Placement fees	1,530	585	7	2,122
Total non-compensation expenses	147,221	68,008	26,184	241,413
Total Expenses [3]	498,301	190,724	77,447	766,472
Other Loss:				
Net gains (losses) from investment activities	(135,285)	(51,185)	44	(186,426)
Net interest loss	(18,778)	(14,694)	(4,101)	(37,573)
Other income (loss), net	2,071	(2,053)	490	508
Total Other Loss [3]	(151,992)	(67,932)	(3,567)	(223,491)
Non-Controlling Interests	(5,008)	—	—	(5,008)
Economic Income (Loss) [3]	$ 286,731	$ (268,261)	$ 14,118	$ 32,588
Total Assets [3]	$ 2,569,872	$ 1,982,553	$ 239,221	$ 4,791,646

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(1) Performance fees includes performance allocations and incentive fees.
(2) Included in unrealized performance fees for the year ended December 31, 2018 was a reversal of previously realized performance fees due to the general partner obligation to return previously distributed performance fees.
(3) Refer below for a reconciliation of total revenues, total expenses, other loss and total assets for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses, total consolidated other income (loss) and total assets.
(4) Relates to amortization of equity-based awards granted under certain profit sharing arrangements.

	As of and for the Year Ended December 31, 2017			
	Credit Segment	Private Equity Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees	$ 702,191	$ 306,734	$ 73,390	$ 1,082,315
Advisory and transaction fees, net	30,733	84,063	2,828	117,624
Performance fees [(1)]:				
Unrealized [(2)]	51,225	642,126	(4,786)	688,565
Realized	196,973	433,983	18,069	649,025
Total performance fees	248,198	1,076,109	13,283	1,337,590
Principal investment income	27,718	132,376	2,857	162,951
Total Revenues [(3)]	1,008,840	1,599,282	92,358	2,700,480
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	231,592	123,095	39,468	394,155
Equity-based compensation	37,453	27,516	2,905	67,874
Profit sharing expense:				
Unrealized	18,268	211,976	(3,925)	226,319
Realized	77,801	191,569	9,468	278,838
Equity-based [(4)]	1,876	2,184	—	4,060
Total profit sharing expense	97,945	405,729	5,543	509,217
Total compensation and benefits	366,990	556,340	47,916	971,246
Non-compensation expenses:				
General, administrative and other	139,374	68,504	20,701	228,579
Placement fees	10,130	3,783	—	13,913
Total non-compensation expenses	149,504	72,287	20,701	242,492
Total Expenses [(3)]	516,494	628,627	68,617	1,213,738
Other Income (Loss):				
Net gains (losses) from investment activities	85,135	9,652	(13)	94,774
Net interest loss	(23,709)	(16,597)	(4,678)	(44,984)
Other income, net	17,037	26,299	2,460	45,796
Total Other Income (Loss) [(3)]	78,463	19,354	(2,231)	95,586
Non-Controlling Interests	(4,379)	—	—	(4,379)
Economic Income [(3)]	$ 566,430	$ 990,009	$ 21,510	$ 1,577,949
Total Assets [(3)]	$ 2,640,014	$ 2,880,922	$ 220,007	$ 5,740,943

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(1) Performance fees includes performance allocations and incentive fees.
(2) Included in unrealized performance fees for the year ended December 31, 2017 was a reversal of previously realized performance fees due to the general partner obligation to return previously distributed performance fees.
(3) Refer below for a reconciliation of total revenues, total expenses and other income (loss) for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses and total consolidated other income (loss) and total assets.
(4) Relates to amortization of equity-based awards granted under certain profit sharing arrangements.

	For the Year Ended December 31, 2016			
	Credit Segment	Private Equity Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees	$ 596,709	$ 321,995	$ 58,945	$ 977,649
Advisory and transaction fees, net	12,533	128,675	5,907	147,115
Performance fees [1] :				
Unrealized [2]	137,274	368,807	4,918	510,999
Realized	180,029	82,292	12,566	274,887
Total performance fees	317,303	451,099	17,484	785,886
Principal investment income	33,290	66,281	3,010	102,581
Total Revenues [3]	959,835	968,050	85,346	2,013,231
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	209,256	124,463	33,171	366,890
Equity-based compensation	34,185	27,549	2,734	64,468
Profit sharing expense:				
Unrealized	63,012	114,643	2,202	179,857
Realized	84,715	43,893	8,185	136,793
Total profit sharing expense	147,727	158,536	10,387	316,650
Total compensation and benefits	391,168	310,548	46,292	748,008
Non-compensation expenses:				
General, administrative and other	125,639	71,323	21,528	218,490
Placement fees	22,047	2,297	89	24,433
Total non-compensation expenses	147,686	73,620	21,617	242,923
Total Expenses [2]	538,854	384,168	67,909	990,931
Other Income (Loss):				
Net gains from investment activities	127,229	11,379	—	138,608
Net interest loss	(20,669)	(14,187)	(4,163)	(39,019)
Other income, net	(4,500)	1,650	692	(2,158)
Total Other Income (Loss) [2]	102,060	(1,158)	(3,471)	97,431
Non-Controlling Interests	(7,464)	—	—	(7,464)
Economic Income [2]	$ 515,577	$ 582,724	$ 13,966	$ 1,112,267

(1) Performance fees includes performance allocations and incentive fees.
(2) Included in unrealized performance fees from related parties for the year ended December 31, 2016 was a reversal of previously realized performance fees due to the general partner obligation to return previously distributed performance fees. See note 14 for further details regarding the general partner obligation.
(3) Refer below for a reconciliation of total revenues, total expenses and other income (loss) 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)

The following table reconciles total consolidated revenues to total revenues for Apollo's reportable segments:

	For the Years Ended December 31,		
	2018	2017	2016
Total Consolidated Revenues	$ 1,093,065	$ 2,771,803	$ 2,073,562
Equity awards granted by unconsolidated related parties, reimbursable expenses and other [1]	(81,892)	(75,940)	(73,913)
Adjustments related to consolidated funds and VIEs [1]	16,386	4,617	13,582
Total Reportable Segments Revenues	$ 1,027,559	$ 2,700,480	$ 2,013,231

(1) Represents advisory fees, management fees and performance fees 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,		
	2018	2017	2016
Total Consolidated Expenses	$ 902,939	$ 1,360,049	$ 1,165,918
Equity awards granted by unconsolidated related parties, reimbursable expenses and other [1]	(82,724)	(75,940)	(75,653)
Transaction-related compensation charges, net [1]	9,558	(12,169)	(46,293)
Reclassification of interest expenses	(59,374)	(52,873)	(43,482)
Amortization of transaction-related intangibles [1]	(3,927)	(5,329)	(9,559)
Total Reportable Segments Expenses	$ 766,472	$ 1,213,738	$ 990,931

(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 (loss) to total other income (loss) for Apollo's reportable segments:

	For the Years Ended December 31,		
	2018	2017	2016
Total Consolidated Other Income (Loss)	$ (84,854)	$ 357,830	$ 153,370
Reclassification of interest expense	(59,374)	(52,873)	(43,482)
Adjustments related to consolidated funds and VIEs [1]	(43,858)	(9,131)	(12,457)
Gain from remeasurement of tax receivable agreement liability	(35,405)	(200,240)	—
Total Reportable Segments Other Income (Loss)	$ (223,491)	$ 95,586	$ 97,431

(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,		
	2018	2017	2016
Income before income tax provision	$ 105,272	$ 1,769,584	$ 1,061,014
Adjustments:			
Transaction-related charges [(1)]	(5,631)	17,496	57,042
Gain from remeasurement of tax receivable agreement liability	(35,405)	(200,240)	—
Net income attributable to Non-Controlling Interests in consolidated entities and appropriated partners' capital	(31,648)	(8,891)	(5,789)
Total consolidation adjustments and other	(72,684)	(191,635)	51,253
Economic Income	$ 32,588	$ 1,577,949	$ 1,112,267

(1) 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 presents the reconciliation of Apollo's total reportable segment assets to total assets:

	As of December 31, 2018	As of December 31, 2017
Total reportable segment assets	$ 4,791,646	$ 5,740,943
Adjustments [(1)]	1,200,008	1,250,127
Total assets	$ 5,991,654	$ 6,991,070

(1) Represents the addition of assets of consolidated funds and VIEs and consolidation elimination adjustments.

17 . SUBSEQUENT EVENTS

On January 31, 2019 , the Company declared a cash distribution of $0.56 per Class A share, which will be paid on February 28, 2019 to holders of record on February 21, 2019 .

On January 31, 2019 , the Company declared a cash distribution of $0.398438 per Series A Preferred share and Series B Preferred share which will be paid on March 15, 2019 to holders of record on March 1, 2019 .

On January 30, 2019, the Company and AAA agreed to extend the maturity date of the AAA Investments Credit Agreement to December 31, 2020. See note 14 for information regarding the terms of the agreement.

In January 2019, Apollo increased its authorized share repurchase amount by $250 million bringing the total authorized repurchase amount to $500 million , which may be used to repurchase outstanding Class A shares as well as to reduce 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 (and any successor equity plan thereto). Class A shares may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. Apollo is not obligated under the terms of the program to repurchase any of its Class A shares. The repurchase program has no expiration date and may be suspended or terminated by the Company at any time without prior notice. Class A shares repurchased as part of this program will be canceled by the Company.

On February 7, 2019, AMH (the "Issuer") issued $550 million in aggregate principal amount of its 4.872% Senior Notes due 2029 (the "2029 Senior Notes"), at an issue price of 99.999% of par. The notes are fully and unconditionally guaranteed by Apollo's indirect subsidiaries, 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, Apollo Principal Holdings XII, L.P. and AMH Holdings (Cayman), L.P. Interest on the 2029 Senior Notes is payable semi-annually in arrears on February 15 and August 15 of each year. The 2029 Senior Notes will mature on February 15, 2029 unless earlier redeemed or repurchased. Net proceeds from the sale of the Notes will be used for general corporate purposes, including, at the Issuer's option, to be held in a custody account managed by Bank of America, National Association Holdings, L.P. as custodian and invested in U.S. Treasury securities and money market funds (collectively, all such investments, the "Eligible Assets"). At the Issuer's discretion, from time to time, the Issuer may (i) remove all or any portion of the Eligible Assets from the custody account or (ii) add Eligible Assets to the custody account.

(dollars in thousands, except share data, except where noted)

18 . QUARTERLY FINANCIAL DATA (UNAUDITED)

	For the Three Months Ended			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Revenues	$ 166,903	$ 523,316	$ 517,731	$ (114,885)
Expenses	214,875	301,394	312,727	73,943
Other Income (Loss)	(52,796)	(59,188)	176,780	(149,650)
Income (Loss) Before Provision for Taxes	$ (100,768)	$ 162,734	$ 381,784	$ (338,478)
Net Income (Loss)	$ (109,348)	$ 143,810	$ 362,692	$ (377,903)
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$ (62,645)	$ 54,658	$ 162,357	$ (196,408)
Net Income (Loss) per Class A Share - Basic	$ (0.34)	$ 0.25	$ 0.77	$ (1.00)
Net Income (Loss) per Class A Share - Diluted	$ (0.34)	$ 0.25	$ 0.77	$ (1.00)

	For the Three Months Ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Revenues	$ 682,104	$ 449,708	$ 711,720	$ 928,271
Expenses	345,988	264,526	357,483	392,052
Other Income	58,075	6,983	96,668	196,104
Income Before Provision for Taxes	$ 394,191	$ 192,165	$ 450,905	$ 732,323
Net Income	$ 355,030	$ 192,942	$ 434,363	$ 461,304
Net Income Attributable to Apollo Global Management, LLC Class A Shareholders	$ 145,196	$ 86,908	$ 198,569	$ 184,893
Net Income per Class A Share - Basic	$ 0.75	$ 0.44	$ 1.00	$ 0.92
Net Income per Class A Share - Diluted	$ 0.75	$ 0.44	$ 1.00	$ 0.92

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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, 2018			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$ 609,743	$ 4	$ —	$ 609,747
Restricted cash	3,457	—	—	3,457
U.S. Treasury securities, at fair value	392,932	—	—	392,932
Investments	2,811,445	558	(89,391)	2,722,612
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	49,671	—	49,671
Investments, at fair value	—	1,175,985	(308)	1,175,677
Other assets	—	65,543	—	65,543
Incentive fees receivable	6,792	—	—	6,792
Due from related parties	379,525	—	(1,417)	378,108
Deferred tax assets, net	306,094	—	—	306,094
Other assets	173,907	—	(637)	173,270
Goodwill	88,852	—	—	88,852
Intangible assets, net	18,899	—	—	18,899
Total Assets	**$ 4,791,646**	**$ 1,291,761**	**$ (91,753)**	**$ 5,991,654**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$ 70,878	$ —	$ —	$ 70,878
Accrued compensation and benefits	73,583	—	—	73,583
Deferred revenue	111,097	—	—	111,097
Due to related parties	425,435	—	—	425,435
Profit sharing payable	452,141	—	—	452,141
Debt	1,360,448	—	—	1,360,448
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	899,651	(44,190)	855,461
Other liabilities	—	79,244	(267)	78,977
Due to related parties	—	1,787	(1,787)	—
Other liabilities	111,794	—	—	111,794
Total Liabilities	**2,605,376**	**980,682**	**(46,244)**	**3,539,814**
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Series A Preferred shares	264,398	—	—	264,398
Series B Preferred shares	289,815	—	—	289,815
Additional paid in capital	1,299,418	—	—	1,299,418
Accumulated deficit	(473,275)	17,673	(17,674)	(473,276)
Accumulated other comprehensive loss	(3,925)	(2,479)	2,245	(4,159)
Total Apollo Global Management, LLC shareholders' equity	1,376,431	15,194	(15,429)	1,376,196
Non-Controlling Interests in consolidated entities	5,717	295,885	(30,080)	271,522
Non-Controlling Interests in Apollo Operating Group	804,122	—	—	804,122
Total Shareholders' Equity	**2,186,270**	**311,079**	**(45,509)**	**2,451,840**
Total Liabilities and Shareholders' Equity	**$ 4,791,646**	**$ 1,291,761**	**$ (91,753)**	**$ 5,991,654**

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APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(dollars in thousands, except share data)

	As of December 31, 2017			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$ 751,252	$ 21	$ —	$ 751,273
Restricted cash	3,875	—	—	3,875
U.S. Treasury securities, at fair value	364,649	—	—	364,649
Investments	3,637,042	854	(78,062)	3,559,834
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	92,912	—	92,912
Investments, at fair value	—	1,196,512	(322)	1,196,190
Other assets	—	39,484	—	39,484
Incentive fees receivable	43,176	—	—	43,176
Due from related parties	263,572	—	(984)	262,588
Deferred tax assets	337,638	—	—	337,638
Other assets	232,045	5	(293)	231,757
Goodwill	88,852	—	—	88,852
Intangible assets, net	18,842	—	—	18,842
Total Assets	**$ 5,740,943**	**$ 1,329,788**	**$ (79,661)**	**$ 6,991,070**
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$ 68,873	$ —	$ —	$ 68,873
Accrued compensation and benefits	62,474	—	—	62,474
Deferred revenue	128,146	—	—	128,146
Due to related parties	428,013	—	—	428,013
Profit sharing payable	752,276	—	—	752,276
Debt	1,362,402	—	—	1,362,402
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	1,049,235	(47,172)	1,002,063
Other liabilities	—	115,951	(293)	115,658
Due to related parties	—	2,719	(2,719)	—
Other liabilities	173,369	—	—	173,369
Total Liabilities	**2,975,553**	**1,167,905**	**(50,184)**	**4,093,274**
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Series A Preferred shares	264,398	—	—	264,398
Additional paid in capital	1,579,797	—	—	1,579,797
Accumulated deficit	(379,461)	9,037	(9,036)	(379,460)
Accumulated other comprehensive loss	(1,878)	(381)	450	(1,809)
Total Apollo Global Management, LLC shareholders' equity	1,462,856	8,656	(8,586)	1,462,926
Non-Controlling Interests in consolidated entities	7,750	153,227	(20,891)	140,086
Non-Controlling Interests in Apollo Operating Group	1,294,784	—	—	1,294,784
Total Shareholders' Equity	**2,765,390**	**161,883**	**(29,477)**	**2,897,796**
Total Liabilities and Shareholders' Equity	**$ 5,740,943**	**$ 1,329,788**	**$ (79,661)**	**$ 6,991,070**

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, 2018 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, 2018 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, 2018 , which is included herein.

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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	67	Chairman, Chief Executive Officer and Director
Joshua Harris	54	Senior Managing Director and Director
Marc Rowan	56	Senior Managing Director and Director
Anthony Civale	44	Co-Chief Operating Officer
Martin Kelly	51	Chief Financial Officer and Co-Chief Operating Officer
Scott Kleinman	46	Co-President
John Suydam	59	Chief Legal Officer
James Zelter	56	Co-President
Michael Ducey	70	Director
Robert Kraft	77	Director
A.B. Krongard	82	Director
Pauline Richards	70	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 previously served on the boards of directors of the general partner of AAA and 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 board of directors of FasterCures. 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 39 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, a General Partner of the Crystal Palace Football Club and a member of the Board of Governors of the National Basketball Association. Mr. Harris also serves on the Board of Trustees of Mount Sinai Medical Center, Harvard Business School and the Wharton School at the University of Pennsylvania. 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 29 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, Athora Holding Ltd. and VA Capital. He has previously served on the boards of directors of, inter alia, the general partner of AAA, AMC Entertainment, Inc., Cablecom GmbH, Caesars Acquisition Co., Caesars Entertainment Corporation, 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., the New York City Police Foundation, Norwegian Cruise Lines, Quality Distribution, Inc., Samsonite Corporation, SkyTerra Communications Inc., Unity Media SCA, Vail Resorts, Inc. and Wyndham International, Inc. Mr. Rowan is also active in charitable activities. He is a founding member and Chairman of the Youth Renewal Fund, is Chair of the Board of Overseers of the University of Pennsylvania's Wharton School of Business and is a member of the Board of Trustees of the University of Pennsylvania. Mr. Rowan also serves on the boards of directors of Jerusalem U, Tapd, Inc. and Penthera Partners, Inc. 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 30 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.

Anthony Civale. Mr. Civale joined Apollo in 1999 and serves as Co-Chief Operating Officer of Apollo. Prior to his recent appointment, Mr. Civale served as Lead Partner and Chief Operating Officer of Apollo's credit business since 2011. Prior to 2011, Mr. Civale was a Senior Partner in Apollo's private equity business and served on the Board of Directors of Berry Plastics Group, Goodman Global, Harrah's Entertainment, HFA Holdings Limited, and Prestige Cruises. Mr. Civale has also been involved in charitable endeavors including his service on the Board of Trustees of Middlebury College and the Board of Directors of both Youth, I.N.C. and Focus For a Future. Before joining Apollo, Mr. Civale was employed by Deutsche Bank Securities, Inc. and Bankers Trust Company within the Corporate Finance division responsible for sourcing, structuring and executing financing and merger and acquisition advice for the firm's private equity clients. Mr. Civale graduated from Middlebury College with a B.A. in Political Science.

Martin Kelly . Mr. Kelly joined Apollo in 2012 as Chief Financial Officer and now also serves as Co-Chief Operating Officer of Apollo. 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.

Scott Kleinman. Mr. Kleinman joined Apollo in 1996 and serves as Co-President of Apollo and Lead Partner for Apollo's private equity business. Mr. Kleinman has served as Lead Partner for Apollo's private equity business since 2009 and became Co-President in January 2018. Prior to 1996, Mr. Kleinman was a member of the Investment Banking division at Smith Barney Inc. from 1994 to 1996. Mr. Kleinman serves on the board of directors of Constellis Holdings and Momentive Performance Materials Holdings, Inc. In 2014, he founded the Kleinman Center for Energy Policy at the University of Pennsylvania. He is a member of the Board of Overseers at the University of Pennsylvania School of Design. Mr. Kleinman received a B.A. and B.S. from the University of Pennsylvania and the Wharton School of Business, respectively, graduating magna cum laude, Phi Beta Kappa.

John Suydam. Mr. Suydam joined Apollo in 2006 and serves as Apollo's Chief Legal Officer. From 2002 to 2006, Mr. Suydam was a partner at O'Melveny & Myers LLP where he served as head of Mergers and Acquisitions and co-head of the Corporate Department. Prior to that time, Mr. Suydam served as Chairman of the law firm O'Sullivan, LLP which specialized in representing private equity investors. Mr. Suydam serves on the boards of The Legal Action Center, Environmental Solutions Worldwide, Inc. and New York University School of Law, and is a member of the Department of Medicine Advisory Board of the Mount Sinai Medical Center. Mr. Suydam received his J.D. from New York University and graduated magna cum laude with a B.A. in History from the State University of New York at Albany.

James Zelter. Mr. Zelter joined Apollo in 2006 and serves as Co-President of Apollo and Chief Investment Officer of Apollo's credit business. Mr. Zelter has served as Chief Investment Officer of Apollo's credit business since 2006 and became Co-President in January 2018. Since 2006, Mr. Zelter has also served in several senior roles at Apollo Investment Corporation, a publicly traded vehicle managed by Apollo, and remains a director on its board of directors. Prior to joining Apollo, Mr. Zelter was with Citigroup Inc. and its predecessor companies from 1994 to 2006. From 2003 to 2005, Mr. Zelter was Chief Investment Officer of Citigroup Alternative Investments, and prior to that he was responsible for Citigroup's Global High Yield franchise. Prior to joining Citigroup in 1994, Mr. Zelter was a High Yield Trader at Goldman, Sachs & Co. Mr. Zelter has significant experience in global credit markets and has overseen the broad expansion of Apollo's credit platform. He is a board member of DUMAC, the investment management company that oversees both Duke University's endowment and the Duke Endowment. Mr. Zelter has a B.A. in Economics from Duke University.

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 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. 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. From October 2010 to April 2017, Mr. Ducey served as the Chairman of the compliance and governance committee and the nominations committee of the board of directors of HaloSource, Inc. 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.

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 Kraft Family Foundation, Inc., and is a Trustee of the Dana-Farber Cancer Institute. He is a member of the executive committee of the Massachusetts Competitive Partnership. 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 board 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. Mr. Krongard also became a member of the conflicts committee of our board of directors in January 2019. 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 assuming his position at the Central Intelligence Agency. Mr. Krongard serves as the Lead Director and chairman of the audit committee of Under Armour, Inc., and also serves as chairman of the nominating and corporate governance committee and a member of the compensation committee of Iridium Communications Inc. Mr. Krongard also serves on the board of trustees of 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'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 Governance Committees of the board of directors of Wyndham Hotels and Resorts. Prior to mid-2018, Ms. Richards served on the board of Wyndham Worldwide, a position she 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, the only voting members of which are 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 seven 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 Investor, 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.apollo.com under the "Shareholders/Corporate Governance" section.

Conflicts Committee

The current members of our conflicts committee are Messrs. Ducey and Krongard. Mr. Ducey currently serves as Chairman of the committee. Mr. Krongard became a member of the conflicts committee in January 2019. 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.apollo.com under the "Shareholders/Corporate Governance" 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.apollo.com under the "Shareholders/Corporate Governance" 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, 2018 , such persons complied with all such filing requirements, with the exception of a Form 4 for Mr. Zelter reporting one transaction which was inadvertently filed late 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 rights to receive a portion of the performance fees earned from our funds or to receive compensation based on the level of performance fees earned, the direct investment by our Managing Partners and other 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.

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 rights to performance fees (excluding rights in respect of non-drawdown-style funds and certain pooled performance fee vehicles) from our funds are generally required to invest their own capital in the funds on which they work in amounts that are proportionate to the size of their participation in performance fees. 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. Our eligible professionals are generally permitted to invest in our funds free of management fees, and in certain instances, performance fees. These opportunities further align our employees with our fund investors and Class A shareholders, encourage our professionals to work across our integrated platform, and bolster links among our various businesses.

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. In 2018, we introduced grants of RSUs to certain professionals that vest based on both continued service and the Company's receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense. We believe that the addition of these performance measures helps to promote the interests of our Class A shareholders and fund investors by making RSU vesting contingent on the realization and distribution of profits on our funds. 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." By requiring our named executive officers to be subject to non-competition, confidentiality and other limitations on behavior described below under "—Potential Payments upon Termination or Change in Control," we further reinforce our culture of fiduciary protection of our fund investors and shareholders.

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 performance fee 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 performance fee allocations to our employees only after profitable investments have actually been realized. Similarly, for our funds that pay incentive fees, employees receive distributions of such fees only after the fund has appreciated in value (typically above a specified level) during the applicable period. 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 drawdown-style fund fails to achieve specified investment returns due to diminished performance of later investments, our performance fee program relating to that fund generally permits, for the benefit of the limited partner investors in that fund, the return of performance fee distributions (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 who hold direct performance fee rights in our drawdown-style funds, invest in those funds, further aligns the interests of our professionals, fund investors and Class A shareholders. Finally, the minimum retained ownership requirements of our RSUs, as well as a requirement that a portion of the performance fee rights of certain investment professionals be settled either in the form of RSUs or by using a portion of the amounts received 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, as well as Scott Kleinman and James Zelter, beneficially own AOG Units that they received in 2007 in anticipation of our 2011 initial public offering, in exchange for contributing certain partnership interests they then held in the Company. As of December 31, 2018 , the Managing Partners and Messrs. Kleinman and Zelter beneficially owned, through their interest in Holdings, approximately 47% 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 their holders' interests with those of our Class A shareholders, which is consistent with our compensation philosophy.

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 2018 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." In 2018 we promoted two of our investment professionals, Scott Kleinman and James Zelter, to the position of Co-President, causing them to become executive officers.

Annual Salary . Each of our named executive officers receives an annual salary. We believe that the compensation of our investment professionals, including Messrs. Kleinman and Zelter, should primarily be tied to the profitability of our different businesses and managed funds, and accordingly annual salaries constitute a relatively small component of the overall compensation of our named executive officers who are investment professionals. 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. While we historically granted RSUs that constitute a portion of annual compensation (which we refer to as Bonus Grants) in the same year that the services to which they relate were provided, for services provided in 2017 and 2018, our Managing Partners determined that, for administrative convenience at year-end, such RSUs would instead be awarded in the following January. This change in the timing of the grant date does not affect the vesting terms or dates that the RSUs, upon issuance of the underlying class A shares, are treated as income to the named executive officers or the dates that we are able to deduct the associated compensation expense. The Bonus Grants are generally subject to three-year vesting and minimum retained ownership requirements. All named executive officers who receive RSUs are 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), in each case net of the number of gross shares sold or netted to pay applicable income or employment taxes. Because the Summary Compensation Table and Grant of Plan-Based Awards Table below properly list only those stock awards that were granted in 2018, those tables do not include Bonus Grants for services provided in 2018. The 2018 RSU awards made to Messrs. Zelter and Kleinman in connection with their promotions to Co-President vest based on both continued service and the Company's receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense. This feature conditions the RSU vesting on the realization and distribution of profits on our funds. Mr. Kelly received in 2018 a grant of 9,719 restricted stock units (having a grant date fair value of $158,680) in respect of shares of ARI, the publicly traded REIT that we manage, pursuant to an approval by its compensation committee consistent with a recommendation it received from us. That grant from ARI is properly not included in the Summary Compensation Table and Grant of Plan-Based Awards Table below.

Performance Fees. Performance fee entitlements with respect to our funds confer rights to participate in distributions made to investors following the realization of an investment or receipt of operating profit from an investment by the fund, provided the fund has attained a specified performance return. Distributions of performance fees from limited life funds 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 of operating profit earned from funds that are not designed to have a limited life are generally not subject to contingent repayment. The actual gross amount of performance fees available for distribution are a function of the performance of the applicable fund. For these reasons, we believe that participation in performance 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 performance fee programs, which we refer to as dedicated and incentive pool. Messrs. Kelly, Kleinman, Suydam and Zelter have been awarded rights to participate in a dedicated percentage of the performance fee income earned by the general partners of certain of our funds and were awarded additional performance fee rights in 2018. Dedicated performance fee rights in our private equity funds are 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 amounts distributed in respect of other performance fees, our financial statements characterize performance fee income allocated to participating professionals in respect of their dedicated performance fee rights as compensation. Amounts paid in respect of dedicated performance 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 realized performance fees and enhances our capacity to offer competitive compensation opportunities to our professionals. "Realized performance fees" means performance fees 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 Kleinman, among other of our professionals, received incentive pool performance fees earned during 2018 . Allocations to participants in the incentive pool contain both a mandatory 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 realized performance fees 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 realized performance fees attributable to profits generated after creation of the incentive pool that were taxable in the applicable year and not allocable to dedicated performance fee entitlements. Each participant in the incentive pool is entitled to receive, as a mandatory component of participation in the incentive pool, his or her pro rata share of this 1% amount each year, provided the participant remains employed by us at the time of allocation. Our financial statements characterize the performance fee 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.

Performance Fee Restricted Shares and RSUs . We require that a portion of the performance fees distributed by certain of the investment funds we manage be used by our employees who participate in those amounts to purchase Class A restricted shares, or that a portion is delivered to them as a grant of RSUs, in each case that are issued under our 2007 Omnibus Equity Incentive Plan. This practice further promotes alignment with our Class A shareholders and motivates participating professionals to maximize the success of the Company as a whole. Like our Bonus Grant RSUs, these restricted shares and RSUs are generally subject to three-year vesting, which fosters retention. In accordance with applicable rules, the Summary Compensation Table and Grants of Plan-Based Awards Table include the restricted shares and RSUs they acquired by our named executive officers in 2018 in respect of performance fee amounts received.

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 performance 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.

We believe that the compensation of our investment professionals should primarily be tied to the profitability of our different businesses and managed funds. Consistent with past years, our Managing Partners in 2018 provided that annual salaries constituted a relatively small component of the overall compensation of our named executive officers who are investment professionals. The Managing Partners determined that it was appropriate for Messrs. Kleinman and Zelter, in connection with their promotions to the role of Co-President, to receive up-front RSU awards. Each such RSU is subject to five-year vesting and the Company's receipt of performance fees, within prescribed periods, sufficient to cover its associated equity-based compensation expense. This requirement enhances alignment with the interests of our Class A shareholders and fund investors. The Managing Partners considered our Co-Presidents' historical role, the particulars of the business units on which they focus, their capital contribution obligations and their performance fee entitlements when determining their individual compensation terms. 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 2018 . 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, 2018 . The earnings of Mr. Black, a Managing Partner and our chief executive officer, derive predominantly from distributions he receives as a result of his indirect beneficial ownership of AOG Units and his 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 earnings of Messrs. Zelter and Kleinman from their

AOG Units and tax receivable agreement rights also do not appear 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	2018	100,000	—	152,617	252,617
	2017	100,000	—	151,888	251,888
	2016	100,000	—	150,622	250,622
Martin Kelly, Chief Financial Officer and *(effective January 15, 2019)* Co-Chief Operating Officer	2018	1,000,000	533,079	1,519,014	3,052,093
	2017	1,000,000	19,183	1,499,776	2,518,959
	2016	1,000,000	1,897,640	1,050,000	3,947,640
James Zelter, Co-President	2018	100,000	82,582,612	2,706,864	85,389,476
Scott Kleinman, Co-President	2018	1,200,000	30,151,932	13,964,975	45,316,907
John Suydam, Chief Legal Officer	2018	2,000,000	726,338	1,688,644	4,414,982
	2017	2,000,000	49,430	1,283,090	3,332,520
	2016	2,500,000	498,260	668,934	3,667,194

(1) For Messrs. Kelly, Kleinman, Suydam and Zelter, 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 12 to our consolidated financial statements for further information concerning the assumptions made in valuing our RSU awards.

(2) Amounts included for 2018 represent, in part, actual cash distributions in respect of dedicated performance fee rights for Mr. Kleinman of $6,703,711, for Mr. Suydam of $1,008,980 and for Mr. Kelly of $434,014. The 2018 amounts also include actual incentive pool cash distributions of $1,085,000 for Mr. Kelly, $2,589,526 for Mr. Kleinman and $21,821 for Mr. Suydam. In addition to the cash distributions Messrs. Kleinman and Suydam received in respect of their dedicated performance fees, in 2018 those interests also caused them to receive in-kind distributions of Athene Holding shares that had been held by AAA, the value of which shares upon delivery ($4,671,738 and $637,055, respectively) is included in this column. For Mr. Zelter, the amounts include $2,706,864 in cash he received in respect of dedicated performance fee rights. The "All Other Compensation" column for 2018 also includes costs relating to Company-provided cars and drivers for the business and personal use of Messrs. Black and Suydam. We provide this benefit because we believe that its cost is outweighed by the convenience, increased efficiency and added security and confidentiality that it offers. The personal use cost was approximately $136,592 for Mr. Black and $18,788 for Mr. Suydam. For Mr. Black, this amount includes both fixed and variable costs, including lease costs, driver compensation, driver meals, fuel, parking, tolls, repairs, maintenance and insurance. For Mr. Suydam, this amount includes the costs to the Company associated with his use of a car service. Except as discussed in this paragraph, no 2018 perquisites or personal benefits individually exceeded the greater of $25,000 or 10% of the total amount of all perquisites and other personal benefits reported for the named executive officer. The cost of excess liability insurance provided to our named executive officers falls below this threshold. Mr. Kleinman, Mr. Zelter and Mr. Kelly did not receive perquisites or personal benefits in 2018, 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 Agreement with Chairman and Chief Executive Officer

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 a member of our manager's executive committee. This agreement, which provides for an annual salary of $100,000 and the right to participate in our employee benefit plans as in effect from time to time, has a three-year term.

Employment, Non-Competition and Non-Solicitation Agreement with Chief Financial Officer and Co-Chief Operating Officer

On July 2, 2012, we entered into an employment, non-competition and non-solicitation agreement with Martin Kelly, our chief financial officer and co-chief operating officer. His annual base salary is $1,000,000. Mr. Kelly is eligible for an annual bonus in an amount to be determined by the Managing Partners in their discretion. As provided in the agreement, Mr. Kelly participates in the incentive pool and is eligible to receive distributions thereunder.

Employment, Non-Competition and Non-Solicitation Agreement with Co-President, James Zelter

We entered into an amended and restated employment agreement with James Zelter on June 20, 2014, and further amended that agreement on November 12, 2017 in connection with his promotion to Co-President. As amended, the agreement provides for base pay of $100,000 per year and a grant to Mr. Zelter of 2,500,000 RSUs. Pursuant to the agreement, Mr. Zelter holds dedicated performance fee rights in respect of our credit funds. These interests are subject to vesting or to the right to retain such interests for a limited period following his employment termination. As required by the terms of his performance fee arrangements, Mr. Zelter has made investments of his own capital in various of our funds.

Employment, Non-Competition and Non-Solicitation Agreement with Co-President, Scott Kleinman

On November 12, 2017, in connection with his promotion to Co-President, we entered into an employment agreement with Scott Kleinman that provided for a grant to him of 800,000 RSUs. On July 3, 2018, we entered into a letter agreement with Mr. Kleinman, effective as of January 1, 2018. The letter agreement provides that Mr. Kleinman is entitled to base pay of $1,200,000 per year and to distributions from our incentive pool or other amounts totaling at least $3,300,000 annually, a portion of which is provided in the form of Bonus Grant RSUs. Mr. Kleinman holds dedicated performance fee rights in respect of various of our funds. These interests are generally subject to vesting. As required by the terms of his performance fee arrangements, Mr. Kleinman has made investments of his own capital in various of our funds.

Employment Agreement with Chief Legal Officer

On July 19, 2017, we entered into an employment, non-competition and non-solicitation agreement with John Suydam, our chief legal officer. Pursuant to the agreement, Mr. Suydam is entitled to an annual base salary of $2,000,000 and an annual equity-based award that has an aggregate value of $500,000 and vests in three equal annual installments. On November 7, 2018, we entered into a letter agreement with Mr. Suydam regarding the vesting of his equity awards. Subject to his continued compliance with the non-competition and other obligations under his employment agreement, upon the earlier of (1) our termination of his employment without cause, and (2) January 1, 2020 (provided he has not terminated his employment or engaged in conduct constituting cause before such date), if Mr. Suydam agrees to be reasonably available to consult with us for two years, he will vest in all unvested RSUs and restricted shares then outstanding. RSUs and restricted shares that vest under the letter agreement are subject to forfeiture in the event of a breach of his noncompetition obligations.

Awards of Restricted Shares 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 restricted Class A shares under the plan have been made to Messrs. Zelter, Kleinman, Kelly and Suydam as a result of their participation in performance fee programs that require that a portion of the performance fee amounts be used to purchase restricted Class A shares, or is settled in the form of a grant of RSUs. The restricted Class A shares vest in three equal annual installments from a vesting date specified at the time of the award. The restricted Class A shares participate in any distributions made on our Class A shares and are not subject to our minimum retained share ownership requirements. The number of restricted Class A shares that were granted in 2018 was determined pursuant to the formula prescribed by the applicable performance fee program, which converts the specified portion of the carry to be distributed into a number of shares based on the volume weighted average price as of a prescribed date in the applicable calendar quarter.

Grants of Plan-Based Awards

The following table presents information regarding RSUs and restricted Class A shares granted to Messrs. Zelter, Kleinman, Kelly and Suydam under our 2007 Omnibus Equity Incentive Plan in 2018 . No options were granted to a named executive officer in 2018.

Name	Grant Date	All Other 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	January 8, 2018	14,049	479,211
	February 5, 2018	532	18,359
	May 4, 2018	547	17,258
	August 15, 2018	167	5,813
	November 15, 2018	415	12,438
James Zelter	January 8, 2018	2,500,000	82,575,000
	November 15, 2018	254	7,612
Scott Kleinman	January 8, 2018	800,000	26,424,000
	February 5, 2018	38,791	1,338,677
	May 4, 2018	33,559	1,058,786
	August 15, 2018	12,182	424,055
	November 15, 2018	30,244	906,413
John Suydam	January 8, 2018	14,788	504,419
	February 5, 2018	2,585	89,208
	May 4, 2018	1,408	44,422
	August 15, 2018	699	24,332
	November 15, 2018	2,134	63,956

(1) Represents the number of RSUs and restricted Class A shares granted, as applicable. RSUs and Restricted shares are discussed above under "—Compensation Elements for Named Executive Officers—RSUs" and "—Compensation Elements for Named Executive Officers—Restricted Shares," respectively.

(2) Represents the aggregate grant date fair value of the RSUs and restricted Class A shares granted in 2018 , 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 and restricted Class A share awards made by us to our named executive officers under our 2007 Omnibus Equity Incentive Plan that were outstanding at December 31, 2018 . Our named executive officers did not hold any options at fiscal year-end.

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Name	Date of Grant	Stock Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)		Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) [16]
Leon Black	—	—		—
Martin Kelly	November 15, 2018	415	(1)	10,184
	August 15, 2018	167	(2)	4,098
	May 4, 2018	547	(3)	13,423
	February 5, 2018	355	(4)	8,712
	January 8, 2018	9,366	(5)	229,842
	November 17, 2017	21	(6)	515
	November 17, 2017	65	(7)	1,595
	August 3, 2017	81	(6)	1,988
	May 1, 2017	23	(8)	564
	May 1, 2017	253	(9)	6,209
	December 29, 2016	23,993	(10)	588,788
	December 29, 2016	12,211	(11)	299,658
James Zelter	November 15, 2018	254	(1)	6,233
	January 8, 2018	2,500,000	(12)	61,350,003
	August 3, 2017	1,585	(8)	38,896
	May 1, 2017	17,821	(9)	437,327
	May 1, 2017	2,417	(8)	59,313
	March 1, 2017	682	(8)	16,736
	December 29, 2016	14,910	(11)	365,891
	October 31, 2016	93	(13)	2,282
	October 31, 2016	1,892	(13)	46,430
	August 5, 2016	37	(14)	908
	May 6, 2016	284	(15)	6,969
	May 6, 2016	392	(15)	9,620
Scott Kleinman	November 15, 2018	30,244	(1)	742,188
	August 15, 2018	12,182	(2)	298,946
	May 4, 2018	33,559	(3)	823,538
	February 5, 2018	25,861	(4)	634,629
	January 8, 2018	800,000	(12)	19,632,001
	November 17, 2017	4,717	(7)	115,755
	November 17, 2017	1,538	(6)	37,743
	August 3, 2017	5,909	(6)	145,007
	May 1, 2017	566	(8)	13,890
	May 1, 2017	13,425	(9)	329,450
John Suydam	November 15, 2018	2,134	(1)	52,368
	August 15, 2018	699	(2)	17,153
	May 4, 2018	1,408	(3)	34,552
	February 5, 2018	1,724	(4)	42,307
	January 8, 2018	9,859	(5)	241,940
	August 3, 2017	208	(6)	5,104
	May 1, 2017	60	(8)	1,472
	May 1, 2017	650	(9)	15,951
	November 17, 2017	54	(6)	1,325
	November 17, 2017	166	(7)	4,074
	December 29, 2016	8,783	(11)	215,535

(1) Restricted Class A shares that vest in substantially equal annual installments on August 15 of each of 2019, 2020 and 2021.
(2) Restricted Class A shares that vest in substantially equal annual installments on May 15 of each of 2019, 2020 and 2021.
(3) Restricted Class A shares that vest in substantially equal annual installments on February 15 of each of 2019, 2020 and 2021.

(4) Restricted Class A shares that vest in substantially equal annual installments on November 15 of each of 2019 and 2020.
(5) Bonus Grant RSUs that vest in substantially equal annual installments on December 31 of each of 2019 and 2020.
(6) Restricted Class A shares that vest on May 15 of each of 2019 and 2020.
(7) Restricted Class A shares that vest on August 15 of each of 2019 and 2020.
(8) Restricted Class A shares that vest on November 15, 2019.
(9) Restricted Class A shares that vest on February 15 of each of 2019 and 2020.
(10) RSUs that vest in substantially equal quarterly installments on March 31, 2019 and on the last day of each of the next three calendar quarters.
(11) Bonus Grant RSUs that vest on December 31, 2019.
(12) Performance RSUs that vest in substantially equal annual installments on January 1 of each of 2019, 2020, 2021, 2022 and 2023, subject to the availability of sufficient net cash incentive income to the Company as of such date.
(13) Restricted Class A shares that vest on August 15, 2019.
(14) Restricted Class A shares that vest on May 15, 2019.
(15) Restricted Class A shares that vest on February 15, 2019.
(16) Amounts calculated by multiplying the number of unvested RSUs held by the named executive officer by the closing price of $24.54 per Class A share on December 31, 2018.

Option Exercises and Stock Vested

The following table presents information regarding the number of outstanding initially unvested RSUs and restricted Class A shares held by our named executive officers that vested during 2018 and the number of options exercised by our named executive officers in 2018 . The amounts shown below do not reflect compensation actually received by the named executive officers, but instead are calculations of the number of RSUs and restricted Class A shares that vested during 2018 based on the closing price of our Class A shares on the date of vesting. Shares received by our named executive officers in respect of vested RSUs are subject to our retained ownership requirements. No options were exercised by our named executive officers in 2018 .

		Stock Awards	
Name	**Type of Award**	**Number of Shares Acquired on Vesting (#)**	**Value Realized on Vesting ($) (1)**
Leon Black	—	—	—
Martin Kelly	RSUs	103,053	3,013,708
	Restricted Shares	408	13,093
James Zelter	RSUs	54,181	1,467,841
	Restricted Shares	22,068	730,054
Scott Kleinman	Restricted Shares	26,288	841,701
John Suydam	RSUs	24,907	611,218
	Restricted Shares	1,460	46,466

(1) Amounts calculated by multiplying the number of RSUs or restricted Class A shares held by the named executive officer that vested on each applicable vesting date in 2018 by the closing price per Class A share on that date. Class A shares underlying the vested RSUs were issued to the named executive officer shortly after they vested.

Potential Payments upon Termination or Change in Control

None of the named executive officers is entitled to payment or other benefits in connection with a change in control.

Mr. Black is not entitled to severance or other payments or benefits in connection with an employment termination. Mr. Black is required to protect the confidential information of Apollo both during and after employment. In addition, until one year after employment termination, he 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 Mr. Black becomes subject to a potential termination for cause or by reason of disability, our manager may appoint an investment professional to perform his functional responsibilities and duties until cause or disability definitively results in his termination or is determined not to have occurred, but the manager may so appoint an investment professional only if he is unable to perform his responsibilities and duties or, as a matter of fiduciary duty, should be prohibited from doing so. During any such period, Mr. Black shall continue to serve on the executive committee of our manager unless otherwise prohibited from doing so pursuant to the Agreement Among Managing Partners.

If Mr. Kelly’s employment is terminated by us without cause or he resigns for good reason, 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 his employment is terminated by us without cause, he will vest in 50% of any unvested portion of his restricted shares. If Mr. Kelly's employment is terminated by reason of death or disability, he will vest in 50% of any unvested portion of his Plan Grant RSUs, Bonus Grant RSUs, restricted shares and dedicated performance fee rights that are subject to vesting. If Mr. Kelly's employment is terminated without cause, or he resigns, he will also be entitled to retain his dedicated performance fee rights that are subject to vesting to the extent then vested. We may terminate Mr. Kelly's employment with or without cause, and we will provide 90 days' notice (or payment in lieu of such period of notice) prior to a termination without cause. Mr. Kelly is required to give us 90 days' notice prior to a resignation for any reason. He is required to protect the confidential information of Apollo both during and after employment. In addition, during employment and for 12 months after employment, Mr. Kelly is also obligated to refrain from soliciting our employees, interfering with our relationships with investors or other business relations, and competing with us in a business that manages or invests in assets substantially similar to those managed or invested in by Apollo or its affiliates.

We may terminate Mr. Zelter's employment with or without cause, and we will provide 90 days' notice (or payment in lieu of such period of notice) prior to a termination without cause. Mr. Zelter is required to provide 90 days' notice prior to a resignation for any reason. Upon his termination of employment by reason of death or disability, Mr. Zelter will vest in 50% of his then unvested RSUs, restricted shares and performance fee rights that are subject to vesting. Upon his termination by the Company other than for cause, Mr. Zelter will vest in 50% of his then unvested restricted shares. If Mr. Zelter's employment is terminated without cause or he resigns, he will also be entitled to retain his dedicated performance fee rights that are subject to vesting to the extent then vested. During his employment and for 12 months thereafter, he is also obligated to refrain from soliciting our employees, interfering with our relationships with investors or other business relations, and competing with us in a business that manages or invests in assets substantially similar to those invested in or managed by Apollo or its affiliates.

We may terminate Mr. Kleinman'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. Kleinman is required to provide 90 days' notice prior to a resignation for any reason. Upon his termination of employment by reason of death or disability, Mr. Kleinman will vest in 50% of his then unvested RSUs, restricted shares and dedicated performance fee interests that are subject to vesting. If Mr. Kleinman's employment is terminated without cause, or he resigns, he will also be entitled to retain his dedicated performance fee rights that are subject to vesting to the extent then vested. If Mr. Kleinman's employment with us terminates for any reason other than in circumstances in which he could have been terminated for cause, he will receive the cash portion of his incentive pool or annual bonus amount on a prorated basis through the last day of his full-time employment. Mr. Kleinman is required to protect the confidential information of Apollo both during and after employment. In addition, during employment and for 12 months after employment, he is obligated to refrain from soliciting our employees, interfering with our relationships with investors or other business relations, and competing with us in a business that manages or invests in assets substantially similar to those managed or invested in by Apollo or its affiliates.

We may terminate Mr. Suydam'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. If Mr. Suydam'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 his employment is terminated by reason of death, he will vest in 50% of his then unvested RSUs, restricted shares and dedicated performance fee rights that are subject to vesting. If Mr. Suydam's employment is terminated without cause, or he resigns, he will also be entitled to retain his dedicated performance fee rights that are subject to vesting to the extent then vested. If Mr. Suydam's employment is terminated by us without cause or by reason of disability, he will vest in 100% of this then unvested RSUs and restricted shares, provided he complies with his restrictive covenants and agrees to be available to consult with us from time to time for two years from his employment termination date. 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, 2018 and that the price per share of our Class A shares was $24.54, which is equal to the closing price on such date. For purposes of this table, RSU values are based on the $24.54 closing price.

Name	Reason for Employment Termination	Estimated Value of Cash Payments ($) (1)	Estimated Value of Equity Acceleration ($) (2)
Leon Black	Cause	—	—
	Death, disability	—	—
Martin Kelly	Without cause	516,659	23,644
	By executive for good reason	516,659	—
	Death, disability	—	582,788
James Zelter	Without cause	—	312,357
	Death, disability	—	31,170,304
Scott Kleinman	Without cause	—	1,570,572
	Death, disability	—	11,386,573
John Suydam	Without cause	1,016,659	174,308
	By executive for good reason	1,016,659	—
	Disability	—	631,782
	Death	—	315,891

(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, 2018

(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, 2018 , 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, 2018 .

CEO to Median Employee Pay Ratio

SEC rules require companies to disclose the ratio of the total annual compensation of the principal executive officer ("PEO") to the total annual compensation of the median employee (calculated excluding the PEO). Our PEO is Mr. Black and our ratio is as follows:

Mr. Black's total annual compensation: $252,617
Median employee total annual compensation: $235,000
Ratio of PEO to median employee total annual compensation: 1.1:1

In determining the median employee, we prepared a list of all employees as of December 31, 2018. Consistent with applicable rules, we used reasonable estimates both in the methodology used to identify the median employee and in calculating the annual total compensation for employees other than the PEO. In measuring our employees' total compensation, for employees other than the PEO, we used their base salary paid in 2018, their annual cash bonus paid in 2018 and the value of the equity awards they received in 2018 (unless they received an equity award in January 2019 for services provided in 2018, in which case we included the value of that January 2019 equity award). As noted above under "—Note on Distributions on Apollo Operating Group Units," Mr. Black receives distributions on his AOG Units that are distributions on equity rather than compensation, and accordingly are not included here.

Director Compensation

We do not pay additional remuneration to Messrs. Black, Harris and Rowan, our employee directors, for their service on our board of directors. The 2018 compensation of Mr. Black is set forth above on the Summary Compensation Table. Messrs. Harris and Rowan are not named executive officers.

During 2018 , 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. Incumbent independent directors who have fully vested in their initial RSU award receive an annual RSU award with a value of $125,000 that vests on June 30 of the year following the year that the grant is made, and the directors listed on the below table received that award on July 31, 2018.

The following table provides the compensation for our independent directors during the year ended December 31, 2018 . Paul Fribourg resigned from the board of directors on November 30, 2018.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	Total ($)
Michael Ducey	175,000	129,484	304,484
Paul Fribourg	135,000	129,484	264,484
Robert Kraft	125,000	129,484	254,484
A. B. Krongard	150,000	129,484	279,484
Pauline Richards	175,000	129,484	304,484

(1) Represents the aggregate grant date fair value of stock awards granted, as applicable, computed in accordance with FASB ASC Topic 718. See note 12 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, 2018, each of our independent directors, other than Mr. Fribourg (who forfeited his July 31, 2018 RSU award when he resigned before the vesting date), held 3,978 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 26, 2019 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 2018 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	31.4%	52.3%	1	100%	52.3%
Joshua Harris (3)(4)	48,432,643	19.3%	52.3%	1	100%	52.3%
Marc Rowan (3)(4)	42,481,402	17.3%	52.3%	1	100%	52.3%
Pauline Richards	47,669	*	*	—	—	—
Alvin Bernard Krongard (5)	299,442	*	*	—	—	—
Michael Ducey (6)	47,036	*	*	—	—	—
Robert Kraft (7)	344,567	*	*	—	—	—
Martin Kelly	206,999	*	*	—	—	—
John Suydam (8)	594,082	*	*	—	—	—
James Zelter (9)	3,001,906	1.5%	*	—	—	—
Scott Kleinman (10)	3,375,819	1.6%	*	—	—	—
All directors and executive officers as a group (twelve persons) (11)	192,812,794	49.3%	49.8%	1	100%	52.3%
BRH (4)	—	—	—	1	100%	52.3%
AP Professional Holdings, L.P. (12)	202,245,561	50.0%	52.3%	—	—	—
5% Stockholders:						
Tiger Global Management, LLC (13)	37,663,500	18.6%	9.7%	—	—	—
Capital World Investors (14)	10,657,700	5.3%	2.8%			

*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. The voting power calculations assume 17,710,039 Class A shares held by the Strategic Investor based on a Form 13F for the quarter ended December 31, 2018, filed with the SEC on February 8, 2019 by the Strategic Investor. Class A shares held by the Strategic Investor do not have voting rights.

(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 330,000 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 64,260 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) Includes 469,741 Class A shares held by two entities, over which Mr. Zelter exercises voting and investment control, and may be deemed to be beneficially owned by Mr. Zelter.

(10) Includes 289,209 Class A shares held by six entities, over which Mr. Kleinman exercises voting and investment control, and may be deemed to be beneficially owned by Mr. Kleinman.

(11) Refers to shares beneficially owned by the individuals who were directors and executive officers as of February 26, 2019.

(12) 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.

(13) Based on a Schedule 13G filed with the SEC on February 14, 2019, by Tiger Global Management, LLC. The address of Tiger Global Management, LLC is 9 West 57 th Street, 35 th Floor, New York, New York. Pursuant to an irrevocable proxy, all voting rights attaching to the shares held by Tiger Global Management, LLC are exercisable by Apollo Global Management, LLC.

(14) Based on a Schedule 13G filed with the SEC on February 14, 2019, by Capital World Investors, a division of Capital Research and Management Company. The address of Capital World Investors is 333 South Hope Street, Los Angeles, California.

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.

Transfers

The Managing Partner Shareholders Agreement provides that each Managing Partner and his permitted transferees may transfer all of the Pecuniary Interests (as defined in the Managing Partner Shareholders Agreement) 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.

Indemnity

Realized performance fees from certain of our funds can be distributed to us on a current basis but are 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 and tradable. 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 or other 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 non-solicitation, non-hire and noninterference covenants during employment and for at least 12 months thereafter. Our Contributing Partners are also bound to a non-disparagement 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 affect 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 or limited liability company interest in each Apollo Operating Group entity) for each Class A share received from our intermediate holding companies. As a Managing Partner or Contributing Partner exchanges his AOG Units, our interest in the AOG Units will be correspondingly increased and the voting power of the Class B share will be correspondingly decreased.

The exchange agreement was amended and restated on May 6, 2013, and further amended and restated on each of March 5, 2014, May 5, 2016 and April 28, 2017. 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.

For the year ended December 31, 2018, we made payments totaling $46 million to our Managing Partners and executive officer Contributing Partners (or to their estate planning vehicles) pursuant to the tax receivable agreement, related to tax benefits treated as realized thereunder by APO Corp. in 2017. Those payments included the following amounts: $15,461,024 for Mr. Black, $13,103,457 for Mr. Harris, $16,620,168 for Mr. Rowan, $602,753 for Mr. Kleinman and $271,529 for Mr. Zelter. In connection with these payments, the Company made a pro rata distribution to APO Corp. and the Non-Controlling Interest Holders in the Apollo Operating Group, which resulted in Messrs. Black, Harris, Rowan, Kleinman and Zelter (or their estate planning vehicles) ultimately receiving the following additional amounts: $23,126,099, $12,079,072, $10,594,836, $759,093 and $543,760, respectively.

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, 2018 , the Company had reduced fees charged to CalPERS on the funds it manages by approximately $107.8 million .

Strategic Investors Transaction

On July 13, 2007, we sold securities to two 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 purchase AOG Units from our Managing Partners, and to purchase from our Contributing Partners a portion of their points. As of December 31, 2018, one of the strategic investors, the California Public Employees' Retirement System, or "CalPERS", which we refer to herein as the "Strategic Investor", continued to hold such securities. The securities held by the Strategic Investor are non-voting Class A shares. Based on a Form 13F for the quarter ended December 31, 2018 filed with the SEC on February 8, 2019 by the Strategic Investor, the Strategic Investor held 8.8% of our issued and outstanding Class A shares and 4.4% of the economic interest in the Apollo Operating Group, in each case as of December 31, 2018 .

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

The Strategic Investor may transfer 100% of its non-voting Class A shares at any time.

Notwithstanding the foregoing, at no time following the registration effectiveness date may the 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, the 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 Investor 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

The 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 Governing Agreements

Pursuant to the governing agreements of the Apollo Operating Group entities, the indirect wholly-owned subsidiaries of Apollo Global Management, LLC that are the general partners or managers of those entities have the right to determine when distributions will be made to the partners or members 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 or members of the Apollo Operating Group pro rata in accordance with their respective ownership interests.

The governing agreements of the Apollo Operating Group entities 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. He is also eligible to receive an annual performance-based bonus in an amount determined by the Company in its discretion.

Firm Use of Private Aircraft

In the normal course of business, our personnel have made use of aircraft owned as personal assets by entities controlled by Messrs. Black, Rowan and Harris. Messrs. Black, Rowan and Harris paid for their respective purchases of the aircraft and bear all operating, personnel and maintenance costs associated with their operation for personal use. Payments by us for the business use of these aircraft by Messrs. Black, Rowan and Harris and other of our personnel are determined based on a specified hourly market rate. In 2018 , we made payments of $1,438,042, $780,949 and $673,446 for the use of such aircraft owned by entities controlled by Messrs. Black, Rowan and Harris, respectively.

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 performance fees. 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, 2018 , our professionals have committed or invested approximately $1.8 billion of their own capital to our funds.

The amount invested in our investment funds by our directors and executive officers (and in some cases, certain estate planning vehicles controlled by them or their immediate family members) during 2018 was $1,166,292, $6,917,902, $9,124,889, $4,457,091, $4,629,572, $1,056,836, $316,401, $392,992 and $1,445,073 for Messrs. Black, Harris, Rowan, Kleinman, Zelter, Suydam, Kelly, Ducey, and Kraft, respectively. The amount of distributions on their fund investments, including profits and return of capital to our directors and executive officers (and in some cases, certain estate planning vehicles controlled by them or their immediate family members) during 2018 was $34,711,789, $27,713,994, $38,528,656, $6,591,705, $7,465,459, $2,804,475,

$147,871, $262,666, $1,645,214 and $1,096 for Messrs. Black, Harris, Rowan, Kleinman, Zelter, Suydam, Kelly, Ducey, Kraft, and Krongard, 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 2018 was $143,341 for Mr. Harris and $132,471 for Mr. Rowan.

Irrevocable Proxy with Tiger Global Management

The Class A shares beneficially owned (the "Subject Shares") by advisory clients of Tiger Global Management, LLC and/or its related persons' proprietary accounts ("Tiger"), as disclosed in "Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters", are subject to an irrevocable proxy pursuant to which our manager has the right to vote all of such Subject Shares at any meeting of our shareholders and in connection with any written consent of our shareholders as determined in the sole discretion of our manager. Upon the sale by Tiger of the Subject Shares to a person or entity that is not an affiliate of Tiger, such portion of Subject Shares that are sold will be released from the proxy. The proxy terminates on the earlier of (x) May 5, 2020 and (y) the first date Tiger does not own more than 10% of our outstanding Class A shares.

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 performance fee 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

For so long as the Apollo control condition is satisfied (as described in "Item 10. Directors, Executive Officers and Corporate Governance—Our Manager"), 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 four of our seven directors meet the independence standards under the NYSE and the SEC. These directors are Messrs. Ducey, Kraft and Krongard 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,	
	2018	**2017**
	(in thousands)	
Audit fees	$ 7,127 (1)	$ 7,010 (1)
Audit fees for Apollo fund entities	16,198 (2)	14,374 (2)
Audit-related fees	1,635 (3)(4)	1,161 (3)(4)
Tax fees	7,019 (5)	6,047 (5)
Tax fees for Apollo fund entities	28,436 (2)	20,740 (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 $0.9 million and $0.3 million for the years ended December 31, 2018 and 2017 , 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	Third Amended and Restated Limited Liability Company Agreement of Apollo Global Management, LLC dated March 19, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 19, 2018 (File No. 001-35107)).
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 Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 27, 2016 (File No. 001-35107)).
4.8	Form of 4.400% Senior Note due 2026 (included in Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on May 27, 2016 (File No. 001-35107), which is incorporated by reference).
4.9	Fifth Supplemental Indenture dated as of April 13, 2017, among Apollo Management Holdings, L.P., the Guarantors party thereto, Apollo Principal Holdings XII, L.P. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.8 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).

Exhibit Number	Exhibit Description
4.10	Sixth Supplemental Indenture dated as of March 15, 2018, 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 March 15, 2018 (File No. 001-35107)).
4.11	Form of 5.000% Senior Note due 2048 (included in Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 15, 2018 (File No. 001-35107), which is incorporated by reference).
4.12	Seventh Supplemental Indenture dated as of February 7, 2019, 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 February 7, 2019 (File No. 001-35107)).
4.13	Form of 4.872% Senior Note due 2029 (included in Exhibit 4.1 to Registrant's Form 8-K filed with the Securities and Exchange Commission on February 7, 2019 (File No. 001-35107), which is incorporated by reference).
4.14	Form of 6.375% Series A Preferred Shares Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 7, 2017 (File No. 001-35107)).
4.15	Form of 6.375% Series B Preferred Shares Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 19, 2018 (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	Sixth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings I, L.P. dated as of June 21, 2018 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.3	Sixth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings II, L.P. dated as of June 21, 2018 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.4	Fifth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings III, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.5	Fifth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings IV, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
+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)).

Exhibit Number	Exhibit Description
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	Fifth Amended and Restated Exchange Agreement, dated as of April 28, 2017, 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, Apollo Principal Holdings XII, L.P., AMH Holdings (Cayman), L.P. and the Apollo Principal Holders (as defined therein) from time to time party thereto (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q for the period ended March 31, 2017 (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 (incorporated by reference to Exhibit 10.11 to the Registrant's Form 10-K for the period ended December 31, 2016 (File No. 001-35107)).
+10.12	Employment Agreement with Marc J. Rowan dated January 4, 2017 (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-K for the period ended December 31, 2016 (File No. 001-35107)).
+10.13	Employment Agreement with Joshua J. Harris dated January 4, 2017 (incorporated by reference to Exhibit 10.13 to the Registrant's Form 10-K for the period ended December 31, 2016 (File No. 001-35107)).
10.14	Fifth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings V, L.P. dated as of June 21, 2018 (incorporated by reference to Exhibit 10.14 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.15	Fifth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings VI, L.P. dated as of June 21, 2018 (incorporated by reference to Exhibit 10.15 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.16	Fourth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings VII, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.16 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.17	Fourth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings VIII, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).

Exhibit Number	Exhibit Description
10.18	Fourth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings IX, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.19	Third Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings X, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.19 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.20	Third Amended and Restated Limited Liability Company Agreement of Apollo Principal Holdings XI, LLC dated as of March 19, 2018 (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.21	Third Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings XII, L.P. dated as of March 19, 2018 (incorporated by reference to Exhibit 10.21 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107)).
10.22	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)).
10.23	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)).
10.24	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)).
10.25	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)).
10.26	Joinder, dated as of May 3, 2017, 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. and as supplemented by the Joinder dated as of May 5, 2016, by and among Apollo Principal Holdings X, L.P., AMH Holdings (Cayman), L.P., Apollo Principal Holdings XI, LLC, APO (FC II), LLC and APO UK (FC), Limited (incorporated by reference to Exhibit 10.26 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).

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Exhibit Number	Exhibit Description
10.27	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)).
+10.28	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)).
+10.29	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)).
*+10.30	Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Performance Grants).
+10.31	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)).
+10.32	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)).
+10.33	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)).
+10.34	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)).
+10.35	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)).
+10.36	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)).
10.37	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)).
10.38	Form of Amendment to Independent Director Engagement Letter (incorporated by reference to Exhibit 10.37 to the Registrant's Form 10-Q for the period ended September 30, 2018 (File No. 001-35107)).
+10.39	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)).

Exhibit Number	Exhibit Description
+10.40	Employment Agreement with John Suydam, dated July 19, 2017 (incorporated by reference to Exhibit 10.38 to the Registrant's Form 10-Q for the period ended September 30, 2017 (File No. 001-35107))
*+10.41	Letter Agreement with John Suydam, dated November 7, 2018.
*+10.42	Letter Agreement with Scott Kleinman, dated November 12, 2017.
*+10.43	Letter Agreement with Scott Kleinman, dated July 3, 2018 and effective as of January 1, 2018.
*+10.44	Roll-Up Agreement with Scott Kleinman, dated as of July 13, 2007.
+10.45	Amended and Restated Employment Agreement with James Zelter dated June 20, 2014 (incorporated by reference to Exhibit 10.27 to the Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
*+10.46	Employment Agreement Amendment with James C. Zelter, dated November 12, 2017.
+10.47	Roll-Up Agreement with James Zelter, dated as of July 13, 2007 (incorporated by reference to Exhibit 10.30 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).
10.48	Fourth Amended and Restated Exempted Limited Partnership Agreement of AMH Holdings (Cayman), L.P., dated March 19, 2018 (incorporated by reference to Exhibit 10.39 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107).
+10.49	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)).
+10.50	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)).
+10.51	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)).
+10.52	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)).
+10.53	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)).

Exhibit Number	Exhibit Description
+10.54	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)).
+10.55	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)).
+10.56	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)).
+10.57	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)).
10.58	Credit Agreement, dated as of July 11, 2018, by and among Apollo Management Holdings, L.P., as the Revolving Facility Borrower, the 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 Citibank, N.A. as administrative agent (incorporated by reference to Exhibit 10.49 to the Registrant's Form 10-Q for the period ended June 30, 2018 (File No. 001-35107).
10.59	Credit Agreement, dated as of December 18, 2013, by and among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers party thereto, the other guarantors party thereto from time to time, the lenders party thereto from time to time, the issuing banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.50 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).
10.60	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)).
10.61	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)).

Exhibit Number	Exhibit Description
10.62	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 Exhibit 10.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 15, 2016 (File No. 001-35107)).
10.63	Guarantor Joinder Agreement, dated as of April 13, 2017, by Apollo Principal Holdings XII, L.P. to the Credit Agreement, dated as of December 18, 2013, as supplemented and as amended by Amendment No. 1 to the Credit Agreement dated as of March 11, 2016, among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers 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 10.52 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).
+10.64	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)).
+10.65	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)).
+10.66	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)).
+10.67	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)).
+10.68	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)).
+10.69	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)).
+10.70	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)).
+10.71	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)).

Exhibit Number	Exhibit Description
+10.72	Amended and Restated Agreement of Limited Partnership of Apollo Global Carry Pool Aggregator, L.P., dated May 4, 2017 and effective as of July 1, 2016 (incorporated by reference to Exhibit 10.61 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).
+10.73	Form of Award Agreement for Apollo Global Carry Pool Aggregator, L.P. (incorporated by reference to Exhibit 10.62 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107))
+10.74	Form of Letter Agreement under the Amended and Restated Limited Partnership Agreement of Apollo ANRP Advisors II, L.P. dated March 2, 2017 and effective as of August 21, 2015 (incorporated by reference to Exhibit 10.63 to the Registrant's Form 10-Q for the period ended June 30, 2017 (File No. 001-35107)).
+10.75	Form of Award Letter under the Amended and Restated Limited Partnership Agreement of Apollo ANRP Advisors II, L.P. dated March 2, 2017 and effective as of August 21, 2015 (incorporated by reference to Exhibit 10.64 to the Registrant's Form 10-Q for the period ended June 30, 2017 (File No. 001-35107)).
+10.76	Amended and Restated Agreement of Exempted Limited Partnership of Apollo Global Carry Pool Aggregator II, L.P., dated June 26, 2018 (incorporated by reference to Exhibit 10.68 to the Registrant's Form 10-Q for the period ended September 30, 2018 (File No. 001-35107)).
+10.77	Form of Award Agreement for Apollo Global Carry Pool Aggregator II, L.P. (incorporated by reference to Exhibit 10.69 to the Registrant's Form 10-Q for the period ended September 30, 2018 (File No. 001-35107)).
+10.78	Fourth Amended and Restated Exempted Limited Partnership Agreement of Apollo Advisors IX, L.P., dated August 8, 2018 and effective as of June 29, 2018 (incorporated by reference to Exhibit 10.70 to the Registrant's Form 10-Q for the period ended September 30, 2018 (File No. 001-35107)).
+10.79	Form of Award Letter for Apollo Advisors IX, L.P. (incorporated by reference to Exhibit 10.71 to the Registrant's Form 10-Q for the period ended September 30, 2018 (File No. 001-35107)).
*+10.80	Amended and Restated Limited Partnership Agreement of Apollo Special Situations Advisors, L.P., dated as of February 15, 2017 and effective as of March 18, 2016.
*+10.81	First Amended and Restated Agreement of Exempted Limited Partnership of Financial Credit Investment Advisors I, L.P., dated as of March 13, 2013 and effective as of January 7, 2011.
*+10.82	Amended and Restated Agreement of Exempted Limited Partnership of Financial Credit Investment Advisors II, L.P., dated as of June 12, 2014 and effective as of January 1, 2014.
*+10.83	Amended and Restated Limited Partnership Agreement of AAA Life Re Carry, L.P., dated as of October 15, 2009.
*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).

Exhibit Number	Exhibit Description
*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).
99.1	Audited Consolidated Financial Statements of Athene Holding, Ltd. (included in the Annual Report on Form 10-K of Athene Holding, Ltd. for the fiscal year ended December 31, 2018 filed with the Securities and Exchange Commission on February 27, 2019).
*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.

ITEM 16. FORM 10-K SUMMARY

Not applicable.

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: March 1, 2019	By:	/s/ Martin Kelly
		Name: Martin Kelly
		Title: Chief Financial Officer and Co-Chief Operating 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)	March 1, 2019
/s/ Martin Kelly Martin Kelly	Chief Financial Officer and Co-Chief Operating Officer (principal financial officer)	March 1, 2019
/s/ Robert MacGoey Robert MacGoey	Chief Accounting Officer (principal accounting officer)	March 1, 2019
/s/ Joshua Harris Joshua Harris	Senior Managing Director and Director	March 1, 2019
/s/ Marc Rowan Marc Rowan	Senior Managing Director and Director	March 1, 2019
/s/ Michael Ducey Michael Ducey	Director	March 1, 2019
/s/ Robert Kraft Robert Kraft	Director	March 1, 2019
/s/ AB Krongard AB Krongard	Director	March 1, 2019
/s/ Pauline Richards Pauline Richards	Director	March 1, 2019

Exhibit 10.30

CONFIDENTIAL

FORM OF PERFORMANCE RESTRICTED SHARE UNIT AWARD AGREEMENT
UNDER THE APOLLO GLOBAL MANAGEMENT, LLC
2007 OMNIBUS EQUITY INCENTIVE PLAN

This Award Agreement (this " RSU Award Agreement "), dated as of [ ] (the " Date of Grant "), is made by and between Apollo Global Management, LLC, a Delaware limited liability company (the " Company "), and [ ] (the " Participant "). Capitalized terms not defined herein shall have the meaning ascribed to them in the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan, as the same may be amended, modified or supplemented from time to time (the " Plan "). Where the context permits, references to the Company shall include any successor to the Company. **If this RSU Award Agreement is not executed and returned to the Company by *[ ]* , and such failure continues for five business days after notice thereof, this Award will be null and void *ab initio* and the Participant will have no rights hereunder.**

1. Grant of Restricted Share Units . The Company hereby grants to the Participant [ ].00 restricted share units (the " RSUs "), subject to all of the terms and conditions of this RSU Award Agreement and the Plan.

2. Form, Manner and Timing of Payment . Except as otherwise provided in the Plan, each RSU granted hereunder shall represent the right to receive one (1) Share provided that the RSU becomes vested in accordance with Section 3(b) (Shares subject to RSUs covered by this Award, " RSU Shares "). Subject to the terms of the Plan, for each RSU that does not terminate prior to the vesting date shown on Exhibit A hereto pursuant to Section 3(c) , the Company, or its Subsidiaries or Affiliates, shall issue to the Participant, on the applicable issuance date set forth on Exhibit A (each, an " Issuance Date "), one (1) RSU Share (either by delivering one or more certificates for such shares or by entering such shares in book-entry form, as determined by the Company in its discretion). Such issuance shall constitute payment of the RSU. References herein to issuances to the Participant shall include issuances to any Beneficial Owner or other Person to whom (or to which) the RSU Shares are issued. The Company's obligation to issue RSU Shares or otherwise make any payment with respect to vested RSUs is subject to the condition precedent that the Participant or other Person entitled under the Plan to receive any RSU Shares with respect to the vested RSUs deliver to the Company any representations or other documents or assurances required pursuant to Section 13 and the Company may meet any obligation to issue RSU Shares by having one or more of its Subsidiaries or Affiliates issue the RSU Shares. The Participant shall have no further rights with respect to any RSUs that are paid or that terminate pursuant to Section 3(c) .

3. Restrictions .

(a) The RSUs may not be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of or encumbered. The transfer restrictions contained in the preceding sentence shall not apply to (a) transfers to the Company, or (b) transfers of vested RSUs by will or the laws of descent and distribution, or (c) if approved by the Administrator in its sole discretion, transfers of RSUs in accordance with the requirements of Instruction A.1.(a)(5) of Form S-8 under the Securities Act or other applicable law. The approval contemplated by clause (c) of the immediately preceding sentence shall not be unreasonably withheld by the Administrator with respect to a transfer of RSUs by the Participant to a Related Party (as defined in the Amended and Restated Limited Partnership Agreement of Apollo Advisors VIII, L.P. (the " Carry Plan ")) if such transfer is otherwise permitted under applicable laws and regulations (which transfer may occur only with the prior written approval of the Administrator), it being understood that the Related Party shall be required to agree to be bound by the transfer restrictions contained in the Plan, the Carry Plan and this RSU Award Agreement. The RSUs shall be subject to a risk of forfeiture as described in Section 3(c) until the lapse of the Restricted Period (as defined below).

(b) Subject to Section 3(c) , the RSU Shares subject to the RSUs shall become vested hereunder in accordance with the vesting schedule set forth on Exhibit A hereto (the " Restricted Period ").

(c) Except as otherwise provided under the terms of the Plan, or in the vesting schedule set forth on Exhibit A hereto, if the Participant's employment or service terminates (a " Termination ") for any reason, then all rights of the Participant with respect to RSUs that have not vested shall immediately be forfeited without payment of any consideration, and neither the Participant nor any of his or her successors, heirs, assigns, or personal representatives shall thereafter have any further rights or interests in such RSUs. Employment or service for only a portion of a vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon a Termination.

4. Voting and Other Rights; Distribution Equivalents . The Participant shall have no rights of a shareholder (including voting rights and the right to distributions or dividends), and will not be treated as an owner of Shares for tax purposes, except with respect to RSU Shares

that have been issued. Notwithstanding the foregoing, the Participant shall accrue rights to distribution equivalents from the Company or its Subsidiaries or Affiliates on the RSUs, whether or not vested, at the time of an ordinary cash distribution on Shares. Any distribution equivalent so accrued in respect of a RSU shall have the same value as the ordinary cash distribution on an outstanding Share that gave rise to the distribution equivalent, and shall be paid not later than 30 days after such ordinary cash distribution is paid to the holders of Shares. Rights to distribution equivalents on an RSU shall terminate upon the issuance or forfeiture of the underlying RSU Share. Under no circumstances shall the Participant be entitled to receive (a) both a distribution and a distribution equivalent with respect to an RSU (or its associated RSU Share) or (b) any distribution or distribution equivalent with respect to a forfeited or fractional RSU.

5. RSU Award Agreement Subject to Plan. This RSU Award Agreement is made pursuant to all of the provisions of the Plan, which is incorporated herein by this reference, and is intended, and shall be interpreted in a manner, to comply therewith. If the Plan is amended after the date hereof in a manner that conflicts with this RSU Award Agreement, the terms of this RSU Award Agreement shall control with respect to such conflicting provision, it being understood that the application of a specific provision of the Plan that is not directly addressed in this RSU Award Agreement shall not be deemed to conflict with this RSU Award Agreement unless such application in fact conflicts with a specific provision of this RSU Award Agreement.

6. No Rights to Continuation of Employment or Service. Nothing in the Plan or this RSU Award Agreement shall confer upon the Participant any right to continue in the employ or service of the Company or any Subsidiary thereof or shall interfere with or restrict the right of the Company (or a Subsidiary or Affiliate or its shareholders, as the case may be) to terminate the Participant's employment or service any time for any reason whatsoever, with or without Cause (subject to compliance with all terms and conditions required in connection therewith). The Plan and this RSU Award Agreement shall not (a) form any part of any contract of employment or contract for services between the Company or any past or present Subsidiary thereof and any directors, officers or employees of those companies, (b) confer any legal or equitable rights (other than those constituting the Awards themselves) against the Company or any past or present Subsidiary thereof, directly or indirectly, or (c) give rise to any cause of action in law or in equity against the Company or any past or present Subsidiary thereof.

7. Restrictive Covenants. Nothing contained herein shall reduce or limit the application or scope of any restrictive covenants in favor of the Company or any of its Subsidiaries or Affiliates (for example, with respect to competition, solicitation, confidentiality, intellectual property, subsequent engagement, interference or disparagement) to which the Participant is otherwise subject, including, without limitation, any covenants set forth in [ ]. The Participant acknowledges that the Company would not have granted this Award if the Participant had not agreed to be bound by such restrictive covenants. Nothing in this RSU Award Agreement or any other agreement or arrangement of the Company or any of its Affiliates to which the Participant is subject will (a) prohibit the Participant from making reports of possible violations of U.S. federal law or regulation to any governmental agency or entity in accordance with Section 21F of the Securities Exchange Act of 1934, Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of U.S. federal law or regulation, or (b) require notification or prior approval by the Company or any of its Affiliates of any such reporting.

8. Tax Withholding. The Participant is responsible for all taxes and any tax-related penalties the Participant incurs in connection with the Award. The Company or its Subsidiaries or Affiliates shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct, from other compensation payable to the Participant, any sums required by U.S. federal, state or local law (or by any tax authority outside of the United States) to be withheld or accounted for by the Company or its Subsidiaries or Affiliates with respect to any RSU. The Company in its discretion may alternatively reduce the number of shares to be issued by the appropriate number of whole Shares, valued at their then Fair Market Value, or require any other available method to satisfy any withholding or tax obligations of the Company or its Subsidiaries or Affiliates with respect to the RSUs at the minimum applicable rates.

9. Section 409A Compliance. This Award is intended to be exempt from, or comply with, Section 409A and to be interpreted in a manner consistent therewith. Notwithstanding anything to the contrary contained in this RSU Award Agreement, to the extent that the Administrator determines that the Plan or an RSU is subject to Section 409A and fails to comply with the requirements of Section 409A, the Administrator reserves the right (without any obligation to do so or to indemnify the Participant for failure to do so), without the consent of the Participant, to amend or terminate the Plan and RSU Award Agreement and/or to amend, restructure, terminate or replace the RSU in order to cause the RSU to either not be subject to Section 409A or to comply with the applicable provisions of such section. To the extent necessary to avoid the imposition of tax or penalty under Section 409A, any payment by the Company or any Subsidiary or Affiliate to the Participant (if the Participant is then a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) and Treasury Regulation §1.409A-1(i)(1)) of "deferred compensation," whether pursuant to the Plan or otherwise, arising solely due to a "separation from service" (and not by reason of the lapse of a "substantial risk of forfeiture"), as such terms are used in Section 409A, shall be delayed (to the extent otherwise payable prior to such date) and paid on the first day following the six-month period beginning on the date of the Participant's separation from service under Section 409A (or, if earlier, upon the Participant's death). Each payment or installment due to the Participant from the Company or any of its Affiliates, whether under this RSU Award Agreement or otherwise, is intended to constitute a "separate payment" for

purposes of Section 409A. In no event shall the Company or any Subsidiary or Affiliate (or any agent thereof) have any liability to the Participant or any other Person due to the failure of the Award to satisfy the requirements of Section 409A.

10. Governing Law; Arbitration; Waiver of Jury Trial .

(a) This RSU Award Agreement shall be governed by, interpreted under and construed and enforced in accordance with the laws of the State of Delaware (without regard to any conflicts of laws principles thereof that would give effect to the laws of another jurisdiction), and any dispute, controversy, suit, action or proceeding (" Proceeding ") arising out of or relating to this Award or any other Award, other than the injunctive relief described below in this paragraph, will, notwithstanding anything to the contrary contained in Section 14(e) of the Plan, be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York (applying Delaware law) in accordance with, and pursuant to, the Employment Arbitration Rules and Procedures of JAMS (" JAMS "). The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Either party may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The arbitrator may grant interim injunctive relief and the Company or its successors or assigns may commence litigation in court to obtain injunctive relief or an order requiring specific performance to enforce, or prevent any violations of, the covenants referenced in Section 7 . The Company and the Participant will share the JAMS administrative fees, the arbitrator's fee and expenses. Each party shall be responsible for such party's attorneys' fees.

(b) **IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTICIPANT AND THE COMPANY WAIVE AND COVENANT THAT THE PARTICIPANT AND THE COMPANY 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 AN AWARD UNDER THE PLAN OR ANY MATTERS CONTEMPLATED THEREBY, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE COMPANY OR ANY OF ITS AFFILIATES OR THE PARTICIPANT MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE COMPANY AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTICIPANT, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO AN AWARD UNDER THE PLAN AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER AN AWARD AGREEMENT UNDER THE PLAN WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY** .

11. RSU Award Agreement Binding on Successors . The terms of this RSU Award Agreement shall be binding upon the Participant and upon the Participant's heirs, executors, administrators, personal representatives, transferees, assignees and successors in interest and upon the Company, its Affiliates and its and their successors and assignees, subject to the terms of the Plan.

12. No Assignment . Subject to the second sentence of Section 3(a) , neither this RSU Award Agreement nor any rights granted herein shall be assignable by the Participant other than (with respect to any rights that survive the Participant's death) by will or the laws of descent and distribution. No purported sale, assignment, mortgage, hypothecation, transfer, pledge, encumbrance, gift, transfer in trust (voting or other) or other disposition of, or creation of a security interest in or lien on, any RSUs or RSU Shares by any holder thereof in violation of the provisions of this RSU Award Agreement or the Plan will be valid, and the Company will not transfer any of said RSUs or RSU Shares on its books nor will any RSU Shares be entitled to vote, nor will any distributions be paid thereon, unless and until there has been full compliance with said provisions to the satisfaction of the Company. The foregoing restrictions are in addition to and not in lieu of any other remedies, legal or equitable, available to enforce said provisions.

13. Necessary Acts . The Participant hereby agrees to perform all acts, and to execute and deliver any documents, that may be reasonably necessary to carry out the provisions of this RSU Award Agreement, including but not limited to all acts and documents related to compliance with securities, tax and other applicable laws and regulations.

14. Limitation on the Participant's Rights; Not a Trust . Participation in the Plan confers no rights or interests other than as herein provided. This RSU Award Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets, and the RSUs shall not be treated as property or as a trust fund of any kind. The RSUs shall be used solely as a device for the determination of the payments to

eventually be made to the Participant if the RSUs vest pursuant to Section 3 . The Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs, and rights no greater than the right to receive the RSU Shares as a general unsecured creditor with respect to RSUs, as and when payable hereunder.

15. Severability . Should any provision of this RSU Award Agreement be held by an arbitrator or court of competent jurisdiction to be unenforceable, or enforceable only if modified, such holding shall not affect the validity of the remainder of this RSU Award Agreement, the balance of which shall continue to be binding upon the parties hereto with any such modification (if any) to become a part hereof and treated as though contained in this original RSU Award Agreement. Moreover, if one or more of the provisions contained in this RSU Award Agreement shall for any reason be held to be excessively broad as to scope, activity, subject or otherwise so as to be unenforceable, then in lieu of severing such unenforceable provision or provisions, it or they shall be construed by the appropriate judicial body or arbitral tribunal by limiting or reducing it or them, so as to be enforceable to the maximum extent compatible with the applicable law as it shall then appear, and such determination by a judicial body or arbitral tribunal shall not affect the enforceability of such provisions or provisions in any other jurisdiction.

16. Failure to Enforce Not a Waiver . The failure of the Company to enforce at any time any provision of this RSU Award Agreement shall in no way be construed to be a waiver of that provision or of any other provision hereof.

17. Entire Agreement . This RSU Award Agreement and the Plan contain the entire agreement and understanding among the parties as to the subject matter hereof and supersede all prior writings or understandings with respect to the grant of RSUs covered by this Award. The Participant acknowledges that any summary of the Plan or this RSU Award Agreement provided by the Company is subject in its entirety to the terms of the Plan and this RSU Award Agreement. References herein or in the Plan to this RSU Award Agreement include references to its Exhibits.

18. Headings . Headings are used solely for the convenience of the parties and shall not be deemed to be a limitation upon or description of the contents of any Section.

19. Counterparts . This RSU Award Agreement may be executed in any number of counterparts, including via facsimile or PDF, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

20. Amendment . Except as otherwise provided in the Plan or Section 9 , no amendment or modification hereof shall be valid unless it shall be in writing and signed by all parties hereto.

21. Disposition of Shares Issued . Subject to applicable law, the Participant may dispose of vested RSU Shares granted under this Award during any “window period” in which sales by Company personnel are permitted, or otherwise pursuant to the terms of a 10b5-1 plan on the same terms as apply to the use of such plans by other Company personnel, subject to approval by the Company’s compliance department. All dispositions of RSU Shares are subject to compliance with the Company’s Share Ownership Policy as in effect from time to time.

22. Acknowledgements and Representations . The Participant is acquiring the RSUs and, if and when the RSUs vest, will acquire the RSU Shares covered thereby solely for the Participant’s own account, for investment purposes only, and not with a view to or an intent to sell or distribute, or to offer for resale in connection with any unregistered distribution, all or any portion of the RSUs or RSU Shares within the meaning of the Securities Act and/or any applicable state securities laws. The Participant has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the Award and the restrictions imposed on the RSUs and the RSU Shares. The Participant has been furnished with, and/or has access to, such information as he or she considers necessary or appropriate for deciding whether to accept the Award. However, in evaluating the merits and risks of an investment in the Company, the Participant has and will rely upon the advice of his/her own legal counsel, tax advisors, and/or investment advisors. The Participant is aware that RSU Shares may be of no practical value. The Participant has read and understands the restrictions and limitations set forth in the Plan and this RSU Award Agreement, which are imposed on the RSUs and the RSU Shares. The Participant confirms that the Participant has not relied on any warranty, representation, assurance or promise of any kind whatsoever in entering into this RSU Award Agreement other than as expressly set out in this RSU Award Agreement or in the Plan.

23. Electronic Delivery . The Company may, in its sole discretion, decide to deliver any documents related to the Award (or future

Awards that may be granted under the Plan) and participation in the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

24. Recoupment . The Participant, by accepting the Award, hereby acknowledges and agrees that, to the extent mandated by applicable law and/or as set forth in a written clawback policy, the RSUs and the RSU Shares and amounts distributed with respect thereto (whether or not vested) may be subject to such policy, unless otherwise required by law, to the extent such policy was in effect on and as of the date hereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this RSU Award Agreement as of the date set forth above.

APOLLO GLOBAL MANAGEMENT, LLC

By __
Name:
Title:

The undersigned hereby accepts and agrees to all of the terms and provisions of this RSU Award Agreement, including its Exhibits.

PARTICIPANT

By __
Print Name: [ ]

EXHIBIT A

Vesting Schedule

Subject to the terms of the Plan and this RSU Award Agreement, the Restricted Period will lapse as follows: the RSUs shall vest (and the Restricted Period will lapse) with respect to [ ] of the Award on [ ] of each of [ ], [ ], [ ], [ ] and [ ] (the " Time Test "), but only to the extent that available net cash incentive income to the Company, for the [one-year period ended one day before such date], equals or exceeds the life-to-date accounting expense attributable to such RSUs, and to the extent the accounting expense attributable to any such RSU exceeds such net cash incentive income, such RSU that shall not have vested due to the insufficiency of such net cash incentive income shall instead vest on the [ ] day of the next calendar quarter that net cash incentive income to the Company equals or exceeds the life-to-date accounting expense attributable to such RSU (the " Cash Income Test "), subject, in all cases, to the Participant's continuous employment or service with the Company and its Affiliates through each such vesting date.

For purposes of applying the Cash Income Test on any given vesting date, the lowest-accounting cost RSUs [that have satisfied the Time Test] shall vest, to the extent of available net cash incentive income to the Company, and "available net cash incentive income" with respect to any given RSU shall mean net cash incentive income remaining after reduction for the accounting cost attributable to other vested RSUs.

Notwithstanding the foregoing, upon the Participant's Termination (i) due to death or (ii) by the Company and its Affiliates by reason of Disability, the Participant shall also vest in 50% of the unvested RSUs that remain subject to the Award as of such Termination date, subject to attainment of the Cash Income Test within [ ]. For purposes of the Award, the Participant shall be deemed to be in continuous employment or service (and not to have experienced a Termination) until such time as the Participant dies or otherwise experiences a "separation from service" as such term is defined in Treasury Regulation §1.409A-1(h)(1) (without regard to the optional alternative definitions available thereunder) or, if earlier, upon providing or receiving notice that his or her employment or service with the Company and its Affiliates will terminate. Notwithstanding the foregoing, fractional RSUs shall not be deemed vested until they accumulate to equal one whole Share.

Issuance Dates

One (1) RSU Share shall be issued in payment of each vested RSU on or about the same date that RSU Shares are issued to other Participants generally in respect of their RSUs that vest contemporaneously with such vested RSU, but not later than the 15th day of the third month after the later of the last day of the Participant's or the Company's fiscal year in which the RSU vests, consistent with Treasury Regulation §1.409A-1(b)(4). Fractional RSU Shares shall not be issued (or any consideration provided therefor) but shall accumulate.

APOLLO ADVISORS IX, L.P.
APOLLO CAPITAL MANAGEMENT IX, L.P.
APOLLO ADVISORS VIII, L.P.
APOLLO CAPITAL MANAGEMENT VIII, LLC
APOLLO MANAGEMENT HOLDINGS, L.P.
9 WEST 57 TH STREET 43 RD FLOOR
NEW YORK, NY 10019

November 7, 2018

Personal and Confidential
John Suydam
[Home Address]

Re: Accelerated Equity Vesting

Dear John:

This letter confirms our understanding regarding the vesting of restricted share units (" **RSUs** ") and restricted Class A Shares of Apollo Global Management, LLC awarded to you or your estate planning vehicle. In the event of a conflict between this letter and any RSU or restricted share award agreement, this letter shall govern. So long as you

(i) comply with your confidentiality, non-competition, and non-solicitation obligations under your employment letter dated July 19, 2017 (the " **Employment Letter** "), and

(ii) upon the earlier to occur of

(a) the termination by Apollo Management Holdings, L.P (" **AMH** ") and its Affiliates of your full-time employment for any reason other than Cause (as defined in the AGM 2007 Omnibus Equity Incentive Plan) at any time, and

(b) January 1, 2020, provided that you have not experienced a separation from service with AMH and its Affiliates (or engaged in conduct constituting Cause) before such date (the earlier of (a) or (b), the " **Vesting Date** "),

inform AGM that you will be reasonably available for two years to consult with AGM from time to time,

you shall vest in full in all unvested RSUs or shares outstanding under RSU or stock awards (whether granted before or after the date hereof); *provided, however,* that if you breach the "No Competition" paragraph of the Employment Letter following the Vesting Date, then, following written notice and a 20-day remediation period after which the breach remains ongoing, you will immediately forfeit any restricted shares or RSU shares that would have vested under the applicable award agreement (if your employment had continued and the accelerated vesting provided in this letter had not applied) after the date of such breach and you hereby agree to pay to AGM the value of any net profits realized on the disposition of such shares.

[*Signature page follows*]

Very truly yours,

APOLLO ADVISORS IX, L.P.

By: Apollo Capital Management IX, LLC,
its general partner

By: /s/ *Laurie Medley*________________
Name: Laurie Medley
Title: Vice President

APOLLO CAPITAL MANAGEMENT IX, L.P.

By: /s/ *Laurie Medley*________________
Name: Laurie Medley
Title: Vice President

APOLLO ADVISORS VIII, L.P.

By: Apollo Capital Management VIII, LLC,
its general partner

By: /s/ *Laurie Medley*________________
Name: Laurie Medley
Title: Vice President

APOLLO CAPITAL MANAGEMENT VIII, LLC

By: /s/ *Laurie Medley*________________
Name: Laurie Medley
Title: Vice President

APOLLO MANAGEMENT HOLDINGS, L.P.

By: Apollo Management Holdings GP, LLC,
its general partner

By: /s/ *Lisa Bernstein*________________
Name: Lisa Bernstein
Title: Vice President

[Suydam Accelerated Equity Vesting Side Letter Signature Page]

Apollo Global Management, LLC
9 West 57th Street
New York, NY 10019

November 12, 2017

Personal and Confidential
Mr. Scott Kleinman
[address on file with the Company]

Dear Scott:

We are pleased to confirm the following modifications to certain terms of your employment with Apollo Management Holdings, L.P., a subsidiary of Apollo Global Management, LLC (" **Apollo** " or " **AGM** ," and, together with AMH and AGM's other subsidiaries, the " **Company** "), in connection with your appointment as Co-President effective January 1, 2018.

1. **Position and Reporting.** Effective January 1, 2018, you shall serve as Co-President, with responsibility for Apollo's opportunistic businesses, and shall report to Joshua Harris or his successor. As Co-President, you will be the most senior executive of Apollo's opportunistic businesses. You shall be a nonvoting member of the Executive Committee, including any successor or equivalent committee thereof.

2. **AGM Restricted Share Units.** In the first quarter of 2018, you shall receive a one-time grant of 800,000 AGM restricted share units (" **RSUs** "). Such RSUs shall vest on the first five anniversaries of January 1, 2018, subject to your continued employment on each such date and the terms of an RSU award agreement under AGM's omnibus equity incentive plan in the form previously provided to you. Such executed award agreement shall evidence the grant. Such RSUs shall accrue distribution equivalents from the date of grant, whether or not such RSUs have vested.

3. **Coordination with Other Arrangements.** You acknowledge that the modifications to your compensation, role and reporting reflected in this letter shall not be construed as providing a basis for a Good Reason termination under any written arrangement of the Company.

4. **Section 409A.** This letter is intended to be exempt from, or comply with, Section 409A and to be interpreted in a manner consistent therewith. To the extent necessary to avoid the imposition of tax or penalty under Section 409A, any payment by the Company or affiliate to you (if you are then a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) and Treasury Regulation §1.409A-1(i)(1)) of "deferred compensation," whether pursuant to this letter or otherwise, arising solely due to a "separation from service" (and not by reason of the lapse of a "substantial risk of forfeiture"), as such terms are used in Section 409A, shall be delayed (to the extent otherwise payable prior to such date) and paid on the first day following the six-month period beginning on the date of your separation from service under Section 409A (or, if earlier, upon your death). Each payment or installment due under this letter is intended to constitute a "separate payment" for purposes of Section 409A. In no event shall the Company or any affiliate (or any agent thereof) have any liability to you or any other person due to the failure of this letter to satisfy the requirements of Section 409A.

5. **Counterparts.** This letter may be executed through the use of separate signature pages or in any number of counterparts, including via facsimile or pdf, with the same effect as if the parties executing such counterparts had executed one counterpart.

Sincerely,

/s/ Lisa Barse Bernstein
Lisa Barse Bernstein
Senior Partner, Global Head of Human Capital

Read, Accepted and Agreed to:

/s/ Scott Kleinman
Scott Kleinman

Dated: November 12, 2017

Exhibit 10.43

CONFIDENTIAL AND PROPRIETARY

APOLLO MANAGEMENT HOLDINGS, L.P.
9 West 57 th Street, 43 rd Floor
New York, New York 10019

July 3, 2018 (effective as of January 1, 2018)

Scott Kleinman
Apollo Management Holdings, L.P.
9 West 57 th Street, 43 rd Floor
New York, NY 10019

Re: Salary, Bonus. and Other Terms

Dear Mr. Kleinman:

This letter sets forth your entitlement to compensation from Apollo Management Holdings, L.P. (the " Company ") during your period of employment with the Company commencing January 1, 2018. Capitalized terms used but not defined in this letter shall have the meanings provided in the limited partnership agreement of Apollo Advisors IX, L.P. (" Advisors IX ") (as in effect from time to time, the " LPA ") or the Advisors IX Award Letter.

Monthly Salary

During your employment with Apollo Global Management, LLC (" AGM ") or an Affiliate thereof, you will be entitled to a salary from the Company in a monthly amount of $100,000, to be paid in cash in accordance with standard payroll practices.

Annual Bonus

You shall be entitled to receive a non-discretionary bonus from the Company during each year equal to the amount by which $3,300,000 exceeds the sum of any distributions received by you from the AGM Incentive Pool, L.P. or a successor with respect to such year; provided, however, that for calendar year 2018 the sum of such non-discretionary bonus and any distributions to be received by you from the AGM Incentive Pool, L.P. or a successor shall be prorated from April 1, 2018. The cash portion of any such bonus shall be paid at the same time cash bonuses are paid to AGM employees generally , but in any event not later than January 31 of the year following the year to which it relates. A portion of any such bonus shall be paid in the form of AGM restricted share units (" RSUs ") or restricted shares or the equity (or awards relating to the equity) of another entity approved by the Co-President with responsibility for opportunistic businesses (your " Equity Component") in accordance with AGM's broad-based incentive program, which awards shall vest in equal annual installments on December 31 of each of the first three years following the year to which the award relates (with shares underlying RSUs issued by March 15 of the following year), provided your service with AGM and its Affiliates has not terminated prior to the vesting date. Such bonus shall accrue ratably on a monthly basis, with the noncash portion of the bonus subject to the above-mentioned vesting terms. For purposes of determining the portion of such bonus that will constitute your Equity Component under the incentive program for services provided in a given calendar year, your aggregate annual compensation (as well as any amounts received by you as distributions from the AGM Incentive Pool, L.P. or a successor) taken into account under the incentive program shall be reduced, dollar-for-dollar (but not below zero), by the amount due to be contributed in cash by you in such calendar year pursuant to one or more capital demand notices in satisfaction of your required capital commitment to Apollo Co-Investors VIII (A), L.P. or Apollo Co-Investors IX (A), L.P., provided such amounts have in fact been contributed by you or credited as having been satisfied by you (your " Reference Amount "). Each year, the schedule used to calculate your Equity Component shall be the same schedule as in effect under AGM's broad-based incentive program for services provided in calendar year 2017, as shown below, unless Apollo elects, for services provided in a given calendar year, to pay a greater percentage of your Reference Amount currently and in cash:

- 15% of annual compensation from $0 to $500,000;
- 25% of annual compensation from in excess of $500,000 to $1,000,000;
- 35% of annual compensation from in excess of $1,000,000 to $2,000,000;
- 40% of annual compensation from in excess of $2,000,000 to $3,000,000; and
- 50% of annual compensation in excess of $3,000,000.

The RSU Award Agreement used under the incentive program shall be substantially in the form used for incentive program RSU Award grants that relate to services provided in calendar year 2017, and the form of restricted share award agreement under the incentive program shall be substantially in the form set forth as Annex A to your Award Letter issued under the LPA (provided that incentive program equity awards shall (i) not provide for additional vesting upon a termination of employment or service except by reason of death or Disability and (ii) be subject to AGM's share ownership policy as in effect from time to time). Vested RSUs and vested restricted shares shall not be subject to forfeiture except in the limited circumstances provided in the third paragraph (beginning "You agree and acknowledge that…") of Annex D of your Advisors IX Award Letter.

Withholding

All bonus and salary payments to you will be subject to withholding in accordance with applicable law, and will be paid to you net of such withholding amounts.

Effect of Termination

If you cease to perform services on a full-time basis for AGM or its Affiliated fund management entities as of a date other than December 31 for any reason (including death, disability, termination with or without cause or resignation), your salary and bonus shall be prorated to the last day of your full-time association (with the amount of the bonus subject to the broad-based incentive program, and therefore to immediate forfeiture upon termination, calculated based on capital demand notices due and paid on or prior to your termination date); provided , however , that you shall not receive a prorated bonus if your termination is in connection with a " Bad Act " or " Designated Act " (as defined in Annex C and Annex D , respectively, of your Advisors IX Award

Letter) or in circumstances in which you could have been terminated for Cause (as defined in the AGM 2007 Omnibus Equity Incentive Plan).

Advisors IX Coordination

We confirm that your salary and bonus entitlements set forth in this letter do not include, and this agreement does not affect in any way, your share of any carried interest that you are entitled to receive from the general partner of Apollo Investment Fund IX, L.P. or any predecessor fund.

Expense Policies

During your employment with the Company or an Affiliate thereof, you will be subject to the same AGM expense policy that applies to members of the Executive Committee rather than the expense policy that applies to other employees of the Company.

Miscellaneous

This agreement and the rights of the parties shall be governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws rules thereof. Any dispute, controversy, suit, action or proceeding arising out of or relating to this agreement, other than injunctive relief to enforce the Restrictive Covenants set forth in Annex D of your Advisors IX Award Letter, will be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York in accordance with, and pursuant to, the Employment Arbitration Rules and Procedures of JAMS (" JAMS "). The arbitration shall be conducted on a strictly confidential basis, and none of the parties shall disclose the existence of a claim, the nature of a claim, any documents, exhibits, or information exchanged or presented in connection with such a claim, or the result of any action, to any third party, except as required by law, with the sole exception of their legal counsel and parties engaged by that counsel to assist in the arbitration process, who also shall be bound by these confidentiality terms. The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Either party may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The party that is determined by the arbitrator not to be the prevailing party will pay all of the JAMS administrative fees, the arbitrator's fee and expenses. If neither party is so determined, such fees shall be shared. Each party shall be responsible for such party's attorneys' fees. IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTY WAIVES AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT ANY PARTY MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT OF EACH PARTY IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES

ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS AGREEMENT WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

This agreement may not be modified, amended or waived unless in a writing signed by you and the Company. Any notice required hereunder shall be made in writing, as applicable, to the Company in care of its general counsel at his principal office location, with a copy to AGM's Senior Partner, Global Head of Human Capital, or to you at your principal office location or home address most recently on file with the Company, such notice to be deemed effective on the earlier of receipt or the scheduled date of delivery if sent via overnight mail with a nationally recognized courier. This agreement may not be assigned by you. This agreement may be executed through the use of separate signature pages or in multiple counterparts, including via facsimile or PDF, with the same effect as if the parties executing such counterparts had executed one counterpart. No provision of this agreement or any related document will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision. This letter supersedes and replaces all prior agreements and understandings regarding its subject matter, including, without limitation, your letter with Apollo Management, L.P., regarding your salary, bonus and other terms dated as of January 1, 2014, except that it does not supersede or replace your letter agreement effective as of January 1, 2018 relating to your Co-President role and RSU award.

Kindly confirm your acceptance of the terms set forth in this agreement by signing a copy of this letter as indicated below.

Very truly yours,

/s/ Lisa Bernstein

Lisa Bernstein
Vice President and Senior Partner, Global Head of Human Capital and Administration
Apollo Management Holdings GP, LLC, the general partner of
Apollo Management Holdings, L.P.

Confirmed:

/s/ Scott Kleinman
Scott Kleinman

Exhibit 10.44

ROLL-UP AGREEMENT

dated as of

July 13, 2007

among

SCOTT M. KLEINMAN,

BRH HOLDINGS, L.P.,

AP PROFESSIONAL HOLDINGS, L.P.,

APO ASSET CO., LLC,

APO CORP.,

AND

APOLLO GLOBAL MANAGEMENT, LLC

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ROLL-UP AGREEMENT (this " Agreement "), dated as of July 13, 2007, by and among Scott M. Kleinman (the " Senior Manager "), the Transferor(s) (as defined in Section 1.1) (if any), AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership (" Holdings "), BRH Holdings, L.P., a Cayman Islands exempted limited partnership and limited partner of Holdings (" BRH "), Apollo Global Management, LLC, a Delaware limited liability company (" Apollo "), and solely with respect to Section 2.1 , APO Asset Co., LLC, a Delaware limited liability company (" APO Asset Co. "), and APO Corp., a Delaware corporation (" APO Corp. ").

WHEREAS, the Principals (as hereinafter defined), the Senior Manager and the Transferor(s) and certain other executives (the Senior Manager together with such other executives, the " Senior Executives ") immediately prior to the effectiveness of this Agreement own various interests in the carried interests, management fees, management companies, the general partners of the various Funds (as hereinafter defined) and other economic and ownership interests in the various asset management businesses that operate under the "Apollo" name and which were founded by Leon Black and the other Principals (such interests collectively, the " Apollo Interests ");

WHEREAS, the Principals, the Senior Executives and the Transferor(s) desire to reorganize and combine their Apollo Interests in the Apollo Operating Group (as hereinafter defined);

WHEREAS, the Principals have formed two entities, BRH and BRH Holdings GP, Ltd, a Cayman Islands exempted company (" BRH GP "), whereby BRH and BRH GP will hold all of the indirect interests in the Apollo Operating Group held by each Principal Group (as hereinafter defined), and other than Excluded Assets (as hereinafter defined), all Apollo Interests held by the Principal Groups will be contributed to the Apollo Operating Group;

WHEREAS, the Principals have formed Holdings, with BRH GP acting as the general partner of Holdings and BRH acting as a limited partner of Holdings;

WHEREAS, the Senior Manager , the Transferor(s) and other Senior Executives desire to contribute certain interests to Holdings for the purpose of becoming a limited partner thereof;

WHEREAS, Holdings will hold all of BRH's interests in the Apollo Operating Group and a portion of the Senior Executives' and the Transferor(s)'s interests in the Apollo Operating Group and BRH GP will not hold any economic interest in the Apollo Operating Group;

WHEREAS, the Senior Manager and the Transferor(s) currently hold rights to certain interests in Subsidiaries of the Apollo Operating Group with respect to the Funds set forth in Column A on Annex A (collectively, the " Senior Manager Points ");

WHEREAS, the Senior Manager and each Transferor desire to (a) sell and transfer the portion of the Senior Manager Points described in Item II(a) on Annex A (the " Transferred Points ") to APO Corp. and APO Asset Co., and (b) set over, assign and transfer the portion of the Senior Manager Points described in Item II(b) on Annex A (the " Contributed Points " and each, a " Contributed Point ") to Holdings; and

WHEREAS, the general partners and management companies of the applicable Funds have consented to the assignment and assumption effected by this instrument.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Article I

DEFINITIONS

SECTION 1.1 DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings:

“ 40 Act ” means the Investment Company Act of 1940, as amended, including the rules and regulations promulgated thereunder.

“ AAA ” has the meaning set forth in Section 6.9(b) .

“ AAA Unit ” shall mean a restricted depositary unit representing one common unit of AP Alternative or the right to receive such a restricted depositary unit.

“ Affiliate ” of any Person means any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. As used in this definition, the term “control,” including the correlative terms “controlling,” “controlled by” and “under common control with,” means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person.

“ Agreement ” has the meaning set forth in the recitals to this Agreement.

“ Agreement Among Principals ” means the Agreement Among Principals, dated as of the date hereof, by and among Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P., MJR Foundation LLC, BRH and Holdings.

“ AOG Unit ” refers to a unit in the Apollo Operating Group, which represents one limited partnership interest in each of the limited partnerships that comprise the Apollo Operating Group and any securities issued or issuable in exchange for or with respect to such AOG Units (i) by way of a dividend, split or combination of shares or (ii) in connection with a reclassification, recapitalization, merger, consolidation or other reorganization.

“ AP Alternative ” shall mean AP Alternative Assets, L.P., a Guernsey limited partnership, or, with respect to its investment activities, AAA Investments, L.P., a Guernsey limited partnership.

“ Applicable Fraction ” means a fraction (not to exceed 1) the numerator of which is the number of whole months elapsed from July 1, 2007 until the date of the Senior Manager’s termination of service as a partner to an Apollo Service Recipient for any reason and the denominator of which is 72.

“ APO Asset Co. ” has the meaning set forth in the recitals to this Agreement.

“ APO Corp. ” has the meaning set forth in the recitals to this Agreement.

“ Apollo ” has the meaning set forth in the recitals to this Agreement.

“ Apollo Operating Group ” means (i) Apollo Management Holdings, L.P., a Delaware limited partnership, Apollo Principal Holdings I, L.P., a Delaware limited partnership, Apollo Principal Holdings II, L.P., a Delaware limited partnership, Apollo Principal Holdings III, L.P., a Cayman Islands exempted limited partnership, Apollo Principal Holdings IV, L.P., a Cayman Islands exempted limited partnership, and any successors thereto or other entities formed to serve as holding vehicles for Apollo carry vehicles, management companies or other entities formed to engage in the asset management business (including alternative asset management) and (ii) any such Apollo carry vehicles, management companies or other entities formed to engage in the asset management business (including alternative asset management) and receiving management fees, incentive fees, fees paid by Portfolio Companies, carry or other remuneration which are not Subsidiaries of the Persons described in clause (i), excluding any Funds and any Portfolio Companies.

“ Apollo Securities ” means Class A Shares and AOG Units.

“ Apollo Service Recipient ” means Apollo (or such successor thereto or such other entity controlled by Apollo or its successor as may be the recipient of the Senior Manager’s services at such time). Service to a Portfolio Company shall not be deemed service as a partner to, or employment by, an Apollo Service Recipient, and Portfolio Companies shall not be considered Apollo Service Recipients.

“ Approved Sale ” has the meaning set forth in Section 5.2 .

“ Bankruptcy ” shall have the meaning set forth in the Fund limited partnership agreements.

“ Base Amount ” has the meaning set forth in Section 4.1 .

“ BRH ” has the meaning set forth in the recitals to this Agreement.

“ Board ” means (i) if prior to the consummation of an Initial Offering, the Manager and (ii) if following the consummation of an Initial Offering, the board of directors of Apollo or any duly authorized committee thereof.

“ Business Day ” means Monday through Friday of each week, except that a legal holiday recognized as such by the government of the United States of America or the State of New York shall not be regarded as a Business Day.

“ Capital Account ” has the meaning set forth in the Holdings LPA.

“ Capital Account Percentage ” has the meaning set forth in the Holdings LPA.

“ Cause ” means a termination of the Senior Manager’s service as a partner based upon a finding by an Apollo Service Recipient, acting in good faith, that any of the following events has occurred:

(a) the Senior Manager’s conviction of a felony or plea of no contest to a felony charge;

(b) the Senior Manager’s knowing and intentional violation of law in connection with any transaction involving the purchase, sale, loan or other disposition of, or the rendering of investment advice with respect to, any security, futures or forward contract, insurance contract, debt instrument or currency;

(c) the Senior Manager’s dishonesty, bad faith, gross negligence, willful misconduct, fraud or willful or reckless disregard of duties in connection with the performance of any services on behalf of an Apollo Service Recipient or any of its Affiliates;

(d) the Senior Manager’s intentional failure to comply with any reasonable directive by a supervisor in connection with the performance of any services on behalf of an Apollo Service Recipient;

(e) the Senior Manager’s intentional breach of any material provision of this Agreement or any other limited partnership, limited liability or other equivalent agreement of any Apollo Service Recipient and its Affiliates;

(f) the Senior Manager’s intentional violation of any material written policies adopted by an Apollo Service Recipient or its Affiliates (excluding Portfolio Companies) governing the conduct of Persons performing services on behalf of such Apollo Service Recipient or such Affiliate (excluding, however, any policy, procedure or manual adopted or amended after the date hereof with the primary purpose of finding or creating “Cause” for the termination of the Senior Manager);

(g) the taking of or omission to take any action that has caused or substantially contributed to a material deterioration in the business or reputation of Apollo or any of its Affiliates, or that was otherwise materially disruptive of their business or affairs; provided , however , that the term Cause shall not include for this purpose (i) any mistake of judgment made in good faith or (ii) a communication to the Principals or other Senior Executives, in a professional and business like manner, of any bona fide disagreement or suggestion concerning a proposed action by an Apollo Service Recipient or its Affiliate;

(h) the failure by the Senior Manager to devote a significant portion of time to performing services as an agent of Apollo without the prior written consent of Apollo, other than by reason of death or Disability;

(i) the obtaining by the Senior Manager of any material improper personal benefit as a result of a breach by the Senior Manager of any covenant or agreement (including, without limitation, a breach by the Senior Manager of Apollo’s code of ethics or a material breach by the Senior Manager of other written policies furnished to the Senior Manager relating to personal investment transactions or of any covenant, agreement, representation or warranty contained in any limited partnership agreement of any Fund); or

(j) the declaration of Bankruptcy by the Senior Manager, while the Senior Manager is on the investment committee of Apollo;

provided , however , that if a failure, breach, violation or action or omission described in any of clauses (d) through (h) is capable of being cured, the Senior Manager has failed to do so after being given notice and a reasonable opportunity to cure.

" Charitable Institution " means an organization described in Section 501(c)(3) of the Code (or any corresponding provision of a future United State Internal Revenue law) which is exempt from income taxation under Section 501(a) thereof.

" Class A Shares " means the Class A Shares of Apollo representing Class A limited liability company interests of Apollo and any equity securities issued or issuable in exchange for or with respect to such Class A Shares (i) by way of a dividend, split or combination of shares or (ii) in connection with a reclassification, recapitalization, merger, consolidation or other reorganization.

" Code " means the Internal Revenue Code of 1986, as amended.

" Competing Business " means any alternative asset management business (other than the business of Apollo, its successors or assigns or Affiliates), in which more than 50% of the total capital committed is third party capital, that advises, manages or invests the assets of and/or makes investments in private equity funds, hedge funds, collateralized debt obligation funds, business development corporations, special purpose acquisition companies or other alternative asset investment vehicles, or the Persons who manage, advise or own such investment vehicles. As used in this definition, "third party" means any Person other than the Senior Manager and any member of his Wider Group.

" Confidential Information " means information that is not generally known to the public and that is or was used, developed or obtained by Holdings or any member of the Apollo Operating Group, their respective Subsidiaries or any Fund or Portfolio Company, including but not limited to, (i) information, observations, procedures and data obtained by the Senior Manager while providing services to an Apollo Service Recipient or while a Limited Partner, or in connection with being a partner of any business or predecessor of the Apollo Operating Group or its Subsidiaries, concerning the business or affairs of Holdings, Apollo, the Apollo Operating Group and their respective Subsidiaries, any Fund or any Portfolio Companies, (ii) products or services, (iii) costs and pricing structures, (iv) analyses, (v) performance data (vi) computer software, including operating systems, applications and program listings, (vii) flow charts, manuals and documentation, (viii) data bases, (ix) accounting and business methods, (x) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xi) investors, customers, vendors, suppliers and investor, customer, vendor and supplier lists, (xii) other copyrightable works, (xiii) all production methods, processes, technology and trade secrets, (xiv) this Agreement and the governing agreements of Apollo or any of its Subsidiaries, (xv) investment memoranda and investment documentation concerning any potential, actual or aborted Investments, and (xvi) all similar and related information in whatever form. Confidential Information will not include any information that is generally available to the public prior to the time the Senior Manager proposes to disclose or use such information. For the avoidance of doubt, Confidential Information does not include information concerning non-proprietary business or investment practices, methods or relationships customarily employed or entered into by comparable business enterprises.

" Contributed Points " has the meaning set forth in the recitals to this Agreement.

" Covered Investment " means (i) a private equity or equity-linked investment in a (x) leveraged buy-out, management buy-out, leveraged recapitalization or other substantially similar transaction or (y) a private equity growth investment or other substantially similar transaction; (ii) an investment in any Person who raises, manages or advises private equity funds, hedge funds, collateralized debt obligation funds, business development companies (as defined in the 40 Act), other publicly traded alternative investment vehicles, managed accounts or other alternative asset investment vehicles; or (iii) any other investment that is consistent with the investment focus of any Fund that is not fully invested.

" Disability " means, with respect to the Senior Manager, any physical or mental illness, disability or incapacity that prevents the Senior Manager from, performing substantially all of the duties delegated to him as an agent of an Apollo Service Recipient.

" Dispute " has the meaning set forth in Section 6.9(a) .

" Employment Agreement " means, with respect to each Principal, his employment agreement with Apollo dated as of the date hereof.

" Exchange " means (i) the exchange by Holdings of an AOG Unit for a Class A Share pursuant to the Exchange Agreement and the subsequent sale of such Class A Share, at prevailing market prices for a Class A Share (unless the Person requesting such Exchange is willing to accept a lower price, *e.g.,* to effect a block trade), (ii) a redemption of AOG Units initiated by Apollo or any of its Subsidiaries, solely upon Apollo's election, in which the Senior Manager Group elects to participate, (iii) a sale by Holdings of

AOG Units in an Approved Sale or in another transaction approved by the Limited Partners participating therein, or (iv) at the option of the General Partner, in the event of a Pro Rata Exchange or a request by a limited partner of Holdings for a Non-Pro Rata Exchange, an In-Kind Exchange Distribution.

" Exchange Act " means the Securities Exchange Act of 1934, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

" Exchange Agreement " means the Exchange Agreement, dated as of the date hereof by and among Apollo, each member of the Apollo Operating Group, Holdings and the other parties thereto.

" Excluded Assets " means any direct or indirect (i) personal investment or co-investment in any Fund or co-investment vehicle by any Principal or other member of his Principal Group (including future personal investments or co-investments and investments funded through any Apollo fee waiver program, provided that in connection with the Apollo fee waiver program a Principal may only waive compensation or distributions that would otherwise be paid to such Principal (directly or indirectly) from the members of the Apollo Operating Group consistent with the terms of the Reorganization Documents (as such term is defined in the Strategic Agreement)), (ii) any amounts owed to any Subsidiary of Apollo by a Fund pursuant to a fee deferral arrangement in an investment management agreement with respect to any periods ending on or prior to the date hereof (which amount includes deferred fees and earnings thereon), which for this purpose shall include with respect to fees deferred for 2007, the portion of such fees that bears the same relationship to the total deferred fees as the number of days from January 1, 2007 through the date of this agreement bears to 365 days, (iii) interest in any of the entities set forth on Schedule II hereto (including any indirect interest in the profits, losses and returns of capital associated with a Fund's general partner making capital commitments to such Fund, as described on Schedule II) , (iv) amounts owed to any Principal or other member of his Principal Group pursuant to any escrow of carried interest earned that has been escrowed to secure the clawback obligation of the general partner of any Fund pursuant to its organizational documents, (v) compensation and benefits paid or given to a Principal, (vi) director options issued prior to the date hereof by any Portfolio Company and (vii) an entity formed (without any material economics) to control the investment in Harrah's Entertainment, Inc. and (viii) interest in the Gulfstream IV aircraft and any associated purchase debt.

" Financial Interest " has the meaning set forth in Section 5.3(a) .

" Forfeited Interests " shall have the meaning set forth in Section 4.2(a) .

" Forfeiting Senior Manager " shall have the meaning set forth in Section 4.2(a) .

" Forfeiture Date " means, as to the Forfeited Interests to be forfeited within Holdings for the benefit of BRH, the date which is the earlier of (i) the date that is six (6) months after the applicable date of termination of services and (ii) the date on or after such termination date that is six (6) months after the date of the latest publicly-reported disposition (or deemed disposition subject to Section 16 of the Exchange Act) of equity securities of Apollo by BRH or any partner of BRH who will receive such Forfeited Interests pursuant to Section 4.2 of the Agreement Among Principals.

" FRCP " has the meaning set forth in Section 6.9(a) .

" Fund " means any pooled investment vehicle or similar entity sponsored or managed by Apollo or any of its Subsidiaries.

" Fund VI GP " means Apollo Advisors VI, L.P., a Delaware limited partnership.

" Fund VII " means Apollo Investment Fund VII, L.P. and its parallel investment vehicles.

" Fund VII GP " means Apollo Advisors VII, L.P., a Delaware limited partnership.

" General Partner " means BRH Holdings GP, Ltd., a Cayman Islands exempted company, in its capacity as general partner of Holdings or any successor to the business of the General Partner in its capacity as general partner of Holdings.

" Good Reason " means (i) the Senior Manager is notified that he will no longer play a senior role in originating or executing private equity transactions (which notification, if orally delivered, shall be followed by a demonstrable pattern of objective conduct by one or more senior executives consistent with such verbal notice), (ii) a requirement to relocate the Senior Manager's office to a location outside of the metropolitan area in which he is located on the date hereof, provided that the Senior Manager objects to such relocation in writing to the Apollo Service Recipient within thirty (30) days, or (iii) a reduction of points (not contributed or transferred hereunder) in contravention of the Senior Manager's existing letter agreements or in contravention of any future letter agreements with respect to Fund VII or any other Fund established after the date hereof as to which the Senior Manager may be granted points; provided , however , that if an event described in any of clauses (i) through (iii) is capable of being cured, the Apollo Service Recipient has failed to do so after being given notice and a reasonable opportunity to cure.

“ Group ” shall mean, with respect to the Senior Manager, the Senior Manager and (i) the Senior Manager’s spouse, (ii) a lineal descendant of the Senior Manager’s parents, the spouse of any such descendant or a lineal descendent of (a) any such spouse or (b) any such spouse’s parents, (iii) a Charitable Institution solely controlled by the Senior Manager 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 the Senior Manager and Persons described in clauses (i) through (iii) of this definition, (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 the Senior Manager and Persons described in clauses (i) through (iv) of this definition, (vi) an individual mandated under a qualified domestic relations order or (vii) a legal or personal representative of the Senior Manager in the event of his death or Disability. For purposes of this definition, (x) “lineal descendants” shall not include individuals adopted after attaining the age of eighteen (18) years and such adopted Person’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. No Senior Manager shall ever be a member of the Group of another Senior Executive or any Principal. Each Transferor that is a party to this Agreement and any other Person listed on Schedule I as a member of the Senior Manager’s Group shall also constitute a member of the Senior Manager’s Group.

“ Holdings ” has the meaning set forth in the recitals to this Agreement.

“ Holdings LPA ” means that certain Second Amended and Restated Exempted Limited Partnership Agreement, dated as of the date hereof, by and among Holdings, the General Partner, BRH, the Senior Manager and any other Limited Partners from time to time party thereto.

“ Initial Offering ” means the earlier to occur of a Private Placement or an IPO.

“ In-Kind Exchange Distribution ” means a Pro Rata Exchange or a Non-Pro Rata Exchange accomplished by the distribution of AOG Units to all the Partners in the case of a Pro Rata Exchange or, in the case of a Non-Pro Rata Exchange, to those Partners directing such Non-Pro Rata Exchange.

“ Interested Party ” has the meaning set forth in Section 5.3(a) .

“ Investment ” shall mean any investment (or similar term describing the results of the deployment of capital) as defined in the governing document of any Fund managed (directly or indirectly) by a member of the Apollo Operating Group.

“ IPO ” means the earlier of (i) the consummation of an underwritten public offering of Class A Shares pursuant to an effective registration statement (other than on Forms S-4 or S-8 or successors and/or equivalents to such forms), with the Class A Shares sold representing at least 10% of the then outstanding Class A Shares of Apollo (to be determined assuming that all outstanding AOG Units have been exchanged for Class A Shares pursuant to the Exchange Agreement) and (ii) the effectiveness of the shelf registration statement to be filed by Apollo in respect of the Class A Shares to be sold in the Private Placement and other Class A Shares, if any; provided , that in the case of clauses (i) and (ii) above, such registration statement is to be filed by Apollo with the SEC or (in connection with a listing on the London Stock Exchange) with the Financial Services Authority of the United Kingdom.

“ Limited Partners ” means any Person admitted as a limited partner of Holdings in accordance with the Holdings LPA, until such Person withdraws entirely as a limited partner of Holdings, in his capacity as a limited partner of Holdings. Unless the context otherwise requires, all references herein to a Limited Partner shall be construed as referring collectively to such Limited Partner and to each member of his Group that also is a Limited Partner.

“ Manager ” means AGM Management, LLC, a Delaware limited liability company and the manager of Apollo.

“ New Issuance ” has the meaning set forth in Section 3.7(a) .

“ New Securities ” means Apollo Securities other than securities issued in connection with any of the following: (i) pursuant to an equity incentive plan or other compensation arrangements of Apollo or any member of the Apollo Operating Group for the benefit of the employees, directors or consultants of Apollo or any of its Affiliates; (ii) issued upon the exercise, conversion or exchange of any options, warrants or any other derivative or convertible securities of Apollo or the Apollo Operating Group (including, Class A Shares issuable upon the exchange of AOG Units) that were issued in compliance with this Agreement or on or prior to the date hereof; or (iii) issued in connection with a stock dividend or upon a stock split, recapitalization or other subdivision of equity securities.

“ Non-Pro Rata Exchange ” means an Exchange the proceeds of which (including, in the case of an In-Kind Exchange Distribution, the AOG Units) will be distributed to (or otherwise benefit) the Limited Partners in any manner other than a Pro Rata Exchange.

" Notes " shall have the meaning ascribed to such term in the Strategic Agreement.

" Ownership Percentage " means, with respect to any Limited Partner, the amount, expressed as a percentage, obtained by dividing (i) the Pecuniary Interest of such Limited Partner in AOG Units by (ii) the Pecuniary Interest of all Partners in AOG Units. For the avoidance of doubt, Persons other than the Limited Partners own interests, directly or indirectly, in the Apollo Operating Group and related management companies, and therefore, a Limited Partner's Ownership Percentage will be greater than his ownership percentage in any particular entity within the Apollo Operating Group.

" Partial Vested Amount " has the meaning set forth in Section 4.2 .

" Partner " means the General Partner or any of the Limited Partners, and " Partners " means the General Partner and all of the Limited Partners.

" Pecuniary Interest " means, with respect to a Limited Partner, the number of AOG Units that would be distributable to such Limited Partner assuming that Holdings and any other Person that holds AOG Units in which Holdings has a direct or indirect interest were liquidated and Holdings and such other Person distributed their respective assets in accordance with their respective governing agreements (assuming the interests held by the Limited Partners were fully vested, even if such interests are not then fully vested) and further assuming that the limitations set forth in the provisos to Sections 4.1(b) and 7.1(a)(ii) of the Holdings LPA do not apply).

" Permitted Transferee " means with respect to the Senior Manager, (i) BRH or (ii) another Person in his Group.

" Person " shall be construed broadly and includes any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, governmental entity or other entity.

" Portfolio Company " means any Person in which any Fund owns an Investment.

" Preemptive Offer " shall have the meaning set forth in Section 3.7(a) .

" Preemptive Offer Period " shall have the meaning set forth in Section 3.7(a) .

" Principal " means any of Leon D. Black, Marc J. Rowan or Joshua J. Harris.

" Principal Group " means, with respect to each Principal, such Principal and his "Group," as such term is defined in the Shareholders Agreement.

" Principal Sellers " shall have the meaning set forth in Section 3.6(a) .

" Private Placement " means a private placement of Class A Shares by Apollo pursuant to Rule 144A, Regulation D and Regulation S under the Securities Act of 1933, in an offering (i) to at least 15 purchasers and (ii) that requires Apollo to file with the SEC a shelf registration statement permitting registered resales of the Class A Shares, with the shares sold representing at least 10% of the outstanding Class A Shares (to be determined assuming that all outstanding AOG Units have been exchanged for Class A Shares pursuant to the Exchange Agreement).

" Pro Rata Exchange " means an Exchange the proceeds of which (including, in the case of an In-Kind Exchange Distribution, the AOG Units) will be distributed to (or otherwise benefit) the Limited Partners pro rata in accordance with their respective Ownership Percentages.

" Proceeding " shall have the meaning set forth in Section 6.8 .

" Proportionate Percentage " shall have the meaning set forth in Section 3.6(c) .

" Preemptive Proportionate Percentage " shall have the meaning set forth in Section 3.7(a) .

" Purchase Notice " shall have the meaning set forth in Section 3.7(b) .

" Restricted Period " means (i) if the Senior Manager is still providing services as a partner to an Apollo Service Recipient on the fifth anniversary of the date hereof, the first anniversary of the date of termination of the Senior Manager's service as a partner to an Apollo Service Recipient for any reason such that he is no providing services to an Apollo Service Recipient or (ii) if the Senior Manager is terminated for any reason such that he is no longer providing services to any Apollo Service Recipient prior to the fifth anniversary of the date hereof, the earlier to occur of (A) the second anniversary of such date of termination and (B) the sixth anniversary of the date hereof.

" Retained Points " shall mean, with respect to the Senior Manager Group, the excess, if any, of the Senior Manager Points over the sum of (i) the Transferred Points and (ii) the Contributed Points.

" SEC " means the United States Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

" Securities Act " means the Securities Act of 1933, as amended, supplemented or restated from time to time and any successor to such statute, and the rules and regulations promulgated thereunder.

" Selected Courts " shall have the meaning set forth in Section 6.8 .

" Senior Executives " has the meaning set forth in the recitals to this Agreement.

" Senior Manager " has the meaning set forth in the recitals to this Agreement.

" Senior Manager Group " shall refer to the Senior Manager and his Group, collectively.

" Senior Manager New Securities " shall have the meaning set forth in Section 3.7(a) .

" Senior Manager Points " has the meaning set forth in the recitals to this Agreement.

" Shareholders " shall have the meaning ascribed to such term in the Shareholders Agreement.

" Shareholders Agreement " shall mean the Shareholders Agreement by and among Apollo, BRH, Holdings, and the other parties thereto dated the date hereof.

" Spousal Consent " shall have the meaning set forth in Section 6.12 .

" Strategic Agreement " means the Strategic Agreement, dated as of the date hereof, by and among Apollo, APOC Holdings Ltd., a subsidiary of the Abu Dhabi Investment Authority, and California Public Employees' Retirement System, as it may be amended, supplemented or restated from time to time.

" Subsidiary " or " Subsidiaries " means, with respect to any Person, as of any date of determination, any other Person as to which such Person owns, directly or indirectly, or otherwise controls, more than 50% of the voting shares or other similar interests or the sole general partner interest or managing member or similar interest of such Person.

" Tag Along Acceptance Notice " shall have the meaning set forth in Section 3.6(b) .

" Tag Along Notice " shall have the meaning set forth in Section 3.6(a) .

" Tag Along Purchaser " shall have the meaning set forth in Section 3.6(a) .

" Tag Along Transaction " means any transaction resulting in the direct or indirect Transfer (other than a bona fide pledge, hypothecation, mortgage or encumbrance) of any Apollo Securities (or any Pecuniary Interest therein) held by any Principal Group (whether held through BRH or otherwise) in a transaction exempt from registration under the Securities Act and any similar applicable state securities laws, except for (i) Transfers to or among a Principal's Group, (ii) Transfers to employees or other service providers (whose primary occupation is as a service provider to Apollo or the Apollo Operating Group) of either Apollo or the Apollo Operating Group, (iii) Transfers pursuant to an Approved Sale in which the Senior Manager is obligated to participate pursuant to Section 5.2 , and (iv) Transfers to the extent necessary to generate sufficient revenues to cover taxes to which a Principal or his Group is subject as a result of a forfeiture by a Senior Executive Group or another Principal Group.

" Transfer " means a direct or indirect sale, assignment, gift, exchange or any other disposition by law or otherwise, including any transfer upon foreclosure of any pledge, encumbrance, hypothecation or mortgage.

" Transferor " means any member of the Senior Manager Group (other than the Senior Manager) that or who is both (i) listed on Schedule I and (ii) a signatory to this Agreement.

" Transferred Interests " has the meaning set forth in Section 3.2(b) .

" Transferred Points " has the meaning set forth in the recitals.

" Underwritten Offering " means a sale of securities of Apollo to an underwriter or underwriters for reoffering to the public.

" Wider Group " shall mean, with respect to the Senior Manager, the Senior Manager and (i) the Senior Manager's spouse, (ii) any lineal descendant of the Senior Manager's grandparents or of the Senior Manager's spouse's grandparents, the spouse of any such descendant or a lineal descendent of (a) any such spouse or (b) any such spouse's parents, (iii) a Charitable Institution solely controlled by the Senior Manager and other members of his Wider 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 the Senior Manager and Persons described in clauses (i) through (iii) of this definition, (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 the Senior Manager and Persons described in clauses (i) through (iv) of this definition, (vi) an individual mandated under a qualified domestic relations order or (vii) a legal or personal representative of the Senior Manager in the event of his death or Disability. For purposes of this definition, (x) "lineal descendants" shall not include individuals adopted after attaining the age of eighteen (18) years and such adopted Person'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. Each Transferor that is a party to this Agreement and any other Person listed in Schedule I as a member of the Senior Manager's Group shall also constitute a member of the Senior Manager's Wider Group.

SECTION 1.2 GENDER. For the purposes of this Agreement, the words "he," "his" or "himself" shall be interpreted to include the masculine, feminine and corporate, other entity or trust form.

ARTICLE II

SALE, ASSIGNMENT AND ASSUMPTION

SECTION 2.1 SALE.

(a) The Senior Manager and/or Transferor, as applicable, hereby sells and transfers to APO Corp. and APO Asset Co., free and clear of any liens, claims or encumbrances, the Transferred Points, it being understood that the Transferred Points relating to general partner carried interests in private equity Funds will be purchased by APO Asset Co. and the remaining Transferred Points will be purchased by APO Corp.

(b) Concurrently with the delivery of this Agreement to the Senior Manager, each of APO Corp. and APO Asset Co. shall pay the Senior Manager and/or Transferor, as applicable, the total purchase price for the Transferred Points set forth in Item II(a) on Annex A hereto by wire transfer in immediately available funds to an account designated by the Senior Manager and/or Transferor, as applicable.

SECTION 2.2 ASSIGNMENT. The Senior Manager and/or Transferor, as applicable, hereby assigns, transfers, conveys and delivers to Holdings each of the Senior Manager's Contributed Points, together with all associated rights, privileges, restrictions and obligations related to the Contributed Points, with effect as of the Effective Date. Each Contributed Point is transferred and assigned to Holdings, free and clear of any liens, claims or encumbrances. Each of the Senior Manager and Holdings acknowledges and agrees that upon such event, a member of the Apollo Operating Group shall be substituted in place of the Senior Manager and/or the Transferor(s), as applicable, as a limited partner of the applicable management company or general partner of the Fund with respect to each Contributed Point, and such member of the Apollo Operating Group shall be recorded on the books and records of the applicable management company or general partner of the Funds as the owner of such Contributed Points with effect as of the Effective Date, and the Senior Manager and/or the Transferor(s), as applicable, shall thereafter be released from all obligations arising in respect of such Contributed Points.

SECTION 2.3 ASSUMPTION. Holdings hereby accepts the assignment of the Contributed Points and hereby agrees to assign such Contributed Points to a member of the Apollo Operating Group and cause a member of the Apollo Operating Group to (a) become a substitute limited partner in the applicable management company or general partner of the Funds with respect to the Contributed Points in the place and instead of the Senior Manager and/or the Transferor(s), as applicable, and to join in and be bound by all of the terms of the applicable governing documents, and (b) undertake and agree to comply with and be bound by all of the obligations associated with each Contributed Point from and after the Effective Date.

SECTION 2.4 CONTRIBUTION. The transfer of the Contributed Points shall be deemed a contribution of capital to Holdings by the Senior Manager and/or the Transferor(s), as applicable, with respect to the Senior Manager's and/or any Transferor's (as applicable) resulting limited partner interest in Holdings.

SECTION 2.5 INTEREST RECEIVED. In exchange for the Senior Manager's and/or any Transferor's (as applicable) contribution of the Contributed Points to Holdings, the Senior Manager and each Transferor shall become a Limited Partner and receive a limited partnership interest in Holdings. A portion of such limited partnership shall be a capital interest and a portion of it shall be a profits interest (within the meaning of IRS Revenue Procedures 93-27 and 2001-43), as set forth in the Holdings LPA. The Senior Manager's and the Transferor(s)'s, as applicable, initial Ownership Percentage is set forth on Annex A .

SECTION 2.6 ACKNOWLEDGEMENTS.

(a) The terms of this Agreement shall not in any way affect the ownership of interests in any Subsidiary or with respect to any Fund that are not Contributed Points or Transferred Points, and the Senior Manager and/or the Transferor(s), as applicable, shall continue to receive the benefits and burdens of ownership in the manner provided for in the existing arrangements without regard to the terms of this Agreement. In addition, the terms of this Agreement shall not affect or alter the terms of the existing letter agreements of the Senior Manager and the general partners of the Funds and the management companies with respect to the Retained Points (including, without limitation, with respect to the Retained Points, the terms of vesting and acceleration of vesting, definitions of "net management fee income" and "cause" and rights upon retirement without cause, breaches of Fund VI carry vehicle or management company agreements or policies and any remedies therefor) or the provisions regarding monthly draw or office location. However, this Agreement will supersede any "existing" letter agreements with respect to the Contributed Points and the Transferred Points, and the Senior Manager acknowledges that (i) he and his Group no longer have any interests with respect to the Contributed Points (other than through their ownership interests in Holdings and in accordance with Section 2.7 below) or the Transferred Points, (ii) he and his Group do not, and will not, have (other than through their ownership interests in Holdings and in accordance with Section 2.7 below) any carried interest, performance interest or management fee interest in the Funds identified on Annex A except as set forth in Column B on Annex A and (iii) he and his Group do not, and will not, have any interest in the capital markets Funds going forward (other than through their ownership interests in Holdings). Furthermore, the Senior Manager hereby acknowledges that he and his Group will continue to honor any and all capital commitments made to any Fund or co-investment vehicle formed to invest in any Fund.

(b) The number of Retained Points that have time vested as of the date hereof shall be proportional to the number of total points held by the Senior Manager and his Group that have vested as of the date hereof. For example, if immediately prior to this Agreement, the Senior Manager was 36 months vested in his Fund VI GP "points," then the Senior Manager and his Group shall be 36 months vested in their Retained Points in Fund VI GP. Vesting of Retained Points will continue pursuant to the existing agreements.

SECTION 2.7 2007 PROFITS. The total income earned with respect to 2007, will be apportioned for various periods and paid in the same manner as such income is apportioned and paid with respect to the Principals in accordance with the Strategic Agreement.

SECTION 2.8 FUND VII. The Senior Manager (and certain members of his Group designated by the Senior Manager) will be issued the points in the Fund VII GP as set forth on Annex A . The Senior Manager's mandatory capital commitment (which may be shared with other members of his Group) to the Fund VII co-investment vehicle (which will be substantially the same as a Fund VI co-investment vehicle) shall be determined by Apollo and shall not exceed the product of (x) the total capital commitment required to be made by the general partner of Fund VII and its Affiliates and (y) a fraction, the numerator being the points issued to the Senior Manager and his Group in the Fund VII GP (as shown on Annex A) and the denominator being two thousand (2000). The Senior Manager will have a letter agreement with respect to Fund VII substantially similar to his Fund VI letter agreement, including, among other things, that the Senior Manager's share of Fund VII net management fee income will be equal to the product of (x) the amount of such net management fee income available for distribution, as determined by Apollo in good faith, and (y) a fraction, the numerator of which is the number of points issued to the Senior Manager and his Group in the Fund VII GP (as shown on Annex A) and the denominator of which is two thousand (2000). To the extent that AP Alternative co-invests with Fund VII or is an investor in Fund VII, the Senior Manager (and certain members of his Group designated by the Senior Manager) will also be entitled to a pro rata portion of the carried interest of AP Alternative in a manner economically consistent with the arrangements in Fund VI. To the extent practicable, the arrangements with the Senior Manager with respect to Fund VII shall be made such that the Senior Manager would be able to make, under current law, and, at his election, a Section 83(b) election under the Code. The Senior Manager understands and assumes the risk that (x) changes to the Code are currently being contemplated that may adversely affect the Senior Manager's interests in Apollo and (y) existing tax laws may change or be interpreted or enforced differently in the future.

SECTION 2.9 AAA UNITS. Without the prior written consent of the Senior Manager, for any given year, the Senior Manager and his Group will not receive a greater percentage of their net management fee income in the form of AAA Units than the percentage of their net management fee income that the other Senior Executives and their Groups and the Principals and their Groups receive in the form of AAA Units either through distributions or purchases of such units. Each Person's share of net management fee income shall equal his direct interest (based upon points in the most current principal private equity fund) and indirect interest (based upon his AOG Units and Class A Shares and the amount of net management fee income payable to the Apollo Operating Group).

ARTICLE III

OWNERSHIP, REGISTRATION RIGHTS, TAG ALONG RIGHTS AND PREEMPTIVE RIGHTS

SECTION 3.1 OWNERSHIP

(a) Holdings may hold interests in AOG Units or other securities indirectly through other Persons. In such instance, this Agreement will be construed as if Holdings held such securities directly and Holdings shall cause such other Persons to take any actions necessary to carry out the transactions contemplated herein.

SECTION 3.2 OWNERSHIP PERCENTAGE ADJUSTMENTS

(a) Upon the occurrence of an Exchange directed (or in the case of an Approved Sale, deemed to be directed) by the Senior Manager pursuant to Section 3.3 hereof, the Pecuniary Interest in AOG Units owned by the Senior Manager and his Group shall be decreased by the number of AOG Units Exchanged. Upon the occurrence of an Exchange directed by BRH or any other Limited Partner, BRH's or such other Limited Partner's Pecuniary Interest in AOG Units shall be decreased by the number of AOG Units Exchanged.

(b) Holdings shall track all transfers (including transfers that constitute Exchanges) of AOG Units by the Senior Manager and his Group to any Person that is not the Senior Manager or a member of his Group in a tracking account and the total sum of such transfers for the Senior Manager and his Group at any given time shall be hereinafter referred to as the "Transferred Interests". Any transfer under an Approved Sale under Section 5.2 shall not be included as a Transferred Interest.

(c) Upon the termination of the Senior Manager's service as a partner by an Apollo Service Recipient (such that he is no longer providing services as a partner to, or employed by, any Apollo Service Recipient), the Ownership Percentage of the Senior Manager and his Group shall be adjusted in accordance with Article IV .

SECTION 3.3 TRANSFERS AND EXCHANGES

(a) Subject to the limitations set forth in this Agreement (including with respect to vesting), the Holdings LPA, the Shareholders Agreement, the Exchange Agreement, any applicable lock-up agreement (provided that any applicable lock-up agreement shall not be any more restrictive on the Senior Manager and his Group than it is on the Principals and other Senior Executives and their Groups) and applicable law, the Senior Manager shall have the right to cause Holdings to effect, at any time and from time to time, on one or more occasions, an Exchange with respect to all or a portion of the Pecuniary Interest in AOG Units owned by the Senior Manager or members of his Group; provided , however , that any Exchange at the direction of the Senior Manager must be for at least the lesser of (1) AOG Units with an aggregate market price of at least $25,000, or (2) all AOG Units owned by the Senior Manager and his Group. The proceeds from any Exchange by the Senior Manager and/or the other members of his Group, net of all selling expenses (other than selling expenses borne by Apollo pursuant to the Shareholders Agreement), shall be distributed by Holdings to the Senior Manager and/or the other members of his Group, depending on whose Pecuniary Interest in AOG Units was so exchanged. Upon the direction by the Senior Manager to effect an Exchange in compliance with this Agreement, Holdings shall be required to undertake an exchange, on a one-for-one basis (or at such other ratio as may be in effect under the Exchange Agreement), of an AOG Unit, on the one hand, for a Class A Share, on the other hand, and shall use commercially reasonable efforts to promptly consummate such Exchange; provided , however , that the parties acknowledge that one or more events, such as an underwriter cutback, the unavailability of a registration, the possession of material non-public information, or general market dislocation may affect the timing of a proposed sale or disposition of Class A Shares following an exchange, and accordingly, any Person that receives Class A Shares shall sell or dispose of such shares as promptly as practicable upon receipt thereof. taking into account the circumstances surrounding such proposed sale or disposition. Anything herein to the contrary notwithstanding, at the option of the General Partner, in lieu of an Exchange, Holdings will make an In-Kind Exchange Distribution. No In-Kind Exchange Distribution may be made unless the recipient is already a party to the Exchange Agreement as an "Apollo Principal Holder" and a party to the Shareholders Agreement as a Shareholder (or becomes so upon or substantially simultaneous with such In-Kind Exchange Distribution). In addition, upon an In-Kind Exchange Distribution, the recipient shall exchange the AOG Units received for Class A Shares, as soon as possible, pursuant to the Exchange Agreement by the next Quarterly Exchange Date thereafter (as defined in the Exchange Agreement). The Senior Manager and his Group shall indemnify and hold harmless Holdings and the other Limited Partners from any liabilities or expenses (other than selling expenses borne by Apollo pursuant to the Shareholders Agreement) incurred in connection with such Exchange, other than with respect to any taxable income realized by such other Limited Partners as a result of the Exchange, or, in the case of a Pro Rata Exchange, to the extent attributable to the Senior Manager or a member of his Group. If the Senior Manager or a member of his Group requests an Exchange at least 60 days prior to the next Quarterly Exchange Date, then Holdings shall request an Exchange under the Exchange Agreement to cover such

Exchange; provided, that if the General Partner elects to make an In-Kind Exchange Distribution in lieu of such Exchange, then the General Partner shall make such election and cause such In-Kind Exchange Distribution to occur in a manner that would permit the applicable notice provisions under the Exchange Agreement to be met in order for the Exchange to occur on the next Quarterly Exchange Date. In the event that Holdings is offered a "Sale Transaction" under Section 2.8 of the Exchange Agreement, Holdings will make available to the Senior Manager and his Group the opportunity to participate on a pro rata basis. Pro rata basis for this purpose shall mean pro rata in accordance with the Ownership Percentage of the Senior Manager and his Group.

(b) Notwithstanding the foregoing, Holdings may not undertake an Exchange at the direction of the Senior Manager unless the vested portion of the Pecuniary Interest of the Senior Manager and his Group in AOG Units (calculated on a pro-forma basis assuming the Senior Manager voluntarily resigned immediately prior to such Exchange and such resignation constitutes a resignation under Section 4.1 hereof) is sufficient to cover the number of AOG Units proposed to be Exchanged; provided however, notwithstanding anything else in this Agreement, unvested portions of Pecuniary Interests may be exchanged in connection with a transfer permitted pursuant to clauses (w), (y) or (z) of Section 4.3 or to permit the Senior Manager or a member of his Group to participate in a sale of Class A Shares issuable upon the Exchange in which a Principal (or a member of his Group) is selling and in which the Senior Manager (or a member of his Group) has rights to participate pursuant to the registration rights under Section 3.5, solely to the extent the vested portions have been exhausted and unvested Pecuniary Interests would be required to be exchanged in order for the Senior Manager and his Group to participate in a pro rata manner with such Principal and his Group.

(c) Neither the Senior Manager nor any Person controlled by the Senior Manager's Group, shall own any Class A Shares other than (x) the Class A Shares received in an Exchange and then only to the extent provided in the Exchange Agreement, (y) Class A Shares issued to such Persons pursuant to equity incentive plans of Apollo and its Subsidiaries and (z) other Class A Shares acquired by such Persons with the prior written approval of the General Counsel of Apollo.

(d) Notwithstanding anything else contained herein to the contrary, the Senior Manager shall not direct Holdings to undertake an Exchange in violation of this Agreement or if such Exchange would violate Section 16 of the Exchange Act.

(e) Any redemption of AOG Units shall be offered to all Limited Partners and their Groups on a pro rata basis based on Ownership Percentages. A Limited Partner may request a Non-Pro Rata Exchange but may not request a Pro Rata Exchange.

(f) The Senior Manager shall cause his Group to take any action (or refrain from taking any action) reasonably necessary to carry out the intent of this Agreement.

SECTION 3.4 ALLOCATION OF ADJUSTMENTS. The members of the Senior Manager's Group as of the date hereof (other than any such members described in clauses (i) through (vii) of the definition of "Group" in Section 1.1 who or which are not Transferors) are set forth on Schedule I hereto, which may be updated from time to time to reflect additional transfers to a Permitted Transferee that is a member of the Senior Manager's Group. Any adjustment to the Senior Manager's Pecuniary Interest in AOG Units pursuant to this Agreement shall be allocated among the members of the Senior Manager's Group in a manner directed by the Senior Manager or absent such instructions, pro rata among the members of his Group based upon their relative interests in Holdings.

SECTION 3.5 REGISTRATION RIGHTS. In connection with the registration rights provided in the Shareholders Agreement, the Senior Manager and his Group will have the right to direct Holdings to exercise any of its rights under Article V of the Shareholders Agreement for the benefit of the Senior Manager or any member of his Group as if such Person were a Shareholder thereunder holding Registrable Securities then held by them or acquirable by them upon Exchange of their Pecuniary Interests. Any cutbacks shall be determined as provided in the Shareholders Agreement. If Holdings is the Selling Shareholder thereunder, cutbacks among the partners of Holdings (whether selling directly or indirectly through Holdings) will be determined pro rata as if each partner of Holdings participating in the applicable registration were a separate Selling Shareholder thereunder. Decisions to be made under such Article V by a percentage of Shareholders or Selling Shareholders, including without limitation, any consent to the grant of preferential registration rights, will also be determined pro rata as if each partner of Holdings (and, with respect to BRH, each partner of BRH) were a separate Shareholder or Selling Shareholder, as applicable thereunder. Holdings agrees to give notification to the Senior Manager and member of his Group of the availability of any demand registrations, piggyback rights or other matters under Article V of the Shareholders Agreement in order to participate in a registration thereunder. References in such Article V to Section 2.2 of the Shareholders Agreement shall, with respect to the Senior Manager's Group, refer to Section 4.3 of this Agreement.

SECTION 3.6 TAG ALONG RIGHTS.

(a) If any Principal Group (whether directly or through BRH) proposes to effect a Tag Along Transaction (the "Principal Sellers"), then at least fifteen (15) days prior to the anticipated date of consummation of such proposed Transfer, Apollo shall give written notice to the Senior Manager of such proposed Transfer setting forth a description of the material terms and conditions of the proposed Tag Along Transaction, including (i) the identity of the purchaser (such purchaser, the " Tag Along Purchaser "), (ii) the number and type of Apollo Securities the Principal Sellers propose to sell in the Tag Along Transaction and (iii) a description of the form and amount of consideration proposed to be paid for the Apollo Securities (or any Pecuniary Interest therein) in the Tag Along Transaction (the " Tag Along Notice "). If it is anticipated that the Senior Manager will participate in an Exchange pursuant to the Exchange Agreement at the time of a Tag Along Transaction, then the timing of the Tag Along Notice shall be equitably adjusted in a manner reasonably intended to afford the Senior Manager sufficient time to both exercise his rights under the Exchange Agreement and participate in the Tag Along Transaction.

(b) The Senior Manager may, by written notice to Apollo (" Tag Along Acceptance Notice ") delivered within ten (10) days after the date of the Tag Along Notice, elect to sell in such Tag Along Transaction the Apollo Securities held (directly or indirectly through their Pecuniary Interest) by the Senior Manager and his Group; provided , that the number of the Apollo Securities elected to be sold by the Senior Manager and his Group will not exceed the Senior Manager's Proportionate Percentage (as calculated in accordance with Section 3.6(c) below) of the Apollo Securities proposed to be transferred by such Principal Sellers, after giving effect to any proposed reduction in the Apollo Securities to be Transferred by such Principal Sellers as a result of the exercise of tag along rights by the holders of the Notes (or Class A Shares issuable upon conversion of the Notes). The failure of the Senior Manager to respond within such ten (10) day period shall be deemed to be a waiver of the Senior Manager's rights under this Section 3.6 .

(c) For purposes of this Section 3.6 , " Proportionate Percentage " means with respect to the Senior Manager, a fraction (expressed as a percentage), (i) the numerator of which is the number of Apollo Securities held (directly or indirectly through their Pecuniary Interests) by the Senior Manager and his Group immediately prior to the consummation of the Tag Along Transaction; and (ii) the denominator of which is the aggregate number of Apollo Securities held (directly or indirectly through their Pecuniary Interests) by the Principal Groups and all other Persons entitled to participate in the Tag Along Transaction (such as other Senior Executives, but excluding the holders of the Notes (or Class A Shares issuable upon conversion of the Notes)) immediately prior to the consummation of the Tag Along Transaction. Transfers pursuant to this Section 3.6 shall first be satisfied with vested Apollo Securities but if all such Apollo Securities are to be sold in the Tag Along Transaction, may be satisfied with unvested Apollo Securities.

(d) If the Senior Manager or any members of his Group participates in the Tag Along Transaction, such participating Persons shall agree to be bound by substantially the same terms and conditions as the participating Principal Sellers, including making substantially the same representations and warranties, covenants, agreements and indemnities that the Principal Sellers agree to make.

SECTION 3.7 PREEMPTIVE RIGHTS.

(a) If Apollo or any of its Subsidiaries offers New Securities to a Principal Group or to any of its Affiliates (the aggregate number of New Securities being offered, the " New Issuance ") then, subject to the terms hereof, Apollo shall, before any sale of New Securities pursuant to such offer, deliver to the Senior Manager an offer (the " Preemptive Offer ") to issue to the Senior Manager, at the Senior Manager's election, up to such number of New Securities equal to its Preemptive Proportionate Percentage of the New Issuance upon the terms set forth in this Section 3.7 (such New Securities, the " Senior Manager New Securities "), it being understood that if the Senior Manager accepts a Preemptive Offer in accordance with Section 3.7(b) , the number of New Securities ultimately issued to the Principal Group or any of its Affiliates under this Section 3.7 shall equal the New Issuance less the applicable number of Senior Manager New Securities and other Apollo Securities issued pursuant to similar preemptive rights. The Preemptive Offer shall state (i) that Apollo proposes to issue the New Issuance and specify their number and terms (including the purchase price per New Security) and (ii) the Senior Manager's Preemptive Proportionate Percentage. The Preemptive Offer shall remain open and be irrevocable for a period of fifteen (15) days from the date of its delivery (the " Preemptive Offer Period "). For purposes of this Section 3.7 , " Preemptive Proportionate Percentage " means, with respect to the Senior Manager, a fraction (expressed as a percentage), (x) the numerator of which is the number of Class A Shares held by the Senior Manager's Group immediately prior to the consummation of the New Issuance (calculated on an as-converted basis assuming all AOG Units covered by the Pecuniary Interest of the Senior Manager or his Group have been exchanged for Class A Shares irrespective of vesting) and (y) the denominator of which is the aggregate number of Class A Shares outstanding immediately prior to the consummation of the New Issuance (calculated on a fully-diluted basis and assuming all AOG Units have been exchanged for Class A Shares).

(b) The Senior Manager (and/or members of his Group designated by the Senior Manager) may accept the Preemptive Offer by delivering to Apollo a notice (the " Purchase Notice ") within the Preemptive Offer Period. The Purchase Notice shall state the number of New Securities the Senior Manager desires to purchase which in no event may exceed its number of Senior Manager New Securities. The Purchase Notice shall be irrevocable, and the Senior Manager (and/or members of his Group designated by the Senior Manager) shall purchase the New Securities at the same time as the Principal Group(s) acquire the New Issuance less any portion of the New Issuance which the Senior Manager agreed to purchase pursuant to this Section 3.7 or other

Persons agreed to acquire pursuant to other rights similar to those set forth in this Section 3.7 .

SECTION 3.8 CERTAIN COVENANTS WITH RESPECT TO PRINCIPALS. Holdings and BRH agree that, unless the Senior Manager and his Group are given equivalent provisions, no modifications, waivers or additional agreements shall be made that benefit any Principal or a member of his Group (or in the case of clauses (iv) and (v), all Principals) (i) to Section 2.2 of the Shareholders Agreement that would permit Pecuniary Interests to be transferred at an earlier time or in a greater amount than would otherwise be permitted (including any change to the definition of IPO or the equivalent triggering event for the timing thereunder), (ii) to the terms of the Exchange Agreement that would permit more AOG Units to be exchanged or to be exchanged at an earlier time or that would permit AOG Units that were otherwise not exchangeable to be exchanged (including any change to the definition of IPO or the equivalent triggering event for the exchange right) or to permit more Class A Shares to be sold or to be sold at an earlier time or to permit Class A Shares to be sold that would otherwise not be permitted to be sold, (iii) to the registration rights provisions of Article V of the Shareholders Agreement, (iv) to the vesting provisions of the Pecuniary Interests of all of the Principals (and their respective Groups) that either accelerated vesting of Pecuniary Interests all of the Principals while they continue full time employment with Apollo or accelerated vesting upon death or disability, (v) to the restrictive covenants and limitations on outside activities (contained in Sections 1 and Section 6 of each Principal's Employment Agreement) applicable to all of the Principals with respect to the scope of such covenants or limitations or the reduction of the restrictive period (but only if the reduction results in a restrictive period shorter than the restrictive period applicable to the Senior Manager), or (vi) to the Tax Receivables Agreement. Prior to the earlier of an IPO or the time as such Principal is no longer providing services as a partner to, or employed by, an Apollo Service Recipient, Apollo shall not, and shall not permit any Apollo Service Recipient to, amend or waive (a) the restrictive covenants and limitations on outside activities applicable to any Principal (as set forth in Sections 1 and 6 of such Principal's Employment Agreement), or (b) the ownership restrictions in Section 2.3 of the Shareholders Agreement. The Senior Manager shall have the right, on his behalf and on behalf of his Group, to waive the rights afforded pursuant to this Section 3.8 .

ARTICLE IV

VESTING; FORFEITURE; TRANSFER RESTRICTIONS

SECTION 4.1 VESTING.

(a) The Pecuniary Interest in AOG Units owned by the Senior Manager and his Group shall be subject to vesting as provided in this Section 4.1 .

(b) Upon the Senior Manager's termination by an Apollo Service Recipient for Cause, or upon the Senior Manager's resignation without Good Reason or retirement, the vested portion of the Pecuniary Interest in AOG Units owned by the Senior Manager and his Group shall equal (i) (x) the Senior Manager Group's then current Pecuniary Interest in AOG Units plus the Senior Manager Group's Transferred Interests (if any) multiplied by (y) the Senior Manager's Applicable Fraction; minus (ii) the Senior Manager Group's Transferred Interests; provided , however , that the vested portion shall not be less than zero.

(c) Upon a termination of the Senior Manager for death, by the Apollo Service Recipient due to Disability, by the Apollo Service Recipient without Cause (such that he is no longer providing services as a partner to, or employed by, any Apollo Service Recipient) or resignation by the Senior Manager for Good Reason, the vested portion of the Pecuniary Interest in AOG Units owned by the Senior Manager and his Group shall equal: (i) the product (such product, the " Partial Vested Amount ") of (x) the sum (such sum, the " Base Amount ") of the Senior Manager and his Group's then-current Pecuniary Interest in AOG Units plus the Senior Manager Group's Transferred Interests (if any), multiplied by (y) the Senior Manager's Applicable Fraction; plus (ii) fifty percent (50%) of the difference between (x) the Base Amount and (y) the Partial Vested Amount; minus (iii) the Senior Manager Group's Transferred Interests; provided , however , that the vested portion shall not be less than zero. For the avoidance of doubt, if the Senior Manger retires at a time that he could have resigned for Good Reason, he shall be deemed to have resigned for Good Reason for the purposes of this Section 4.1 .

(d) In the event of: any reclassification, recapitalization, stock split or reverse stock split; any merger, combination, consolidation, or other reorganization; any split-up, spinoff, or similar extraordinary dividend distribution in respect of the Class A Shares; or any similar extraordinary transaction, in each case that affects the AOG Units, the Board shall equitably and proportionately adjust the AOG Units to the extent necessary to preserve (but not increase) the Senior Manager Group's rights with respect to such AOG Units immediately prior to such transaction or event. Any good faith determination by the Board as to whether an adjustment is required in the circumstances pursuant to this Section 4.1(d) , and the extent and nature of any such adjustment, shall be conclusive and binding on all Persons.

(e) Nothing contained in this Agreement constitutes a service commitment by the Senior Manager, affects the Senior Manager's status as a service provider to Apollo Service Recipients who is subject to termination without Cause, confers upon the Senior Manager any right to remain in service to any Apollo Service Recipient or any of their respective Affiliates, interferes in any way with the right of any Apollo Service Recipient or any of their respective Affiliates at any time to terminate such services, or affects the right of any Apollo Service Recipient or any of their respective Affiliates to increase or decrease the Senior Manager's other compensation or benefits. Nothing in this paragraph, however, is intended to adversely affect any independent contractual right of the Senior Manager without his consent thereto.

SECTION 4.2 FORFEITURE.

(a) Upon the Senior Manager's (the " Forfeiting Senior Manager ") termination of services (such that he is no longer providing services as a partner to, or employed by, any Apollo Service Recipient) for any reason, the Pecuniary Interest in AOG Units then held by such Forfeiting Senior Manager and his Group pursuant to this Agreement that has not vested in accordance with Section 4.1 shall be forfeited (the " Forfeited Interests ") as of the applicable Forfeiture Date to BRH (or, at BRH's discretion, the Apollo Operating Group). Upon the forfeiture of the Forfeited Interests, Pecuniary Interest in AOG Units of the Senior Manager and his Group shall be decreased by the Pecuniary Interest forfeited and, at BRH's discretion, either (i) BRH's Pecuniary Interest in AOG Units shall be increased by the Forfeited Interests received or (ii) the Forfeited Interests will be transferred to the member of the Apollo. Operating Group that issued such interests for cancellation. For avoidance of doubt, the Forfeited Interests shall not include any AOG Units that have been sold to a Person outside the Forfeiting Senior Manager's Group in accordance with the terms of this Agreement and any other agreement referenced herein.

(b) All credits and debits to the Capital Account of the Forfeiting Senior Manager and his Group shall, from the date of termination of such Forfeiting Senior Manager until the applicable Forfeiture Date, be computed on a pro-forma basis assuming the Ownership Percentage of such Forfeiting Senior Manager and his Group had been adjusted on the date of termination to give effect to the forfeiture to occur on the Forfeiture Date. Amounts that would, but for the preceding sentence, be debited or credited to the Capital Account of such Forfeiting Senior Manager and his Group shall, on the applicable Forfeiture Date, be debited or credited to the Capital Account of BRH.

(c) Notwithstanding anything to the contrary herein, no interests in Holdings shall be issued if such issuance will change the Pecuniary Interest of the Senior Manager or a member of his Group in AOG Units, unless the Senior Manager (or his legal representative) consents to such issuance.

SECTION 4.3 TRANSFER RESTRICTIONS. The Senior Manager, whether on his own behalf or on behalf of his Group, shall not, directly or indirectly, voluntarily effect cumulative transfers of his Pecuniary Interests representing more than (the percentages set forth in this Section 4.3 , in each case, shall be determined based on the aggregate amount of Pecuniary Interests held by the Senior Manager and his Group as of the date hereof):

(a) 0% of his Pecuniary Interests at any time prior to the second anniversary of the closing date of the IPO;

(b) 7.5% of his Pecuniary Interests at any time after the second anniversary and prior to the third anniversary of the closing date of the IPO;

(c) 15% of his Pecuniary Interests at any time after the third anniversary and prior to the fourth anniversary of the closing date of the IPO;

(d) 22.5% of his Pecuniary Interests at any time after the fourth anniversary and prior to the fifth anniversary of the closing date of the IPO;

(e) 30% of his Pecuniary Interests at any time after the fifth anniversary and prior to the sixth anniversary of the closing date of the IPO; and

(f) 100% of his Pecuniary Interests, solely to the extent then vested, at any time after the sixth anniversary of the closing date of the IPO.

Notwithstanding anything contained to the contrary in this Section 4.3 , the Senior Manager or any member of his Group may transfer any of his or its Pecuniary Interests: (w) with the consent of the General Partner, (x) to any Permitted Transferee; provided , that neither the Senior Manager nor any member of his Group may transfer any of his or its interests in Holdings to a Permitted Transferee unless such Permitted Transferee becomes a party to this Agreement by executing a joinder in the form attached as Exhibit A hereto, (y) in connection with (i) an Approved Sale pursuant to Section 5.2 or (ii) a Tag Along Transaction pursuant to Section 3.6 , or (iii) a Sale Transaction, and (z) in connection with a Private Placement or IPO, as long as such sale is pro rata with such similar sales by any of the Principal Groups or BRH. Any transfers permitted pursuant to the preceding sentence shall not count for purposes of calculating whether the total amount of Pecuniary Interests transferred by a Senior Manager or his Group is below the percentages set forth in clauses (a) through (f) above. Notwithstanding anything in this Agreement to the contrary, if BRH or any Principal or his Group sells in a Private Placement or IPO, the Senior Manager's Group shall have the right to make an Exchange and sell a pro rata amount, based on ownership of Class A Shares (assuming that all Pecuniary Interests were Exchanged for Class A Shares) of Class A Shares in such Private Placement or IPO.

ARTICLE V

GOVERNANCE; CERTAIN RIGHTS AND OBLIGATIONS

SECTION 5.1 GOVERNANCE OF HOLDINGS. Except as expressly provided herein or as otherwise delegated to another Person by the General Partner, Holdings will be governed by, and the business and affairs of Holdings shall be managed by or under the direction of the General Partner.

SECTION 5.2 REQUIRED PARTICIPATION IN APPROVED SALES. At any time that BRH proposes a sale or other disposition of Holdings or any portion thereof, through a merger, reorganization, sale of limited partnership interests, asset sale or otherwise, to an unaffiliated third party (an " Approved Sale "), the Senior Manager and each member of his Group shall (i) consent to and raise no objections against the Approved Sale, (ii) if the Approved Sale is structured as a sale, contribution and/or exchange or issuance of the limited partnership interests of Holdings (whether by merger, recapitalization, consolidation, transfer of limited partnership interests, or otherwise, as applicable), then the Senior Manager and each member of his Group shall waive any dissenters rights, appraisal rights or similar rights in connection with such Approved Sale and hereby agrees to vote in favor of such Approved Sale (as applicable), and (iii) the Senior Manager and each member of his Group shall agree to transfer his, her or its limited partnership interests on terms and conditions approved by BRH (subject to the provisos below), and hereby waives preemptive or other similar rights with respect to any issuance of limited partnership interests to be effected in connection herewith. The Senior Manager and each member of his Group shall take all necessary and desirable actions in connection with the consummation of the Approved Sale, including the execution of such agreements, including such instruments and other actions reasonably necessary to (1) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Approved Sale and (2) if applicable, to effectuate the allocation and distribution of the aggregate consideration upon any Approved Sale as set forth below. Holdings shall provide the Senior Manager with written notice of any Approved Sale at least ten (10) days prior to the consummation thereof and the Senior Manager shall be obligated to participate in the Approved Sale with respect to the same percentage of his Pecuniary Interest as the Principal Groups collectively are participating with respect to their direct or indirect Pecuniary Interests in such Approved Sale. Notwithstanding the foregoing, the obligation of the Senior Manager and each member of his Group to participate in any Approved Sale pursuant to this Section 5.2 is subject to the satisfaction of the following conditions: (i) the Senior Manager and the other Limited Partners (including, indirectly, the Principals and the Principal Groups through their participation in BRH) shall be treated ratably with respect to the Pecuniary Interests so transferred, proceeds or other consideration of such Approved Sale, any hold-backs, and any related matters based upon Ownership Percentages, subject to any limitations set forth in the Holdings LPA, and (ii) in the event that the Limited Partners are required to provide any representations, warranties or indemnities in connection with an Approved Sale (other than representations, warranties and indemnities made on a several basis concerning each Limited Partner's valid ownership of limited partnership interests, free of all liens and encumbrances, enforceability of transaction documents, and each Limited Partner's authority, power, and right to enter into and consummate agreements relating to such Approved Sale without violating applicable law or any other agreement), then the Senior Manager and his Group shall not be liable for more than its pro rata amount (based upon Ownership Percentages) of any liability for misrepresentation or indemnity (except in respect of such several representations and warranties) and such liability shall not exceed the total purchase price received by the Senior Manager and his Group from such purchaser.

SECTION 5.3 OUTSIDE ACTIVITIES.

(a) While providing services to an Apollo Service Recipient, substantially all of the Senior Manager's working time will be dedicated to Apollo and its Affiliates and the Senior Manager shall not provide business services to, or become employed by, a Person other than Apollo and its Subsidiaries without the prior written approval of the General Partner (other than activities that have been specifically approved by one or more of the Principals prior to the date hereof and other than business services provided to Portfolio Companies as a representative of Apollo or its Subsidiaries). Without the approval of the General Partner, the Senior Manager (an " Interested Party ") shall not at any time prior to the Senior Manager's termination of with an Apollo Service Recipient, acquire a Financial Interest (as defined below) in (i) any Person in which any member of the Apollo Operating Group or any Subsidiary of the Apollo Operating Group holds an Investment or (ii) any potential Investment actively under consideration by any member of the Apollo Operating Group or any Subsidiary of the Apollo Operating Group. This provision shall not apply to any directors' and other fees or equity incentives from or in a Portfolio Company that became a Portfolio Company as a result of an Investment made by any Fund prior to January 1, 2007 or to any other Financial Interest acquired prior to the date hereof or the date such Investment is first described by clauses (i) or (ii) of the preceding sentence, provided , that the Senior Manager shall promptly disclose in writing such Financial Interests to Apollo and the General Partner. " Financial Interest " means the ownership of securities or rights to acquire securities or the right to receive compensation as an officer, partner or employee in or from a Person. The foregoing limitation shall not apply to investments described in clause (ii) of Section 5.3(b), even if such funds or accounts invest in (i) any Person in which Apollo or any of its Subsidiaries or any Fund holds an investment interest or (ii) any potential investment actively under consideration by any member of the Apollo Operating Group or any Subsidiary of the Apollo Operating Group. Without the approval of the General Partner, prior to the Senior Manager's termination of service as a partner with an Apollo Service Recipient, the Senior Manager shall not actively participate in the management of any business, other than (i) a business of the Apollo Operating Group or a member or Subsidiary thereof or any Person in which a member or Subsidiary of the Apollo Operating Group holds an Investment on behalf of the Apollo Operating Group, (ii) a business described in clause (i) of Section 5.3(b) , (iii) board level participation in a business described in clause (iv) of Section 5.3(b) and (iv) activities that have been specifically approved by one or more of the Principals prior to the date hereof. For avoidance of doubt, a "business" in the preceding sentence and the first sentence of this Section 5.3(a) shall not include volunteer work for any charitable, cultural, educational or philanthropic organization.

(b) At all times prior to the date that the Senior Manager is no longer serving as a partner or employee of any Apollo Service Recipient, the Senior Manager shall not make any personal investment in a Covered Investment other than:

(i) investments which are either (x) investments made (or legally committed to be made) on or prior to the date hereof without violating any existing duty to Apollo and its Affiliates or (y) follow-on investments to the investments described in clause (x) or investments made to refinance the investments described in clause (x);

(ii) passive investments in private equity funds, mutual funds, hedge funds and other managed accounts (but not investments in the manager of such funds or accounts) in which the Interested Party does not influence or control or have advance or contemporaneous knowledge of investment recommendations or decisions, even if such funds or accounts make investments similar to the Investments made by any Fund;

(iii) passive ownership of less than 5% of the outstanding publicly traded equity securities of any issuer;

(iv) investments in private companies equal to the lesser of (x) 10% of the outstanding equity securities of such private company and (y) $30 million per company or group of affiliated companies operating as part of one business;

(v) any other investment so long as (x) such investment has been previously disclosed to the General Partner, (y) the General Partner determines that the consummation of such investment by the Senior Manager is not prohibited by the governing documents of any Fund, and (z) the General Partner determines that (A) it is not advisable for any Fund to make such investment or (B) the investment does not comport with the intent of any Fund, and accordingly, the Senior Manager's consummation of the investment does not raise any appearance of impropriety;

provided , however , that in no event shall the Senior Manager make any investment that conflicts with Apollo's then-current code of ethics or any trading policies of Apollo (it being understood that the terms and restrictions of any such policy may be more restrictive than required by applicable law). Compliance with the code of ethics and any trading policy of Apollo will generally require disclosure of such potential personal investment to the general counsel of Apollo or his designee. Nothing contained in this Section 5.3 or elsewhere in this Agreement shall restrict or diminish (x) the Senior Manager's disclosure obligations pursuant to the code of ethics of Apollo or as may otherwise be required to comply with applicable laws or (y) the Senior Manager's obligations pursuant to any employment or service agreement with Apollo or its Subsidiaries.

(c) The Senior Manager hereby agrees to promptly disclose to Apollo and the General Partner any potential conflict of interest (as set forth in this Section 5.3) upon becoming consciously aware of such conflict or potential conflict.

(d) All directors' and other fees or equity incentives payable to the Senior Manager by a Portfolio Company that became a Portfolio Company as a result of an Investment made by any Fund on or after January 1, 2007 (net of applicable taxes, if any) shall be transferred to Apollo or its designee without any additional consideration therefor.

SECTION 5.4 ACCESS TO BOOKS, RECORDS AND FINANCIAL INFORMATION. The Senior Manager shall have the right, upon reasonable request for purposes reasonably related to the interest of the Senior Manager as a partner of Holdings, to inspect, during normal business hours, Holdings' books and records (including such financial and other information relating to Holdings or any other Person in which Holdings directly or indirectly owns an interest) for so long as the Senior Manager is a partner of Holdings; provided , however , that the General Partner shall have the right to keep confidential from the Senior Manager, for such period of time as the General Partner deems reasonable, any information which the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interest of Holdings or could damage Holdings or its business or which Holdings is required by law or by agreement with a third party to keep confidential; provided , further , that the Senior Manager shall not have any right to inspect or review the Agreement

Among Principals, any other Limited Partner's roll-up agreement or similar agreement, or the Ownership Percentages of any other Limited Partner. All requests for information or access shall be made in writing and shall specify the reasons for such request. Holdings shall have twenty (20) Business Days to respond to such request (or such longer period as may be reasonable under the circumstances given the volume or complexity of the request). The Senior Manager shall reimburse Holdings for all reasonable expenses incurred by it in order to provide such information or access (including expenses necessary to provide such information or access in a manner that is prudent in order to protect the interests of Holdings and its Affiliates). Holdings shall have no obligation to generate information that does not exist nor organize information in a format that does not exist. Holdings shall not have to respond to more than one request in any thirty (30) day period made by the Senior Manager, provided that one request may include more than one deliverable. The rights of the Senior Manager pursuant to this Section 5.4 shall expire when the Senior Manager no longer owns an interest in Holdings. The Senior Manager acknowledges and agrees that he has bargained for and agreed to the provisions of this Section 5.4 and any other provisions of this Agreement which restrict access to information, that such provisions constitute a fundamental element of their agreement relating to the affairs of Holdings, that such provisions limit rights of inspection otherwise available to them and that such provisions are intended to be enforceable notwithstanding any rights of inspection otherwise available at law or in equity.

SECTION 5.5 CONFIDENTIAL INFORMATION.

(a) The Senior Manager will not disclose or use at any time, either prior to his termination or thereafter, any Confidential Information of which he is or becomes aware, whether or not such information is authored or developed by him, except to the extent that (i) such disclosure or use is directly related to and required by his performance of duties to Apollo or any of its Subsidiaries or any Portfolio Company, (ii) subject to Sections 6.8 and 6.9 , to the extent that such disclosure is required in connection with any action by the Senior Manager to enforce rights under this Agreement or any other agreement with Holdings, Apollo or any of its Subsidiaries or any Portfolio Company, (iii) such disclosure is expressly permitted by the terms of this Agreement or the Senior Manager has obtained the prior written consent of the General Partner (which consent may be granted or withheld by the General Partner), or (iv) such disclosure is legally required to be made; provided , in the case of clause (iv), that the Senior Manager shall provide ten (10) days prior written notice, if practicable, to Holdings of such disclosure so that Holdings may seek a protective order or similar remedy; and, provided , further , that, in each case set forth above, the Senior Manager informs the recipients that such information or communication is confidential in nature. The Senior Manager acknowledges and agrees that this Agreement and the provisions hereof constitute confidential information of Holdings and its Affiliates and that any documents, information or reports received by the Senior Manager from Holdings shall be treated as confidential and proprietary information of Holdings. The Senior Manager acknowledges that he has no right to information about a particular Portfolio Company or Fund except in his capacity as an investor in such Fund or director of such Portfolio Company.

(b) Any trade secrets of Holdings, Apollo or any of its Subsidiaries or any Portfolio Company will be entitled to all of the protections and benefits under any applicable law. If any information that Holdings deems to be a trade secret is found by a court of competent jurisdiction not to be a trade secret for purposes of this Agreement, such information will, nevertheless, be considered Confidential Information for purposes of this Agreement. The Senior Manager hereby waives any requirement that Holdings submit proof of the economic value of any trade secret or post a bond or other security.

SECTION 5.6 RESTRICTIVE COVENANTS.

(a) Prior to resigning from his partnership with any Apollo Service Recipient, the Senior Manager shall provide ninety (90) days notice to such Apollo Service Recipient.

(b) The Senior Manager agrees that during the period of his service as a partner to an Apollo Service Recipient and during the Restricted Period, the Senior Manager 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 five percent 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, either in the United States or in any other place in the world where Apollo or any of its Affiliates, successors or assigns engages in the business. Notwithstanding anything to the contrary contained in this Section 5.6(b) , investments described in Section 5.3(b) are permitted.

(c) The Senior Manager agrees that during the period of his service as a partner to an Apollo Service Recipient and for two years after he is no longer providing services to an Apollo Service Recipient, the Senior Manager shall not, directly or indirectly, (i) solicit or induce any officer, director, employee, agent or consultant of Apollo or any of its successors, assigns or Affiliates to terminate his, her or its employment or other relationship with Apollo 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 Apollo or its successors, assigns or Affiliates, for any other reason, or (ii) hire any such individual whom the Senior Manager knows left the employ of (or service as a partner to) Apollo or any of its Affiliates during the immediately preceding twelve (12) months. This provision shall not prohibit the Senior Manager from soliciting or hiring his personal assistant or assistants at the time of his departure. For purposes of this Section 5.6(c) and Section 5.6(d) , " Affiliates " shall not include any Portfolio Company.

(d) The Senior Manager agrees that during the period of his service as a partner to an Apollo Service Recipient and for two years after he is no longer providing any services as a partner to, or employed by, any Apollo Service Recipient, the Senior Manager shall not, directly or indirectly, (i) solicit or induce any investors, financing sources or capital market intermediaries of Apollo or its successors, assigns or Affiliates to terminate (or diminish in any respect) his, her or its relationship with Apollo or its successors, assigns or Affiliates, or (ii) otherwise interfere with or damage (or attempt to impede or otherwise interfere with or damage) any business relationship and/or agreement to which any Apollo Service Recipient or any Affiliate thereof is a party. Nothing in this paragraph applies to those investors, financing sources, capital market intermediaries or business relations who did not conduct business with Apollo, or its successors, assigns or Affiliates during the Senior Manager's service as a partner to, or employment with, or the period in which the Senior Manager held, directly or indirectly, an ownership interest in, an Apollo Service Recipient, Holdings or any of their respective Affiliates. For avoidance of doubt, identification of limited partners of any Fund with regard to activity that is not prohibited by Section 5.6(b) shall not be deemed to be a breach of this Section 5.6(d) or Section 5.5 .

(e) The Senior Manager agrees that he shall not, whether during his service as partner or employment or thereafter, directly or indirectly, make or ratify any statement, public or private, oral or written, to any Person that disparages, either professionally or personally, Apollo 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. Apollo agrees that it shall not, and it shall ensure that any Principal shall not, directly or indirectly, make or ratify any statement, public or private, oral or written, to any person that disparages the Senior Manager, either professionally or personally. The obligations under this paragraph shall not apply to disclosures compelled by applicable law or order of any court.

(f) The Senior Manager agrees and acknowledges that each restrictive covenant contained in this Section 5.6 is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of Holdings, Apollo and their respective Affiliates, imposes no undue hardship on the Senior Manager, is not injurious to the public, and that any violation of any of the restrictive covenants contained in this Section 5.6 shall be specifically enforceable in any court with jurisdiction upon short notice. The Senior Manager agrees and acknowledges that his ownership interests in Holdings is in consideration of the covenants contained in this Section 5.6 , the sufficiency of which consideration is hereby acknowledged. If any provision of this Section 5.6 as applied to the Senior Manager 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 Section 5.6 . If the scope of any such provision, or any part thereof, is too broad to permit enforcement of such provision to its full extent, the Senior Manager 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. The Senior Manager agrees and acknowledges that any such breach of any provision of this Section 5.6 will cause irreparable injury to Holdings, Apollo and their respective Affiliates and upon breach of any provision of this Section 5.6 , Holdings or Apollo 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 Holdings or Apollo may have (including, without limitation, the right to seek monetary damages). Each of the covenants in this Section 5.6 shall be construed as an agreement independent of any other provisions in the Agreement to which it is attached, other than the consideration for such covenant provided in the Agreement.

(g) The Senior Manager will cooperate in all reasonable respects with Apollo and its Affiliates in connection with any and all existing or future litigation, actions or proceedings (whether civil, criminal, administrative, regulatory or otherwise) brought by or against Apollo or any of its Affiliates, to the extent that Apollo reasonably deems the Senior Manager's cooperation necessary. The Senior Manager shall be reimbursed for all out-of-pocket expenses incurred by him as a result of such cooperation.

ARTICLE VI

MISCELLANEOUS

SECTION 6.1 NOTICES. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by facsimile (provided a copy is thereafter promptly delivered as provided in this Section 6.1) or nationally recognized overnight courier, addressed to such party at the address and facsimile number set forth on Schedule III .

SECTION 6.2 INTERPRETATION. In the event of any inconsistency between this Agreement and the annexes hereto, such annexes shall govern. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the words “included”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation.”

SECTION 6.3 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.

SECTION 6.4 COUNTERPARTS. This Agreement may be executed in one or more counterparts, including via facsimile, each of which shall be deemed an original and all of which shall, taken together, be considered one and the same agreement, it being understood that both parties need not sign the same counterpart.

SECTION 6.5 ENTIRE AGREEMENT; THIRD PARTY BENEFICIARIES. This Agreement and the Holdings LPA (a) constitute the entire agreement and (except with respect to any agreements entered into contemporaneously herewith or as otherwise expressly provided herein) supersede all other prior agreements, both written and oral, among the parties with respect to the subject matter hereof, and (b) are not intended to confer upon any Person, other than the parties hereto and (i) the General Partner, (ii) the Persons that issued the Senior Manager Points and the general partners of such Persons, and (iii) the Principals (each of whom the Senior Manager, on his own behalf and on behalf of his Group, expressly agrees, acknowledges and confirms is intended to be, and will be, a third party beneficiary of any and all undertakings, agreements, and representations made herein by the Senior Manager as if he or it were a party hereto, notwithstanding that he or it are not a party to this Agreement) any rights or remedies hereunder. In the event of any inconsistency between this Agreement and Annex A hereto, Annex A shall govern.

SECTION 6.6 FURTHER ASSURANCES. Each party shall execute, deliver, acknowledge and file such other documents and take such further actions as may be reasonably requested from time to time by the other party hereto to give effect to and carry out the transactions contemplated herein.

SECTION 6.7 GOVERNING LAW; EQUITABLE REMEDIES. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE (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 this Agreement were not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that in the event that (a) arbitration pursuant to Section 6.9 is not available or (b) circumstances exist such that immediate action must be taken to preserve the intent of this Agreement pending an arbitration in accordance with Section 6.9 , the parties hereto shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in 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 6.7 , it will not assert the defense that a remedy at law would be adequate.

SECTION 6.8 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 6.9 ; provided , however , that, to the extent that Section 6.9 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 6.9 (after giving effect to the terms of Section 6.3) , the following provisions of this Section 6.8 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 (a) 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 forum 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; (b) 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 the party at his or her respective address referred to in Section 6.1 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 (c) **TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, WAIVES, AND COVENANTS THAT IT 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 RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT OR ANY OF THE CONTEMPLATED TRANSACTIONS WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

SECTION 6.9 ARBITRATION.

(a) Except as provided in Section 5.6(f) and Section 6.7 , 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:

(i) 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.

(ii) 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 potential for bias or conflict of interest with respect any of the parties hereto, directly or indirectly, by virtue of any direct or indirect financial interest, family relationship or close friendship.

(iii) Such arbitration shall be held at such place as the arbitrators appointed by JAMS may determine within New York, New York, or such other location to which the parties hereto may agree.

(iv) 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.

(v) The arbitrators shall have the authority to issue subpoenas for the attendance of witnesses and for the production of records and other evidence 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.

(vi) 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. In addition, the arbitrators shall have the authority to award injunctive relief to any of the parties.

(vii) 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.

(viii) Judgment on the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(ix) The parties shall share equally all expenses of JAMS (including those of the arbitrators) incurred in connection with any arbitration. Notwithstanding the foregoing, if the arbitrators determine that any party's claim or position was frivolous, such party shall reimburse the other parties to such arbitration for all reasonable expenses incurred (including reasonable legal fees and expenses) in connection with such arbitration.

(x) The parties hereto agree to participate in any arbitration in good faith.

(b) 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 subparagraph (a)(ii) above). Any such arbitration shall be subject to the provisions of subparagraphs (a)(iii) through (a)(x) 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 6.7 and 6.8 .

(c) 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, and 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 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.

SECTION 6.10 AMENDMENTS; WAIVERS; NO DISCRIMINATORY ACTION.

(a) The Agreement may be amended and the terms and conditions of the Agreement may be changed or modified at any time upon the approval, in writing, of the parties hereto (or their legal representative, if applicable); provided , however , that in the event that BRH or Holdings is liquidated or dissolved, the provisions hereof may be amended by the General Partner to account for such liquidation or dissolution without the consent of the Senior Manager or any member of his Group, so long as (i) such amended provisions are on substantially similar terms to those included herein and (ii) there is no adverse economic or tax consequence to the Senior Manager or any member of his Group. For all purposes of this Agreement, the consent of the Senior Manager (or his legal representative) shall be sufficient to bind the Senior Manager and all members of his Group.

(b) In addition to the provisions of Section 3.8 , Apollo shall not permit the Shareholders Agreement or the Exchange Agreement to be amended in a manner that discriminates against the Senior Manager or his Group relative to the Principals and their Groups or the other Senior Executives and their Groups without first obtaining the consent of the Senior Manager (or his legal representative). Without limiting the generality of the foregoing, Apollo acknowledges that the Senior Manager and his Group are third party beneficiaries of Section 7.2 of the Shareholders Agreement and such Section may not be amended or terminated in a manner that would adversely affect the Senior Manager and his Group without the prior consent of the Senior Manager (or his legal representative).

(c) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(d) The Senior Manager, whether on his own behalf or on behalf of his Group, will not take any action as a stockholder, director, partner, member, officer or otherwise except in a manner that is consistent with the terms of this Agreement, and the Senior Manager shall not enter into any agreement or arrangement of any kind with any Person on terms inconsistent with the provisions of this Agreement (whether or not such agreement or arrangement is with other Limited Partners, Permitted Transferees or with Persons that are not party to this Agreement). Each Permitted Transferee will not take any action as a stockholder, director, partner, member, officer or otherwise except in a manner that is consistent with the terms of this Agreement, and no Permitted Transferee shall enter into any agreement or arrangement of any kind with any Person on terms inconsistent with the provisions of this Agreement (whether or not such agreement or arrangement is with a Limited Partner, any other Permitted Transferee or with Persons that are not party to this Agreement).

SECTION 6.11 ASSIGNMENT. Except as expressly provided herein, neither this Agreement nor any of the rights or obligations hereunder shall be assigned by any of the parties hereto without the prior written consent of the other parties; provided , that BRH may assign its rights and obligations hereunder to its limited partners at any time. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

SECTION 6.12 SPOUSAL CONSENT. If requested by Holdings, each Senior Manager or Permitted Transferee who is an individual shall cause his or her spouse, as applicable, to execute and deliver a separate consent and agreement in form and substance reasonably acceptable to Holdings (a " Spousal Consent "). The signature of a spouse on a spousal consent shall not be construed as making, and shall not have the effect of making, such spouse a partner of Holdings or a party to this Agreement, except as expressly set forth in such consent. Each Senior Manager or Permitted Transferee who is an individual will certify his or her marital status to Holdings at Holdings' request, and promptly notify Holdings of any change in his or her marital status.

SECTION 6.13 NOTICES AND INSTRUCTIONS TO SENIOR MANAGER GROUP. The parties hereto acknowledge and agree that for purposes of administrative convenience and providing clear and non-conflicting instructions to Holdings, the Senior Manager was given certain rights under this Agreement to give notices and to give instructions that would be binding upon the Senior Manager and his Group. The parties agree that while Holdings shall be entitled to rely on such notices and instructions as being binding on the Senior Manager and his Group, such provisions are not intended to convey or transfer any right or authority from a member of the Senior Manager's Group to the Senior Manager, and that as between the Senior Manager and members of his Group, it is the Senior Manager's obligation to obtain appropriate instruction, consent or authority to give such notices or instructions from a member of his Group that affect such member of his Group.

* * * * *

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed and delivered, all as of the date first set forth above.

AP PROFESSIONAL HOLDINGS, L.P.

By: BRH Holdings GP, Ltd.
its General Partner

By: /s/ John J. Suydam
John J. Suydam
Vice President

BRH HOLDINGS, L.P.

By: BRH Holdings GP, Ltd.
its General Partner

By: /s/ John J. Suydam
John J. Suydam
Vice President

APOLLO GLOBAL MANAGEMENT, LLC

By: AGM Management, LLC
its Manager

By: BRH Holdings GP, Ltd.
its Sole Member

By: /s/ John J. Suydam
John J. Suydam
Vice President

SOLELY IN CONNECTION WITH SECTION 2.1 :

APO CORP.

By: /s/ John J. Suydam
John J. Suydam
Vice President and Secretary

APO ASSET CO., LLC

By: /s/ John J. Suydam
John J. Suydam
Vice President and Secretary

/s/ Scott M. Kleinman
Scott M. Kleinman

[Roll Up Agreement — Kleinman]

TRANSFEROR

THE KLEINMAN CHILDREN'S TRUST,
U/A/D OCTOBER 30, 2006

By: /s/ Alan Kleinman
Alan Kleinman
Trustee

EXHIBIT A

FORM OF JOINDER TO
ROLL-UP AGREEMENT

[THIS JOINDER (this " Joinder ") to that certain Roll-up Agreement (the " Agreement ") dated as of July 13, 2007, by and among Scott M. Kleinman (the " Senior Manager "), AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership (" Holdings "), and BRH Holdings, L.P., a Cayman Islands exempted limited partnership (" BRH "), is made and entered into as of July 13, 2007 by and between the Senior Manager, Holdings, BRH and [NAME OF PERMITTED TRANSFEREE] (the " Transferee "). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Agreement.

WHEREAS, the Transferee has acquired an ownership interest in Holdings, and the Agreement requires the Transferee to become a party to the Agreement, and Transferee agrees to do so in accordance with the terms hereof.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Joinder hereby agree as follows:

1. Agreement to be Bound . The Transferee hereby agrees that upon execution of this Joinder, [he, she or it] shall become a party to the Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Agreement as though an original party thereto.

2. Successors and Assigns . Except as otherwise provided herein, this Joinder shall bind and inure to the benefit of and be enforceable by the Senior Manager, Holdings and BRH, and the General Partner and each Principal (as a third party beneficiary to the Agreement), and their respective successors and assigns so long as the Transferee holds any ownership interest in Holdings.

3. Counterparts . This Joinder may be executed in separate counterparts, including by facsimile, each of which shall be an original and all of which taken together shall constitute one and the same agreement.

4. Notices . For purposes of Section 6.1 of the Agreement, all notices, demands or other communications to the Holder shall be directed to:

[Name]
[Address]
[Attention]
[Facsimile Number]

5. Governing Law . THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF).

6. Descriptive Headings . The descriptive headings of this Joinder are inserted for convenience only and do not constitute a part of this Joinder.]

IN WITNESS WHEREOF, the parties hereto have executed this Joinder as of the date first above written.

AP PROFESSIONAL HOLDINGS, L.P.

By: ___
Name:
Title:

BRH HOLDINGS, L.P.

By: ___
Name:
Title:

/s/ Scott M. Kleinman
Scott M. Kleinman

[TRANSFEREE]

By: ___
Name:
Title:

Exhibit 10.46

Apollo Global Management, LLC
9 West 57th Street
New York, NY 10019

November 12, 2017

Personal and Confidential
Mr. James C. Zelter
[address on file with the Company]

Dear Jim:

We refer to the letter agreement (the " **Agreement** ") between you and Apollo Global Management, LLC (" **Apollo** " or " **AGM** ") and its subsidiaries (collectively, the " **Company** "), dated June 20, 2014, regarding the terms of your employment. This letter (this " **Amendment** ") effects certain changes to the Agreement, as mutually agreed, in connection with your appointment as Co-President effective January 1, 2018. Capitalized terms used but not defined herein have the meanings ascribed to them in the Agreement.

1. **Position and Reporting.** Effective January 1, 2018, you shall serve as Co-President, with responsibility for Apollo's credit business, and shall report to Joshua Harris or his successor. As Co-President, you will be the most senior executive of Apollo's credit business, provided that Apollo subsidiary Athene Asset Management, L.P. shall be co-managed by you and James R. Belardi or his successor. You shall be a nonvoting member of the Executive Committee, including any successor or equivalent committee thereof.

2. **Annual Base Pay.** During your employment with the Company, your base salary from and after January 1, 2018 shall be at the rate of $100,000, which amount shall be paid in monthly installments. All amounts payable under the Agreement (as modified by this Amendment) are subject to withholding, if applicable, in accordance with law. You shall no longer be entitled to receive a non-discretionary Annual Bonus or amounts in respect thereof but shall be eligible to receive a discretionary annual bonus.

3. **AGM Restricted Share Units.** In the first quarter of 2018, you shall receive a one-time grant of 2,500,000 AGM restricted share units (" **RSUs** "). Such RSUs shall vest on the first five anniversaries of January 1, 2018, subject to your continued employment on each such date and the terms of an RSU award agreement under AGM's omnibus equity incentive plan in the form previously provided to you. Such executed award agreement shall evidence the grant. Such RSUs shall accrue distribution equivalents from the date of grant, whether or not such RSUs have vested.

4. **Carry Points and Profits Interests.** All existing points and interests in respect of carried interest or other incentive income vehicles managed, sponsored or advised by the Company or any of its affiliates that were previously awarded to you (including, without limitation, all CIP Points, EPF II Points, COF III Points, profits interests, other carry points, incentive income rights and Tail Rate rights) shall terminate effective after the close of business on December 31, 2017, and you shall forfeit any right to distributions (except for any distributions that may be made to you in respect of an existing tax capital account balance) that otherwise would have been made after such date in respect of such points or interests.

Effective as of January 1, 2018, you shall receive, without duplication, 50 points that entitle you to participate, directly or indirectly, in the incentive income distributions made by all Credit funds (a current list of which has been separately communicated to you), with the same vesting terms as apply to investment professionals who hold such points generally. Except as provided in the next sentence, such points may be notional points that entitle you to receive W-2 income on the same terms as apply to other senior employees in the credit business. Your points in the general partners of funds that have been separately communicated to you shall relate to actual limited partner (or similar) interests you will hold in such general partners. The vesting commencement date for your points that are subject to vesting shall be January 1, 2018.

Other than as specifically set forth above, you and the Company acknowledge and agree that, as of the close of business on December 31, 2017 (or such earlier date as you may separately agree in conjunction with your participation in credit business compensation programs), you shall have no right, contractual, contingent, or otherwise, to receive any incentive fees, management fees, or carried interest points, payments or distributions in respect of any of the foregoing from the Company or any of its affiliates.

For purposes of clarity, your existing capital commitment obligations are unchanged by this Amendment and shall continue to subsist in accordance with the applicable documentation governing such capital commitments.

5. **Coordination with Agreement.** Except as otherwise set forth above, the Agreement remains in full force and effect in accordance with its terms. The Agreement, except as modified by this Amendment, shall be treated as if incorporated by reference into this Amendment. You acknowledge that the modifications to your compensation, role and reporting reflected in this Amendment shall not be construed as providing a basis for a Good Reason termination under any written arrangement of the Company.

6. **Section 409A.** The Agreement (as modified by this Amendment) is intended to be exempt from, or comply with, Section 409A and to be interpreted in a manner consistent therewith. To the extent necessary to avoid the imposition of tax or penalty under Section 409A, any payment by the Company or affiliate to you (if you are then a "specified employee" as defined in Code Section 409A(a)(2)(B)(i) and Treasury Regulation §1.409A-1(i)(1)) of "deferred compensation," whether pursuant to the Agreement (as modified by this Amendment) or otherwise, arising solely due to a "separation from service" (and not by reason of the lapse of a "substantial risk of forfeiture"), as such terms are used in Section 409A, shall be delayed (to the extent otherwise payable prior to such date) and paid on the first day following the six-month period beginning on the date of your separation from service under Section 409A (or, if earlier, upon your death). Each payment or installment due under the Agreement (as modified by this Amendment) is intended to constitute a "separate payment" for purposes of Section 409A. In no event shall the Company or any affiliate (or any agent thereof) have any liability to you or any other person due to the failure of the Agreement (as modified by this Amendment) to satisfy the requirements of Section 409A.

7. **Counterparts.** This Amendment may be executed through the use of separate signature pages or in any number of counterparts, including via facsimile or pdf, with the same effect as if the parties executing such counterparts had executed one counterpart.

Sincerely,

/s/ Lisa Barse Bernstein
Lisa Barse Bernstein
Senior Partner, Global Head of Human Capital

Read, Accepted and Agreed to:

/s/ James C. Zelter
James C. Zelter

Dated: November 12, 2017

Exhibit 10.80

CONFIDENTIAL & PROPRIETARY
EXECUTION COPY

This limited partnership is the general partner of Apollo Special Situations Fund, L.P. and its parallel funds, if any, and earns the "carried interest" on ASSF profits.

Apollo Special Situations Advisors, L.P.

Amended and Restated

Limited Partnership Agreement

Dated February 15, 2017 and effective as of March 18, 2016

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APOLLO SPECIAL SITUATIONS ADVISORS, L.P.
A Delaware Limited Partnership

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of APOLLO SPECIAL SITUATIONS ADVISORS, L.P. dated February 15, 2017 and effective as of March 18, 2016, by and among Apollo Special Situations Advisors GP, LLC, a Delaware limited liability company, as the sole general partner, and the persons whose names and addresses are set forth in the Schedule of Partners under the caption “Limited Partners” as the limited partners.

W I T N E S S E T H:

WHEREAS, on February 23, 2016, Apollo Special Situations Management, L.P. filed with the Secretary of State of the State of Delaware a Certificate of Limited Partnership to form Apollo Special Situations Advisors, L.P. as a limited partnership under the Delaware Revised Uniform Limited Partnership Act, pursuant to an agreement among Apollo Special Situations Advisors GP, LLC, as sole general partner, and APH Holdings, L.P., as initial limited partner (the “ Original Agreement ”); and

WHEREAS, the parties wish to amend and restate the Original Agreement in its entirety.

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Capitalized terms used but not otherwise defined herein have the following meanings:

"Account Points" has the meaning ascribed to that term in Section 2.8(a)(i).

"Act" means the Delaware Revised Uniform Limited Partnership Act, as in effect on the date hereof and as amended from time to time, or any successor law.

"AEOI" means (a) legislation known as the U.S. Foreign Account Tax Compliance Act, sections 1471 through 1474 of the Code and any associated legislation, regulations (whether proposed, temporary or final) or guidance, any applicable intergovernmental agreement and related statutes, regulations or rules, and other guidance thereunder, (b) any other similar legislation, regulations, or guidance enacted in any other jurisdiction which seeks to implement similar financial account information reporting and/or withholding tax regimes, including the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard and any associated guidance, (c) any other intergovernmental agreement, treaty, regulation, guidance, standard or other agreement entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in clauses (a) and (b) of this definition, and (d) any legislation, regulations or guidance in any jurisdiction that give effect to the matters outlined in the preceding clauses of this definition.

"Administrative Committee" means a committee of the General Partner initially composed of Marc Becker, Scott Kleinman, Jim Zelter, Sanjay Patel and Lisa Bernstein and any successor, substitute or additional member appointed thereto.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person. Except as the context otherwise requires, the term "Affiliate" in relation to AGM includes each collective investment fund and account sponsored, managed or advised by AGM or its affiliated asset management entities, but, in each case, does not include Portfolio Companies except with respect to Bad Acts and the Restrictive Covenants.

"AGM" means Apollo Global Management, LLC, a Delaware limited liability company.

"Agreement" means this Amended and Restated Limited Partnership Agreement, as amended or supplemented from time to time.

"Alternative GP Vehicle" has the meaning ascribed to that term in Section 3.9.

"APH" means (a) APH Holdings, L.P., a Cayman Islands exempted limited partnership, and (b) any other entity formed by AGM or its Affiliates that holds Points, in its capacity as a Limited Partner, for the benefit (directly or indirectly) of (i) AGM, (ii) AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership, or (iii) employees or other service providers of AGM Affiliates, in its capacity as a Limited Partner.

"Applicable Tax Representative" means, with respect to a tax matter, the General Partner, the Tax Matters Partner or the Partnership Representative (each in its capacity as such), as applicable.

"ASSF" means Apollo Special Situations Fund, L.P., a limited partnership formed under the Act.

"Bad Act" means a Limited Partner's:

(a) commission of an intentional violation of a material law or regulation in connection with any transaction involving the purchase, sale, loan, pledge or other disposition of, or the rendering of investment advice with respect to, any security, asset, futures or forward contract, insurance contract, debt instrument or currency, in each case, that has a significant adverse effect on the Limited Partner's ability to perform his or her services to AGM or any of its Affiliates;

(b) commission of an intentional and material breach of a material provision of a written AGM Code of Conduct (other than any AGM Code of Conduct adopted after the date of such Limited Partner's admission to the Partnership with the primary purpose of creating or finding "Bad Acts");

(c) commission of intentional misconduct in connection with the performance by the Limited Partner of his or her services for AGM or any of its Affiliates;

(d) commission of any misconduct that, individually or in the aggregate, has caused or substantially contributed to, or is reasonably likely to cause or substantially contribute to, material economic or reputational harm to AGM or any of its Affiliates (excluding any mistake of judgment made in good faith with respect to a portfolio investment or account managed by AGM or its Affiliates, or a communication made to the principals or other partners, in a professional manner, of a good faith disagreement with a proposed action by AGM or any of its Affiliates);

(e) conviction of a felony or plea of no contest to a felony charge, in each case if such felony relates to AGM or any of its Affiliates;

(f) fraud in connection with the performance by the Limited Partner of his or her services for AGM or any of its Affiliates; or

(g) embezzlement from AGM or any of its Affiliates or interest holders;

provided, that

(i) with respect to the items set forth in clauses (b) and (d), the Limited Partner has failed to cure within fifteen Business Days after notice thereof, to the extent such occurrence is susceptible to cure, and

(ii) during the pendency of any felony charge under clause (e), AGM and its Affiliates may suspend payment of any distributions in respect of the Limited Partner's Points, and if (A) the Limited Partner is later acquitted or otherwise exonerated from such charge, or (B) the employment or service of such Limited Partner with AGM or its applicable Affiliate does not terminate, then (1) AGM or its applicable Affiliate shall pay to the Limited Partner all such accrued but unpaid distributions with respect to vested Points, with interest calculated from the date such distributions were suspended at the prime lending rate in effect on the date of such suspension, and (2) throughout the period of suspension (or until the date of termination of employment or service, if earlier), distributions with respect to unvested Points shall continue to accrue, and Points shall continue to vest, in accordance with the terms and conditions set forth herein.

" BBA Audit Rules " means Subchapter C of Chapter 63 of the Code (sections 6221 through 6241 of the Code), as enacted by the United States Bipartisan Budget Act of 2015, Pub. L. No. 114-74, as amended from time to time, and the Treasury Regulations (whether proposed, temporary or final), including any subsequent amendments and administrative guidance, promulgated thereunder (or which may be promulgated in the future), together with any similar United States state, local or non-U.S. law.

" Book-Tax Difference " means the difference between the Carrying Value of a Partnership asset and its adjusted tax basis for United States federal income tax purposes, as determined at the time of any of the events described in the definition of Carrying Value, which for purposes of this Agreement shall include any accrued income in respect of securities contributed to or held (directly or indirectly) by the Partnership as of the date of any such event. The General Partner shall maintain an account in the name of each Limited Partner from whom or from which any Points are reallocated to a Newly-Admitted Limited Partner that reflects such Limited Partner's share of any Book-Tax Difference.

" Business Day " means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

" Capital Account " means, with respect to each Partner, the capital account established and maintained on behalf of such Partner as described in Section 3.3 .

" Capital Loss " means, for each Fund with respect to any Fiscal Year, the portion of any Net Loss and any Portfolio Investment Loss allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

" Capital Profit " means, for each Fund with respect to any Fiscal Year, the portion of any Net Income and any Portfolio Investment Gain allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

" Carrying Value " means, with respect to any Partnership asset, the asset's adjusted basis for United States federal income tax purposes, except that the Carrying Values of all Partnership assets shall be adjusted to equal their respective fair market values (as determined by the General Partner), in accordance with the rules set forth in Treasury Regulations section 1.704-1(b)(2)(iv)(f), except as otherwise provided herein, immediately prior to: (a) the date of the acquisition of any interests in the Partnership by any new Partner or of any additional interests by any existing Partner in exchange for more than a *de minimis* capital contribution; (b) the date of the distribution of more than a *de minimis* amount of any Partnership asset to a Partner, including cash as consideration for an interest in the Partnership; (c) the date of the grant of more than a *de minimis* profits interest in the Partnership as consideration for the provision of services to or for the benefit of the Partnership by an existing Partner, or by a new Partner acting in his capacity as a Partner or in anticipation of becoming a Partner; or (d) the liquidation of the Partnership within the meaning of Treasury Regulations section 1.704-l(b)(2)(ii)(g); provided , that any adjustment pursuant to clauses (a), (b) and (c) above shall be made only if the General Partner reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Partners. The Carrying Value of any Partnership asset distributed to any Partner shall be adjusted immediately prior to such distribution to equal its fair market value (as determined by the General Partner). The Carrying Value of any asset contributed by a Partner to the Partnership shall be the fair market value (as determined by the General Partner) of the asset at the date of its contribution.

" Catch Up Amount " means the product derived by multiplying (a) the amount of any Book-Tax Difference arising on the admission to the Partnership of a Newly-Admitted Limited Partner by (b) the percentage derived by dividing the number of Points issued to the Newly-Admitted Limited Partner, by the aggregate number of Points on the date the Newly-Admitted Limited Partner is admitted to the Partnership. The General Partner shall maintain an account in the name of each Newly-Admitted Limited Partner that reflects such Limited Partner's Catch Up Amount, which shall be adjusted as necessary to reflect any subsequent reduction in such Book-Tax Difference corresponding to any subsequent negative adjustments to the Carrying Value of the Partnership's assets that relate to such Book-Tax Difference, and which may be further adjusted to the extent the General Partner determines in its sole discretion is necessary to cause the Catch Up Amount to be equal to the amount necessary to provide such Limited Partner with a requisite share of Partnership capital based on such Limited Partner's Points in accordance with the terms of this Agreement and such Limited Partner's Points Award Memo.

" Certificate " means the Certificate of Limited Partnership of the Partnership and any amendments thereto as filed with the office of the Secretary of State of the State of Delaware.

" Clawback Payment " means any payment required to be made by the Partnership to any Fund pursuant to section 10.3 of the Fund LP Agreement of ASSF or its equivalent in the Fund LP Agreement of any other Fund.

" Clawback Share " means, as of the time of determination, with respect to any Limited Partner and any Clawback Payment, a portion of such Clawback Payment equal to (a) the cumulative amount distributed to such Limited Partner of Operating Profit attributable to the Portfolio Investments determined by the General Partner to give rise to the Clawback Payment, divided by (b) the cumulative amount so distributed to all Partners with respect to such Operating Profit attributable to such Fund.

" Co-Investors (A) " means Apollo Special Situations Co-Investors (A), L.P., a Delaware limited partnership.

" Co-Investors (A) Partnership Agreement " means the amended and restated limited partnership agreement of Co-Investors (A), as amended from time to time.

" Code " means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

" Covered Person " has the meaning ascribed to that term in Section 5.7 .

" DEUCC " has the meaning ascribed to that term in Section 6.5(c) .

" Disability " has the meaning ascribed to that term in the AGM 2007 Omnibus Equity Incentive Plan.

" Discretionary Points " has the meaning ascribed to that term in Section 2.8(a)(ii).

" Escrow Account " has the meaning ascribed to that term in the Fund LP Agreement of ASSF or its equivalent in the Fund LP Agreement of any other Fund.

" Execution Page " means the counterpart signature document so titled, pursuant to which the Limited Partners, other than APH, have agreed to become party to each of this Agreement and the Co-Investors (A) Partnership Agreement.

" Executive Committee " means the Executive Committee of the Board of Managers of AGM as in effect from time to time.

" Final Adjudication " has the meaning ascribed to that term in Section 5.7 .

" Final Distribution " has the meaning ascribed to that term in the Fund LP Agreement of ASSF or its equivalent in the Fund LP Agreement of any other Fund.

" Fiscal Year " means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a) , unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

"Founder Partner" means each of Leon Black, Joshua Harris, Marc Rowan and any Limited Partner that holds Points by reason of being a Related Party of one of the foregoing individuals.

"Fund" means each of ASSF and each "Parallel Fund" within the meaning of the Fund LP Agreement of ASSF. Such term also includes each alternative investment vehicle of ASSF, and/or any such Parallel Fund and/or managed account, "fund of one" or other similar product that invests alongside ASSF in the ordinary course (for the avoidance of doubt, excluding any other investment fund sponsored by AGM or its Affiliates and investing alongside ASSF on a one-off basis), to the extent the context so requires. As of March 18, 2016, the "Fund" refers to ASSF.

"Fund General Partner" means the Partnership in its capacity as a general partner of any of the Funds pursuant to the Fund LP Agreements.

"Fund LP Agreement" means the limited partnership agreement of any of the Funds, as amended from time to time, and, to the extent the context so requires, the corresponding constituent agreement, certificate or other document governing each such Fund.

"General Partner" means Apollo Special Situations Advisors GP, LLC, a Delaware limited liability company, in its capacity as general partner of the Partnership or any successor to the business of the General Partner in its capacity as general partner of the Partnership.

"Governmental Authority" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Home Address" has the meaning ascribed to such term in Section 9.6.

"Investment Manager" has the meaning ascribed to that term in each of the Fund LP Agreements.

"JAMS" has the meaning ascribed to that term in Section 9.9(b).

"Limited Partner" means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner, until such Person withdraws entirely as a limited partner of the Partnership, in his capacity as a limited partner of the Partnership. All references herein to a Limited Partner shall be construed as referring collectively to such Limited Partner and to each Related Party of such Limited Partner (and to each Person of which such Limited Partner is a Related Party) that also is or that previously was a Limited Partner, except to the extent that the General Partner determines that the context does not require such interpretation as between such Limited Partner and his Related Parties.

"Net Income" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Loss" has the meaning ascribed to that term in each of the Fund LP Agreements.

" Newly-Admitted Limited Partner " has the meaning ascribed to that term in Section 4.1(d)(i) .

" Operating Loss " means, with respect to any Fiscal Year, any net loss of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss, and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes. Operating Loss shall not include any loss attributable to a Book-Tax Difference.

" Operating Profit " means, with respect to any Fiscal Year, any net income of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss, and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes. Operating Profit shall not include any income or gain attributable to a Book-Tax Difference.

" Partner " means the General Partner or any of the Limited Partners, and " Partners " means the General Partner and all of the Limited Partners.

" Partnership " means the limited partnership continued pursuant to this Agreement.

" Partnership Representative " means for any relevant taxable year of the Partnership to which the BBA Audit Rules apply, the General Partner acting in the capacity of the "partnership representative" (as such term is defined under the BBA Audit Rules) or such other Person as is appointed to be the "partnership representative" by the General Partner from time to time.

" Person " means any individual, partnership (whether or not having separate legal personality), corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

" Plan Year " means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year, or such other period as determined by the General Partner; provided , that the first Plan Year shall be deemed to begin on March 18, 2016 and the final Plan Year shall be deemed to end on the date on which a Dissolution Event (as defined in the Fund LP Agreement of ASSF) occurs.

" Point " means a share of Operating Profit or Operating Loss, net of amounts distributed (or reserved) as Priority Distributions. Points shall include both Account Points and

Discretionary Points. The aggregate number of Points available for assignment to all Partners with respect to each Plan Year shall be [ ].

" Points Award Memo " means each notice delivered to each Limited Partner setting forth the award of Points to such Limited Partner.

" Portfolio Company " has the meaning ascribed to that term in each of the Fund LP Agreements.

" Portfolio Investment " has the meaning ascribed to that term in each of the Fund LP Agreements.

" Portfolio Investment Gain " means the income and gains described in section 3.4(a)(i) of the Fund LP Agreement of ASSF or its equivalent in the Fund LP Agreement of any other Fund.

" Portfolio Investment Loss " means the losses and deductions described in section 3.4(a)(ii) of the Fund LP Agreement of ASSF or its equivalent in the Fund LP Agreement of any other Fund.

" Priority Distribution " has the meaning ascribed to that term in Section 7.1(e) .

" Reference Rate " means the interest rate announced publicly from time to time by JPMorgan Chase Bank in New York, New York as such bank's prime rate.

" Related Party " means, with respect to any Limited Partner:

(a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner's parent, or any natural Person who occupies the same principal residence as the Limited Partner;

(b) any trust or estate in which the Limited Partner and any Related Party or Related Parties of such Limited Partner (other than such trust or estate) collectively have more than 80 percent of the beneficial interests (excluding contingent and charitable interests);

(c) any entity of which the Limited Partner and any Related Party or Related Parties (other than such entity) of such Limited Partner collectively are beneficial owners of more than 80 percent of the equity interest; and

(d) any Person with respect to whom such Limited Partner is a Related Party.

" Required Voting Partners " means, at any time, at least a majority by number of Limited Partners who are Voting Partners at such time.

" Reserved Team Points " means [ ] Points, [ ] of which shall be Account Points and [ ] of which shall be Discretionary Points; provided , that, the Administrative Committee, in its discretion, may increase the amount of Account Points outstanding at any time and from time to time by up to 10%, in which case the number of Discretionary Points outstanding shall be correspondingly reduced for so long as such additional Account Points remain outstanding.

" Restrictive Covenants " means the restrictive covenants contained or referenced in the admission document or Points Award Memo of a Limited Partner (as the same may be modified, amended or supplemented from time to time).

" Retained Amount " has the meaning ascribed to that term in Section 4.2 .

" Retired Partner " means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2 .

" Retirement Date " means, with respect to any Limited Partner, the date as of which such Person becomes a Retired Partner.

" Schedule of Partners " means a schedule to be maintained by the General Partner showing the following information with respect to each Partner: name, address, date of admission and retirement and required capital contribution.

" Strategic Partnership " has the meaning ascribed to that term in Section 9.2 .

" Tax Obligation " has the meaning ascribed to that term in Section 4.3(a) .

" Tax Matters Partner " means for any taxable year of the Partnership subject to the TEFRA Audit Rules, the General Partner acting in the capacity of the "tax matters partner" of the Partnership (as such term was defined in section 6231(a)(7) of the Code under the TEFRA Audit Rules) or such other Person as may be appointed to be the "tax matters partner" by the General Partner from time to time.

" Team Member " means (a) a natural person who provides substantial services to the private equity, natural resources or credit business of AGM or its Affiliates, (b) a natural person who, following the date hereof, becomes a Retired Partner and who, on or following the date hereof, held Points in his capacity as a Team Member, or (c) a Related Party of any of the foregoing. Notwithstanding the foregoing, none of the Founder Partners shall be considered a Team Member.

" TEFRA Audit Rules " means Subchapter C of Chapter 63 of the Code (sections 6221 through 6234 of the Code), as enacted by the United States Tax Equity and Fiscal Responsibility Act of 1982, Pub. L. No. 97-248, 96 Stat. 324, as amended from time to time, and the Treasury Regulations (whether proposed, temporary or final), including any subsequent amendments and administrative guidance, promulgated thereunder (or which may be promulgated in the future), together with any similar United States state, local or non-U.S. law, but excluding the BBA Audit Rules.

“ Transfer ” means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of his interest in the Partnership (whether respecting, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

“ Treasury Regulations ” shall mean the United States Treasury regulations promulgated under the Code.

“ Vested Account Points ” means the Vested Points of any Limited Partner that are Account Points.

“ Vested Points ” means, with respect to each Retired Partner and each Portfolio Investment, the sum of (x) his Points with respect to such Portfolio Investment, in each case, multiplied by (y) the Vesting Percentage applicable to each such Point as of his Retirement Date.

“ Vesting Commencement Date ” means, with respect to each Limited Partner other than APH, the commencement date of the vesting period with respect to each Point assigned to such Limited Partner, which, unless otherwise specified by the General Partner in a Points Award Memo, shall be (a) with respect to Account Points, the later of (i) the date of such Limited Partner’s admission to the Partnership, (ii) the date of the closing of the Fund’s first Portfolio Investment, as determined by the General Partner (which, for the avoidance of doubt, may be a date proceeding or following the date on which such Limited Partner was admitted to the Partnership) and (iii) if such Account Points are additional to Account Points previously allocated to such Limited Partner, a date specified by the General Partner in a Points Award Memo, and (b) with respect to each Discretionary Point, July 1 of the Plan Year to which such Discretionary Point relates.

“ Vesting Percentage ” means, with respect to any Retired Partner: [ ].

“ Voting Affiliated Feeder Fund ” has the meaning ascribed to such term in each of the Fund LP Agreements.

“ Voting Partner ” means each individual set forth on Exhibit A , so long as he has not become a Retired Partner. All references herein to a Voting Partner (except in the definition of Required Voting Partners) shall be construed as referring collectively to such Voting Partner and to each Related Party of such Voting Partner that is or that previously was a Limited Partner (unless such Limited Partner is a Retired Partner), except to the extent that the General Partner determines in good faith that the context does not require such interpretation as between such Voting Partner and his Related Parties.

ARTICLE II
FORMATION AND ORGANIZATION

Section 2.1 Formation .

The Partnership was formed and is hereby continued as a limited partnership under and pursuant to the Act. The Certificate was filed on February 23, 2016. The General Partner shall execute, acknowledge and file any amendments to the Certificate as may be required by the Act and any other instruments, documents and certificates which, in the opinion of the Partnership’s legal counsel, may from time to time be required by the laws of the United States of America, the State of Delaware or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership.

Section 2.2 Name .

The name of the Partnership shall be “Apollo Special Situations Advisors, L.P.” or such other name as the General Partner hereafter may adopt upon causing an appropriate amendment to be made to this Agreement and to the Certificate to be filed in accordance with the Act. Promptly thereafter, the General Partner shall send notice thereof to each Limited Partner.

Section 2.3 Offices .

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the State of Delaware, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Act.

Section 2.4 Term of Partnership.

(a) The term of the Partnership shall continue until the dissolution (without continuation) of all of the Funds or the earlier of:

(i) at any time there are no Limited Partners, unless the business of the Partnership is continued in accordance with the Act;

(ii) any event that results in the General Partner ceasing to be a general partner of the Partnership under the Act, provided, that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective as of the date of such event, if required, of one or more additional general partners of the Partnership; and

(iii) the entry of a decree of judicial dissolution under section 17-802 of the Act.

(b) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces his right to such a decree of dissolution or to seek the appointment of a liquidator for the Partnership, except as provided herein.

Section 2.5 Purpose of the Partnership.

The principal purpose of the Partnership is to act as the sole general partner or as the managing general partner (as the case may be) of each of the Funds and certain Voting Affiliated Feeder Funds pursuant to their respective Fund LP Agreements or governing documents of such Voting Affiliated Feeder Funds and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto. The purpose of the Partnership shall be limited to serving as a general partner of certain of the Funds, including any of their Affiliates, and the provision of investment management and advisory services.

Section 2.6 Actions by Partnership.

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.7 Admission of Limited Partners.

On the date hereof, the Persons whose names are set forth in the Schedule of Partners under the caption "Limited Partners" shall be admitted to the Partnership or shall continue, as the case may be, as limited partners of the Partnership upon their execution of a counterpart of this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner. Additional Limited Partners may be admitted to the Partnership in accordance with Section 6.1.

Section 2.8 Points; Plan Years.

(a) A Limited Partner's right to participate in the Operating Profits and Operating Losses shall be represented by two types of Points to be allocated to Limited Partners: Account Points and Discretionary Points.

(i) "Account Points" shall relate to all Portfolio Investments that are consummated on or after, or appreciation of Portfolio Investments that are outstanding at, the date such Account Points are awarded. Each Account Point shall provide the right to participate in the Operating Profits and Operating Losses related to the Fund's Portfolio Investments arising after the date such Account Point was awarded, irrespective of the Plan Year in which the underlying Portfolio Investments were made.

(ii) "Discretionary Points" shall be awarded on a Plan Year-by-Plan Year basis and relate to all

Portfolio Investments consummated during the applicable Plan Year. Each Discretionary Point shall provide the right to participate in the Operating Profit or Operating Loss related to the Fund's Portfolio Investments consummated in the applicable Plan Year. Discretionary Points shall be allocated at the direction of the Administrative Committee, subject to the approval of the Executive Committee, at the end of each Plan Year.

(b) A Limited Partner's Points with respect to any Portfolio Investment shall equal the sum of (i) such Limited Partner's Account Points at the time such Portfolio Investment is consummated, if any, and (ii) such Limited Partner's Discretionary Points with respect to the Plan Year in which such Portfolio Investment was consummated, if any. If the General Partner determines in its sole discretion that a Portfolio Investment is an additional or follow-on investment that relates to a pre-existing Portfolio Investment, the General Partner may, in its sole discretion, elect to treat such additional or follow-on investment as part of the initial Portfolio Investment to which it relates (in which case, participation in the Operating Profits and Operating Losses with respect thereto shall be determined in accordance with the Points of the Limited Partners with respect to such initial Portfolio Investment) or may elect to treat such additional or follow-on investment as a separate Portfolio Investment (in which case, participation in the Operating Profits and Operating Losses with respect thereto shall be determined in accordance with the Points of the Limited Partners with respect to the Plan Year in which such additional or follow-on investment is made). The General Partner's determinations with respect to follow-on investments shall be final and binding on the Partnership and all of its Partners. Except as otherwise determined by the General Partner, Reserved Team Points shall be allocated to APH at any time that they are not allocated to a Team Member.

(c) Notwithstanding any other provision of this Agreement, the General Partner shall establish a special notional or bookkeeping account for each Limited Partner to provide for the equitable disposition or adjustment of the allocation of Operating Profit and Operating Losses such that the Partners ultimately receive distributions and bear any Clawback Payments in a manner that the General Partner in good faith determines to equitably reflect their respective Points relating to the relevant Portfolio Investments giving rise to such Operating Profit or Operating Loss notwithstanding any aggregating effects of the distribution provisions of Fund LP Agreements. The General Partner's determinations with respect to such allocations shall be final and binding on the Partnership and all of its Partners.

ARTICLE III
CAPITAL

Section 3.1 Contributions to Capital.

(a) Subject to the remaining provisions of this Section 3.1, (i) any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth in the Schedule of Partners, and (ii) any such contributions to the capital of the Partnership shall be made as of the date of admission of such Limited Partner as a limited partner of the Partnership and as of each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b) APH shall make capital contributions from time to time to the extent necessary to ensure that the Partnership meets its obligations to make contributions of capital to each of the Funds.

(c) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership other than as specified in this Section 3.1. No Limited Partner shall be obligated to restore any deficit balance in his Capital Account.

(d) To the extent, if any, that at the time of the Final Distribution, it is determined that the Partnership, as a general partner of each of the Funds, is required to make any Clawback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership for ultimate distribution to the limited partners of the relevant Fund an amount equal to such Limited Partner's Clawback Share of any Clawback Payment, but not in any event in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund. Any such obligation shall first be satisfied by application of the Retained Amount and each Limited Partner shall be obligated to return amounts actually distributed to such Limited Partner only after his or her share of the Retained Amount has been exhausted. For purposes of determining each Limited Partner's required contribution, each Limited Partner's allocable share of any Escrow Account and each Limited Partner's allocable share of the Retained Amount, to the extent applied to satisfy any portion of a Clawback Payment, shall be treated as if it had been distributed to such Limited Partner and re-contributed by such Limited Partner pursuant to this Section 3.1(d) at the time of such application.

Section 3.2 Rights of Partners in Capital.

(a) No Partner shall be entitled to interest on his capital contributions to the Partnership.

(b) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1, or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts.

(a) The Partnership shall maintain for each Partner a separate Capital Account.

(b) Each Partner's Capital Account shall have an initial balance equal to the amount of cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(c) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1, plus

(ii) in the case of APH, any Capital Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iv) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.6 and any receipts determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners with respect to the applicable Portfolio Investment, plus

(v) such Partner's allocable share of any increase in Book-Tax Difference.

(d) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) in the case of APH, any Capital Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(ii) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1 or Section 8.1 including any amount deducted pursuant to Section 4.3 or Section 5.4 from any such amount distributed, plus

(iv) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.6 and any payments determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners with respect to the applicable Portfolio Investment, plus

(v) such Partner's allocable share of any decrease in Book-Tax Difference.

(e) If securities and/or other property are to be distributed in kind to the Partners or Retired Partners, including in connection with a liquidation pursuant to Section 8.1, they shall first be written up or down to their fair market value as of the date of such distribution, thus creating gain or loss for the Partnership, and the value of the securities and/or other property received by each Partner and each Retired Partner as so determined shall be debited against such Person's Capital Account at the time of distribution.

Section 3.4 Allocation of Profit and Loss.

(a) Capital Profit and Operating Profit or Capital Loss and Operating Loss for any Fiscal Year shall be allocated to the Partners so as to produce Capital Accounts (computed after taking into account any other Capital Profit and Operating Profit or Capital Loss and Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Article IV with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations sections 1.704 - 2(b)(2) and 1.704 - 2(d)) for the Partners such that a distribution of an amount of cash equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Article IV ; provided , that the General Partner may allocate Operating Profit and Operating Loss and items thereof in such other manner as it determines in its sole discretion to be appropriate to reflect the Partners' interests in the Partnership. Income, gains and loss associated with a Book-Tax Difference shall be allocated to the Limited Partners that are entitled to a share of such Book-Tax Difference consistent with the account maintained by the General Partner pursuant to the definition of "Book-Tax Difference" and in the manner in which cash or property associated with such Book-Tax Difference is required to be distributed pursuant to the proviso of Section 4.1(b)(i) .

(b) To the extent that the allocations of Capital Loss or Operating Loss contemplated by Section 3.4(a) would cause the Capital Account of any Limited Partner to be less than zero, such Capital Loss or Operating Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner (or, at the direction of the General Partner, to those Limited Partners who are members of the General Partner in proportion to their limited liability company interests in the General Partner). Following any such adjustment pursuant to this Section 3.4(b) with respect to any Limited Partner, any Capital Profit or Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner (or relevant Limited Partners) until the cumulative amounts so credited to the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to this Section 3.4(b) is equal to the cumulative amount debited against the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to this Section 3.4(b) .

(c) Each Limited Partner's rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Capital Profit and Operating Profit expressly conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.3(b) and the other rights expressly conferred by this Agreement and any such side letter or similar agreement or required by the Act, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of his interest, or to have or exercise any other rights, privileges or powers.

(d) For purposes of Section 3.4(a) , the General Partner may determine, in its sole discretion, to allocate any increase in value of the Partnership's assets pursuant to the definition of "Carrying Value" solely to the Limited Partners that are entitled to a Catch Up Amount (*pro rata* based on any method the General Partner determines is reasonable), or to specially allocate Operating Profit to such Limited Partners, or a combination thereof, until such Limited Partners have received an allocation equal to the Catch Up Amount.

Section 3.5 Tax Allocations .

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Capital Profit, Capital Loss, Operating Profit and Operating Loss pursuant to the provisions of Section 3.4 for such Fiscal Year, taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of section 704(c) of the Code; provided that any taxable income or loss associated with any Book-Tax Difference shall be allocated for tax purposes in accordance with the principles of section 704(c) of the Code in any such manner (as is permitted under that section of the Code and the Treasury Regulations promulgated thereunder) as determined by the General Partner in its sole discretion.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving interests in the Partnership (whether under section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Reserves; Adjustments for Certain Future Events .

(a) Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points with respect to the applicable Portfolio Investment at such time; provided, that, if any individual reserve item, as adjusted by any increase therein, exceeds the lesser of $500,000 or one percent of the aggregate value of the Capital Accounts of all such Partners, the amount of such reserve, increase or decrease shall instead be charged or credited to those Partners who held Points with respect to the applicable Portfolio Investment at the time, as determined by the General Partner, of the act or omission giving rise to the contingent liability for which the reserve item was established in proportion to their respective Points with respect to the applicable Portfolio Investment at that time. The amount of any such reserve charged against the Capital Account of a Partner shall reduce the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1 hereof; and the amount of any such reserve credited to the Capital Account of a Partner shall increase the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1 hereof

(b) If at any time an amount is paid or received by the Partnership and such amount exceeds the lesser of $500,000 or one percent of the aggregate Capital Accounts of all Partners at the time of payment or receipt, and such amount was not accrued or reserved for but would nevertheless, in accordance with the Partnership's accounting practices, be treated as applicable to one or more prior periods, then such amount may be proportionately charged or credited by the General Partner, as appropriate, to those parties who were Partners during such prior period or periods, based on each such Person's Points with respect to the applicable Portfolio Investment for such applicable period.

(c) If any amount is required by Section 3.6(a) or (b) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash, with interest from the date on which the General Partner determines that such credit is required at the Reference Rate in effect on that date. Any amount required to be charged pursuant to Section 3.6(a) or (b) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided, that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency, together with a carrying charge at a rate equal to the Reference Rate, of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge. In no event shall a current or former Partner be obligated to satisfy any amount required to be charged pursuant to Section 3.6(a) or (b) other than by means of a debit against such Partner's Capital Account.

Section 3.7 Finality and Binding Effect of General Partner's Determinations. All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article III, including any accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

Section 3.8 AEOI.

(a) Each Limited Partner:

(i) shall provide, in a timely manner, such information regarding the Limited Partner and its beneficial owners and/or controlling persons and such forms or documentation as may be requested from time to time by the General Partner or the Partnership to enable the Partnership to comply with the requirements and obligations imposed on it pursuant to AEOI and shall update such information as necessary;

(ii) acknowledges that any such forms or documentation provided to the Partnership or its agents pursuant to clause (i), or any financial or account information with respect to the Limited Partner's investment in the Partnership, may be disclosed to any Governmental Authority which collects information in accordance with AEOI and to any withholding agent where the provision of that information is required by such agent to avoid the application of any withholding tax on any payments to the Partnership;

(iii) shall waive, and/or shall cooperate with the Partnership to obtain a waiver of, the provisions of any law which prohibits the disclosure by the Partnership, or by any of its agents, of the information or documentation requested from the Limited Partner pursuant to clause (i), prohibits the reporting of financial or account information by the Partnership or its agents required pursuant to AEOI or otherwise prevents compliance by the Partnership with its obligations under AEOI;

(iv) acknowledges that, if it provides information and documentation that is in anyway misleading, or it fails to provide and/or update the Partnership or its agents with the requested information and documentation necessary, in either case, to satisfy the Partnership's obligations under AEOI, the Partnership may (whether or not such action or inaction leads to compliance failures by the Partnership, or a risk of the Partnership or its investors being subject to withholding tax or other penalties under AEOI) take any action and/or pursue all remedies at its disposal, including compulsory withdrawal of the Limited Partner, and may hold back from any withdrawal proceeds, or deduct from the Limited Partner's Capital Account, any liabilities, costs, expenses or taxes caused (directly or indirectly) by the Limited Partner's action or inaction; and

(v) shall have no claim against the Partnership, or its agents, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with AEOI.

(b) The Limited Partner hereby indemnifies the General Partner and the Partnership and each of their respective partners, members, managers, officers, directors, employees and agents and holds them harmless from and against any AEOI-related liability, action, proceeding, claim, demand, costs, damages, expenses (including legal expenses), penalties or taxes whatsoever which such Person may incur as a result of any action or inaction (directly or indirectly) of such Limited Partner (or any Related Party) described in Section 3.8(a)(i) through (iv). This indemnification shall survive the Limited Partner's death or disposition of its interests in the Partnership.

Section 3.9 Alternative GP Vehicles. If the General Partner determines that for legal, tax, regulatory or other reasons (a) any investment or other activities of the Fund should be conducted through one or more parallel funds or other alternative investment vehicles as contemplated by the Fund LP Agreement, (b) any of such separate entities comprising the Fund should be managed or controlled by one or more separate entities serving as a general partner or in a similar capacity (each, an "Alternative GP Vehicle"), and (c) some or all of the Partners should participate through any such Alternative GP Vehicle, the General Partner may require any or all of the Partners, as determined by the General Partner, to participate directly or indirectly through any such Alternative GP Vehicle and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto with and/or in lieu of the Partnership, and the General Partner shall have all necessary authority to implement such Alternative GP Vehicle; provided, that to the maximum extent practicable and subject to applicable legal, tax, regulatory or similar technical reasons, each Partner shall have the same economic interest in all material respects in an Alternative GP Vehicle formed pursuant to this Section 3.9 as such Partner would have had if it had participated in all Portfolio Investments through the Partnership, and the terms of such Alternative GP Vehicle shall be substantially the same in all material respects to those of the Partnership and this Agreement. Each Partner shall take such actions and execute such documents as the General Partner determines are reasonably needed to accomplish the foregoing.

ARTICLE IV
DISTRIBUTIONS

Section 4.1 Distributions.

(a) Any amount of cash or property received as a distribution from any of the Funds by the Partnership in its capacity as a partner, to the extent such amount is determined by reference to the capital commitment of the Partnership in, or the capital contributions of the Partnership to, any of the Funds, shall be promptly distributed by the Partnership to APH.

(b) The General Partner shall use reasonable efforts to cause the Partnership to distribute, as promptly as practicable after receipt by the Partnership, any available cash or property attributable to items included in the determination of Operating Profit and Book-Tax Difference, subject to the provisions of section 10.3 of the Fund LP Agreement of ASSF or its equivalent in the Fund LP Agreement of any other Fund and subject to the retention of such reserves as the General Partner considers appropriate for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.6. Any such distributions (before adjustment for Retained Amounts) shall be made to Partners in proportion to their respective Points with respect to such Portfolio Investment relates, determined:

(i) in the case of any amount of cash or property received from any of the Funds that is attributable to the disposition of a Portfolio Investment by such Fund, as of the date of such disposition by such Fund; provided, however, that any cash or other property that the General Partner determines is attributable to a Book-Tax Difference shall be distributed to the Limited Partners that are entitled to a share of such Book-Tax Difference pursuant to the definition of "Book-Tax Difference," with any such distribution to be in the proportion that each such Limited Partner's allocated share of the applicable Book-Tax Difference bears to the total Book-Tax Difference of the asset giving rise to the cash or property;

(ii) in any other case, as of the date of receipt of such cash or property by the Partnership.

Notwithstanding the foregoing, the General Partner shall retain from the distribution amount apportioned to each Limited Partner other than APH any Retained Amount with respect to such Limited Partner, determined in accordance with Section 4.2 . Any such Retained Amount shall be maintained in accordance with Section 4.2 .

(c) Any distributions or payments in respect of the interests of Limited Partners unrelated to Capital Profit, Operating Profit or Book-Tax Difference shall be made at such time, in such manner and to such Limited Partners as the General Partner shall determine.

(d) (%3) Except as the General Partner otherwise may determine, any Limited Partner whose admission to the Partnership or receipt of additional Points causes an adjustment to Carrying Values pursuant to the definition of "Carrying Value" (a " Newly-Admitted Limited Partner ") shall have the right to receive a special distribution of the Catch Up Amount (before adjustment for Retained Amounts).

(i) Any such special distribution of the Catch Up Amount shall be in addition to the distributions to which the Newly-Admitted Limited Partner is entitled pursuant to Section 4.1(b)(ii) and shall be made to the Newly-Admitted Limited Partner (or, if there is more than one such Newly-Admitted Limited Partner, *pro rata* to all such Newly-Admitted Limited Partners based on the aggregate amount of such distributions each such Newly-Admitted Limited Partner has not yet received), after the distribution of any amounts attributable to Book-Tax Differences pursuant to the proviso of Section 4.1(b)(ii) , from amounts otherwise distributable to the other Limited Partners to whom or from whom the Points allocated to such Newly-Admitted Limited Partner(s) were reallocated, and shall reduce the amounts distributable to such other Limited Partners pursuant to Section 4.1(b)(ii) , until each applicable Newly-Admitted Limited Partner has received an amount equal to the applicable Catch Up Amount (before adjustment for Retained Amounts).

(ii) The General Partner may determine to provide for a special distribution of a Catch Up Amount in connection with a reallocation of Points pursuant to Article VII other than in connection with the admission to the Partnership of a Newly-Admitted Limited Partner if the General Partner reasonably believes such an adjustment to Carrying Values is required in order for the reallocated Points to be treated as profits interests for United States federal income tax purposes or would otherwise be equitable under the circumstances.

(iii) Any reallocation of Points to a Limited Partner who is not a Newly-Admitted Limited Partner pursuant to Article VII shall include the right to receive any Catch Up Amount associated with such Points, except to the extent that the General Partner determines that the inclusion of such right would be inconsistent with the treatment of the reallocation of Points to such Limited Partner as a "profits interest" for income tax purposes.

Section 4.2 Retained Amounts .

Notwithstanding anything to the contrary herein and without limitation to (and in addition to) Escrow Accounts, the General Partner shall retain the Retained Amount from each distribution amount apportioned to each Limited Partner (other than APH). The " Retained Amount " shall mean an amount equal to 5% of the total distributions to which such Limited Partner is otherwise entitled under to Section 4.1(b) , or such other amount as determined by the General Partner in its discretion from time to time and on a Limited Partner-by-Limited Partner basis to be reasonable to ensure that an appropriate amount is held back to satisfy any potential Clawback Payments. The Retained Amount shall be deposited and maintained in a bank account in the name of the Partnership and invested in cash or cash equivalents. Any interest earned with respect to the Retained Amount shall be for the benefit of the Limited Partners and allocated to them in proportion to the amount held back with respect to each of them. In the event that any Clawback Payment of the applicable Limited Partner arises, any Retained Amount in respect of such Limited Partner shall be used toward the satisfaction thereof. Upon a determination by the General Partner that circumstances no longer require the retention of all or any portion of the Retained Amount, such amount (including any interest earned thereon), shall be distributed to the applicable Limited Partners.

Section 4.3 Withholding of Certain Amounts .

(a) If the Partnership incurs a withholding or other tax obligation (a " Tax Obligation ") with respect to the share of Partnership income allocable to any Partner (including pursuant to section 6225 of the BBA Audit Rules), then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such Tax Obligation to be debited against the Capital Account of such Partner when the Partnership pays such Tax Obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the

General Partner, the amount of such excess.

(b) If a Tax Obligation is required to be paid by the Partnership (including with respect to a tax liability imposed under section 6225 of the BBA Audit Rules) and the General Partner determines that such amount is allocable to the interest in the Partnership of a Person that is at such time a Partner, such Tax Obligation shall be treated as being made on behalf of or with respect to such Partner for purposes of this Section 4.3(b) whether or not the tax in question applies to a taxable period of the Partnership during which such Partner held an interest in the Partnership. To the extent that any liability with respect to a Tax Obligation (including a liability imposed under section 6225 of the BBA Audit Rules) relates to a former Partner that has transferred all or a part of its interest in the Partnership, such former Partner (which in the case of a partial Transfer shall include a continuing Partner with respect to the portion of its interests in the Partnership so transferred) shall indemnify the Partnership for its allocable portion of such liability, unless otherwise agreed to by the General Partner in writing. Each Partner acknowledges that, notwithstanding the Transfer of all or any portion of its interest in the Partnership, it may remain liable, pursuant to this Section 4.3(b) , for tax liabilities with respect to its allocable share of income and gain of the Partnership for the Partnership's taxable years (or portions thereof) prior to such Transfer, as applicable (including any such liabilities imposed under section 6225 of the BBA Audit Rules).

(c) The General Partner may withhold from any distribution to any Limited Partner pursuant to this Agreement any other amounts due from such Limited Partner or a Related Party (without duplication) to the Partnership or to any other Affiliate of AGM pursuant to any binding agreement or published policy to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.4 Limitation on Distributions .

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of his interest in the Partnership if such distribution would violate the Act or other applicable law.

Section 4.5 Distributions in Excess of Basis .

Notwithstanding anything in this Agreement to the contrary, the General Partner may refrain from making, at any time prior to the dissolution of the Partnership, all or any portion of any cash distribution that otherwise would be made to a Partner or Retired Partner, if such distribution would exceed such Person's United States federal income tax basis in the Partnership. Any amount that is not distributed to a Partner or Retired Partner due to the preceding sentence, as determined by the General Partner, either shall be retained by the Partnership on such Person's behalf or loaned to such Person. Subject to the first sentence of this Section 4.5 , 100% of any or all subsequent cash distributions shall be distributed to such Person (or, if there is more than one such Person, *pro rata* to all such Persons based on the aggregate amount of distributions each such Person has not yet received) until each such Person has received the same aggregate amount of distributions such Person would have received had distributions to such Person not been deferred pursuant to this Section 4.5 . If any amount is loaned to a Partner or Retired Partner pursuant to this Section 4.5 , (a) any amount thereafter distributed to such Person shall be applied to repay the principal amount of such loan, and (b) interest, if any, accrued or received by the Partnership on such loan shall be allocated and distributed to such Person. Any such loan shall be repaid no later than immediately prior to the liquidation of the Partnership. Until such repayment, for purposes of any determination hereunder based on amounts distributed to a Person, the principal amount of such loan shall be treated as having been distributed to such Person.

ARTICLE V
MANAGEMENT

Section 5.1 Rights and Powers of the General Partner .

(a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership, and (ii) for the conduct of the business and affairs of the Partnership, including all such decisions and all such business and affairs to be made or conducted by the Partnership in its capacity as Fund General Partner of any of the Funds and the general partner of certain Voting Affiliated Feeder Funds.

(b) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1 , including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners; provided , that the General Partner shall not have authority to cause the Partnership to borrow any funds for its own account on a secured basis without the consent of the Required Voting Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund LP Agreements, any governing documents of the Voting Affiliated Feeder Funds and any documents contemplated thereby or related thereto and (subject to any vote requirement in Section 5.2(d)(iv)) any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Act shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(c) With respect to all taxable years to which the TEFRA Audit Rules apply, the Tax Matters Partner shall be permitted to take any and all actions under the TEFRA Audit Rules (including making or revoking all applicable tax elections) and shall have any powers necessary to perform fully in such capacity, in consultation with the General Partner if the General Partner is not the Tax Matters Partner. With respect to all taxable years to which the BBA Audit Rules apply, the Partnership Representative shall be permitted to take any and all actions under the BBA Audit Rules (including making or revoking the election referred to in section 6226 of the BBA Audit Rules and all other applicable tax elections) and to act as the Partnership Representative thereunder, and shall have any powers necessary to perform fully in such capacity, in consultation with the General Partner if the General Partner is not the Partnership Representative. The General Partner shall (or shall cause another Applicable Tax Representative to) promptly inform the Limited Partners of any tax deficiencies assessed or proposed to be assessed (of which an Applicable Tax Representative or the General Partner is actually aware) by any taxing authority against the Partnership or the Limited Partners. Notwithstanding anything to the contrary contained herein, the acts of the General Partner (and with respect to applicable tax matters, any other Applicable Tax Representative) in carrying on the business of the Partnership as authorized herein shall bind the Partnership. Each Partner shall upon request supply the information necessary to properly give effect to any elections described in this Section 5.1(c) or to otherwise enable an Applicable Tax Representative to implement the provisions of this Section 5.1(c) (including filing tax returns, defending tax audits or other similar proceedings and conducting tax planning). The Limited Partners agree to reasonably cooperate with the Partnership or General Partner, and undertake any action reasonably requested by the Partnership or the General Partner, in connection with any elections made by the Applicable Tax Representative or as determined to be reasonably necessary by the Applicable Tax Representative under the BBA Audit Rules.

(d) Each Partner agrees not to treat, on his United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other law.

Section 5.2 Delegation of Duties .

(a) Subject to Section 5.1 , the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(b) Without limiting the generality of Section 5.2(a) , the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to and act as an employee or agent of the Partnership and/or General Partner, with such titles and duties as may be specified by the General Partner. Any Person appointed by the General Partner to serve as an employee or agent of the Partnership shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(c) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7 , unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(d) Except as otherwise expressly provided herein, action by the General Partner with respect to any of the following matters shall be taken only in accordance with the directions of the Required Voting Partners:

(i) the exercise of the Partnership's authority to borrow any funds on a secured basis for the account of the Partnership;

(ii) the determination of whether to conduct a business other than serving as a general partner of private equity funds;

(iii) the amendment of this Agreement, and the exercise of the authority of the Partnership with respect to the approval of any amendment to the Fund LP Agreement, in each case, that adversely affects, obligations, rights or economic interests of Team Members; and

(iv) to the fullest extent permitted by law, the voluntary dissolution of the Partnership, and the exercise of the authority of the Partnership to cause a voluntary dissolution of any of the Funds other than in connection with an Event of Dissolution (as defined in the applicable Fund LP Agreement) of the Funds.

The foregoing shall not restrict the General Partner from delegating authority to execute or implement any such determinations made by the General Partner.

(e) The General Partner shall be permitted to designate one or more committees of the Partnership which committees may include Limited Partners as members. Any such committees shall have such powers and authority granted by the General Partner. Any Limited Partner who has agreed to serve on a committee shall not be deemed to have the power to bind or act for or on behalf of the Partnership in any manner and in no event shall a member of a committee be considered a general partner of the Partnership by agreement, estoppel or otherwise or be deemed to participate in the control of the business of the Partnership as a result of the performance of his duties hereunder or otherwise.

(f) The General Partner shall cause the Partnership to enter into an arrangement with the Investment Manager, which arrangement shall require the Investment Manager to pay all costs and expenses of the Partnership.

(g) The General Partner hereby designates the Investment Manager to serve as the investment adviser to the Funds pursuant to investment management agreements entered into by and among the Partnership (or other general partners of the Funds), the Investment Manager and the Funds.

Section 5.3 Transactions with Affiliates.

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of the foregoing Persons.

Section 5.4 Expenses.

(a) Subject to the arrangement contemplated by Section 5.2(f), the Partnership shall pay, or shall reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(b) Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.3.

Section 5.5 Rights of Limited Partners.

(a) Limited Partners shall have no right to take part in the management or control of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(b) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Act.

(c) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

(d) Subject to the Fund LP Agreements and to full compliance with AGM's code of ethics and other written policies relating to personal investment transactions, membership in the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

Section 5.6 Other Activities of General Partner. Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

Section 5.7 Duty of Care; Indemnification.

(a) The General Partner (including, without limitation, for this purpose each former and present director, officer, manager, member, employee and stockholder of the General Partner), the Tax Matters Partner, the Partnership Representative and each Limited Partner (including any former Limited Partner) in his capacity as such, and to the extent such Limited Partner participates, directly or indirectly, in the Partnership's activities, whether or not a Retired Partner (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage or liability occasioned by any acts or omissions in the performance of his services hereunder, unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such loss, claim, damage or liability is due to an act or omission of a Covered Person (i) made in bad faith or with criminal intent, or (ii) that adversely affected any Fund and that failed to satisfy the duty of care owed pursuant to the applicable Fund LP Agreement or as otherwise required by law.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any losses, claims, damages, liabilities and expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) incurred by or imposed upon him by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or his activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any judicial, administrative, regulatory or legislative body or agency to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been the General Partner, the Tax Matters Partner, the Partnership Representative or a Limited Partner or by reason of serving or having served, at the request of the Partnership in its capacity as Fund General Partner of the Funds, as a director, officer, consultant, advisor, manager, member or partner of any enterprise in which any of the Funds has or had a financial interest, including Portfolio Companies; provided, that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that his acts or his failure to act (i) were in bad faith or with criminal intent, or (ii) were of a nature that makes indemnification by the Funds unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the final disposition of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that he is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including, without limitation, insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article V and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder and may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article V. Each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article V, and shall be entitled to the benefit of the indemnity granted to the Partnership by each of the Funds pursuant to the terms of the Fund LP Agreements.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for his good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the Partners to replace such other duties and liabilities of each such Covered Person.

(d) Notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may, but shall not be required to, indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of any Portfolio Company to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Portfolio Company by the Fund.

ARTICLE VI
ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points.

(a) The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be bound by this Agreement and may assign Points to such Person and/or increase the Points of any existing Limited Partner, in each case, subject to and in accordance with Section 7.1.

(b) Each additional Limited Partner shall execute (i) either a counterpart to this Agreement or a separate instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner, and (ii) the documents contemplated by Section 7.1(b), and shall be admitted as a Limited Partner upon such execution.

Section 6.2 Admission of Additional General Partner. The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner, other than the Required Voting Partners if such additional general partner is not an Affiliate of AGM. No reduction in the Points of any Limited Partner shall be made as a result of the admission of an additional general partner or the increase in the Points of any general partner without the consent of such Limited Partner. Any additional general partner shall be admitted as a general partner upon its execution of a counterpart signature page to this Agreement.

Section 6.3 Transfer of Interests of Limited Partners.

(a) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. Notwithstanding the foregoing, any Limited Partner may Transfer to any Related Party of such Limited Partner all or part of such Limited Partner's interest in the Partnership (subject to continuing obligations of such Limited Partner, including, without limitation, vesting and restrictive covenants); provided, that the Transfer has been previously approved in writing by the General Partner, such approval not to be unreasonably withheld. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(b) A Limited Partner or his legal representative shall give the General Partner notice before the proposed effective date of any voluntary Transfer and within 30 days after any involuntary Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer shall not result in any of the following consequences:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under section 708(b)(1)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(c) In the event any Transfer permitted by this Section 6.3 shall result in multiple ownership of any Limited Partner's interest in the Partnership, the General Partner may require one or more trustees or nominees to be designated to represent a portion of the interest transferred or the entire interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferees have pursuant to the provisions of this Agreement.

(d) A permitted transferee shall be entitled to the allocations and distributions attributable to the interest in the Partnership transferred to such transferee and to Transfer such interest in accordance with the terms of this Agreement; provided

, that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until he becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a counterpart of this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(e) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner's interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3 , the General Partner may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(f) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership's assets to be adjusted as provided by section 734 or 743 of the Code.

(g) The Partnership shall maintain books for the purpose of registering the transfer of partnership interests in the Partnership. No transfer of a partnership interest shall be effective until the transfer of the partnership interest is registered upon books maintained for that purpose by or on behalf of the Partnership.

(h) In the event of a Transfer of all of a Limited Partner's interest in the Partnership, such Limited Partner shall remain liable to the Partnership as contemplated by Section 4.3(b) and shall, if requested by the General Partner, expressly acknowledge such liability in such agreements as may be entered into by such Limited Partner in connection with such Transfer.

Section 6.4 Withdrawal of Partners .

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner's entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

Section 6.5 Pledges .

(a) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(b) Notwithstanding Section 6.5(a) and subject to the requirements of applicable law, any Limited Partner may grant to a bank or other financial institution a security interest in such part of such Limited Partner's interest in the Partnership as relates solely to the right to receive distributions of Operating Profit in the ordinary course of obtaining bona fide loan financing to fund his contributions to the capital of the Partnership or Co-Investors (A). If the interest of the Limited Partner in the Partnership or Co-Investors (A) or any portion thereof in respect of which a Limited Partner has granted a security interest ceases to be owned by such Limited Partner in connection with the exercise by the secured party of remedies resulting from a default by such Limited Partner or upon the occurrence of such similar events with respect to such Limited Partner's interest in Co-Investors (A), such interest of the Limited Partner in the Partnership or portion thereof shall thereupon become a non-voting interest and the holder thereof shall not be entitled to vote on any matter pursuant to this Agreement and, if applicable, shall no longer be considered a Voting Partner for purposes of this Agreement.

(c) For purposes of the grant, pledge, attachment or perfection of a security interest in a partnership interest in the Partnership or otherwise, each such partnership interest shall constitute a "security" within the meaning of, and governed by, (i) article 8 of the Uniform Commercial Code (including section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware (the " DEUCC "), and (ii) article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

(d) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve. Every certificate representing an interest in the Partnership shall bear a legend substantially in the following form:

Each partnership interest constitutes a "security" within the meaning of, and governed by, (i) article 8 of the Uniform Commercial Code (including section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware, and (ii) article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995.

THE TRANSFER OF THIS CERTIFICATE AND THE PARTNERSHIP INTERESTS REPRESENTED HEREBY IS RESTRICTED AS DESCRIBED IN THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF THE PARTNERSHIP, dated February 14, 2017 and effective as of March 18, 2016, AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME.

(e) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

(f) Notwithstanding any provision of this Agreement to the contrary, to the extent that any provision of this Agreement is inconsistent with any non-waivable provision of article 8 of the DEUCC, such provision of article 8 of the DEUCC shall control.

ARTICLE VII
ALLOCATION OF POINTS; ADJUSTMENTS OF POINTS AND RETIREMENT OF PARTNERS

Section 7.1 Allocation of Points.

(a) Points may be allocated to a new Limited Partner and/or adjusted for any existing Limited Partner, in each case, solely in accordance with the terms and conditions set forth herein. Notwithstanding anything to the contrary herein, there shall be a maximum of 2,000 Points available for issuance with respect to each Portfolio Investment.

(b) Unless otherwise agreed by the General Partner, the allocation of Points to any Limited Partner shall not become effective until:

(i) the receipt of the following documents, in form and substance satisfactory to the General Partner, executed by such Limited Partner: (A) a customary and standard guarantee or guarantees, for the benefit of Fund investors, of the Limited Partner's Clawback Share of the Partnership's obligation to make Clawback Payments, and (B) a customary and standard undertaking to reimburse APH for any payment made by it (or by another AGM Affiliate) that is attributable to such Limited Partner's Clawback Share of any Clawback Payment; and

(ii) the effective date of the acceptance by Co-Investors (A) of a capital commitment from such Limited Partner (or his Related Party, as applicable) in an amount equal to the percentage of total Fund commitments specified in the Points Award Memo delivered to such Limited Partner by the General Partner. Upon the occurrence of a material default, after the expiration of the applicable cure period set forth in section 4.2 of the Co-Investors (A) Partnership Agreement, in the obligation to contribute capital to Co-Investors (A) in accordance with the Co-Investors (A) Partnership Agreement by a Limited Partner, the General Partner may reduce or eliminate the Points of any such Limited Partner (including the Vested Points of any Retired Partner); and

(iii) if the Limited Partner is not the individual participant to whom all of the Restrictive Covenants apply, the receipt of an undertaking, in form and substance satisfactory to the General Partner, executed by such participant to comply with the Restrictive Covenants and an acknowledgement of an agreement to the matters set forth in Section 9.1.

(c) The number of Account Points allocated to a Team Member shall not be reduced except as expressly set forth in Section 2.8(c), 7.1(b)(ii), 7.1(f), 7.3 and 9.1(b).

(d) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Account Points upon admission to the Partnership of such Limited Partner and promptly upon any change in such Limited Partner's Points pursuant to this Article VII and such notice shall include the calculations used by the General Partner to determine the amount of any such reduction.

(e) In the event that the General Partner in good faith enters into an agreement pursuant to which a Person other than AGM or a subsidiary of AGM would receive a distribution of Operating Profit relating to one or more, but not all, specified Portfolio Investments that would be made prior to any distribution of Operating Profit with respect to the same Portfolio Investment for Team Members or their Related Parties (a "Priority Distribution"), distributions to Partners of Operating Profit with respect to such Portfolio Investment must be commenced following the Priority Distribution at the same time to all Partners, in each case, in accordance with Section 4.1(b).

(f) Account Points may be prospectively adjusted upward or downward on an annual basis beginning on the second anniversary of the date on which such Account Points are awarded. If a Limited Partner's Account Points are reduced in an aggregate cumulative amount of at least 10% of the highest number of Account Points held by such Limited Partner at any time, the General Partner shall arrange for such Limited Partner's capital commitment to Co-Investors (A) to be reduced to an amount that is proportionate to such Limited Partner's Account Points; provided, that if a Limited Partner's Account Points are subsequently increased, the General Partner shall arrange for such Limited Partner's capital commitment to Co-Investors (A) to be increased to an amount that is proportionate to such Limited Partner's Account Points.

Section 7.2 Retirement of Partner.

(a) A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner terminating such Limited Partner's employment by AGM or an Affiliate thereof, unless otherwise determined by the General Partner;

(ii) delivery by such Limited Partner of a notice to the General Partner, AGM or an Affiliate thereof stating that such Limited Partner elects to resign from or otherwise terminate his or her employment by or service to AGM or an Affiliate thereof; or

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Disability of the Limited Partner.

(b) If (i) a Limited Partner becomes a Retired Partner for a reason other than an election to resign from employment by or service to AGM or an Affiliate or involuntary termination of employment or service by reason of a Bad Act and (ii) such Limited Partner's Account Points are reduced upon retirement pursuant to Section 7.3, upon the request of such Retired Partner, the General Partner shall arrange for such Limited Partner's capital commitment to Co-Investors (A) to be reduced to an amount that is proportionate to such Limited Partner's Vested Account Points. Otherwise, if a Limited Partner's Points with respect to a Plan Year are reduced upon retirement pursuant to Section 7.3, the General Partner may, but shall not be required to, arrange for such Limited Partner's capital commitment to Co-Investors (A) to be reduced to an amount that is proportionate to such Limited Partner's Vested Account Points. Any compulsory or discretionary decrease in the proportionate capital commitment to Co-Investors (A) shall apply only to new Portfolio Investments of the Fund made on or after the date the General Partner arranges for such decreased commitment. Such decreased commitment shall not apply to any additional investments relating to a Portfolio Investment made prior to the date the General Partner arranges for such decreased commitment. A Limited Partner's capital commitment to Co-Investors (A) shall not be otherwise reduced or released as a result of a Limited Partner becoming a Retired Partner.

(c) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner, it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points.

(a) The Points of any Limited Partner who becomes a Retired Partner shall be reduced automatically to (i) zero, if such retirement is the consequence of a Bad Act and (ii) otherwise, an amount equal to such Limited Partner's Vested Points calculated as of the Retirement Date. Any such reduction shall be effective as of the Retirement Date or such subsequent date as may be determined by the General Partner; provided, that the General Partner may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner.

(b) If one or more Partners or Retired Partners is assigned additional Points and such Partner or Retired Partner and the General Partner agree in connection with such assignment that such assignment may be, for purposes of section 83 of the Code, a transfer in connection with the performance of services of an interest that would not qualify as a "profits interest" within the meaning of IRS Revenue Procedure 93-27, then to the extent mutually agreed by such Partner or Retired Partner and the General Partner, the Partnership may make such adjustments to the amounts allocated and distributed to such Partner or Retired Partner with respect to such interest (and corresponding adjustments to other allocations and distributions for Partners and Retired Partners as determined by the General Partner) so as to cause such interest to qualify as a "profits interest" within the meaning of IRS Revenue Procedure 93-27.

ARTICLE VIII
DISSOLUTION AND LIQUIDATION

Section 8.1 Dissolution and Liquidation of Partnership.

(a) Upon dissolution of the Partnership in accordance with the Act, the General Partner shall liquidate the business and administrative affairs of the Partnership, except that, if the General Partner is unable to perform this function, a liquidator may be elected by a majority in interest (determined by Account Points) of Limited Partners and upon such election such liquidator shall liquidate the Partnership. Capital Profit and Capital Loss, Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts pro rata in accordance with and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article III.

(b) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon dissolution, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(a), provided, that if any in kind distribution is to be made the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(a).

ARTICLE IX
GENERAL PROVISIONS

Section 9.1 Restrictive Covenants of Limited Partners.

(a) Each Limited Partner hereby undertakes and agrees to comply with the Restrictive Covenants. Each Limited Partner acknowledges that the General Partner would not have assigned any Points to such Limited Partner if it had not agreed to be bound by such covenants.

(b) Each Limited Partner agrees and acknowledges that each Restrictive Covenant is reasonable as to duration, terms and geographical area and that the same protects the legitimate interests of AGM and its Affiliates, imposes no undue hardship on such Limited Partner or its Related Parties, is not injurious to the public, and that any violation of any of the Restrictive Covenants shall be specifically enforceable in any court with jurisdiction upon short notice. If any provision of the Restrictive Covenants as applied to a Limited Partner or to any circumstance is adjudged by a court or arbitral tribunal 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 the Restrictive Covenants. If the scope of any such provision, or any part thereof, is too broad to permit enforcement of such provision to its full extent, each Limited Partner agrees that the court or arbitral tribunal 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. Each Limited Partner agrees and acknowledges that any such breach of any provision of the Restrictive Covenants will cause irreparable injury to AGM and its Affiliates, and upon breach of any provision of the Restrictive Covenants, the General Partner, AGM and/or its Affiliates, as applicable, shall be entitled to injunctive relief, specific performance or other equitable relief; provided, that this shall in no way limit any other remedies available to the General Partner, AGM or its Affiliates. Notwithstanding the foregoing, to the extent that an arbitral tribunal or court of competent jurisdiction makes a final determination that any restrictive covenant regarding noncompetition or non-interference contained in the Restrictive Covenants is unenforceable as a matter of law as applied to any Limited Partner, upon such determination the General Partner, AGM and/or its Affiliates shall not seek to enjoin such Limited Partner from engaging in an activity precluded by such provision (or to otherwise pursue proceedings to enforce such provision) but if the General Partner determines in good faith that such Limited Partner has breached any such noncompetition provision or materially breached any such non-interference provision, the General Partner shall provide such Limited Partner with written notice thereof, and such Limited Partner shall have fifteen Business Days to cure such breach. If such breach is not cured within such period, such Limited Partner shall forfeit all rights to any Points without payment of any consideration in respect thereof. The Restrictive Covenants shall specifically survive the retirement of a Limited Partner and the termination of this Agreement.

Section 9.2 Strategic Partnership Carried Interest related to the Fund. To the extent that (a) the strategic partnership or managed account set forth on Exhibit B (the "Strategic Partnership") invests in or co-invests with the Fund, either directly or through a special purpose vehicle of the Strategic Partnership, and (b) its general partner or any other AGM entity derives any carried interest distribution or incentive allocation attributable to such investment or co-investments, AGM and the General Partner shall cause such carried interest distribution or incentive allocation (as adjusted, as necessary, taking into account the arrangements described in the next sentence of this Section 9.2) to be allocated and distributed among holders of Points in accordance with the provisions regarding Operating Profit received by or allocated to the Partnership, but without duplication, either by causing the Partnership to hold an equity or tracking interest in the entity deriving such carried interest or incentive allocation or in some other manner reasonably calculated to accomplish the intent of this provision. The Partners hereby acknowledge and understand that nothing contained herein shall restrict the right of the General Partner, AGM or any of its Affiliates to implement procedures or methodologies for the purpose of giving effect to the foregoing, including to (i) take into account any preferred return and target hurdles, (ii) apply any netting arrangements with respect to any fees or charges, including management fees, carried interest or incentive allocations, in respect of the Strategic Partnership across all or any portion of the investments or co-investments made by the Strategic Partnership, and (iii) provide for holdbacks, escrows or similar reserves for the purpose of satisfying givebacks, clawbacks and similar obligations, or provide for other reserves or holdbacks determined to be appropriate by the General Partner, AGM, any of its Affiliates or the ultimate general partner of such Strategic Partnership, in each case, acting in good faith.

Section 9.3 Amendment of Partnership Agreement and Co-Investors (A) Partnership Agreement.

(a) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner by giving notice of such amendment to any Limited Partner whose rights or obligations as a Limited Partner pursuant to this Agreement are changed thereby; provided, that any amendment that would effect a materially adverse change in the contractual rights or obligations of a Partner (such rights or obligations determined without regard to the amendment power reserved herein) may only be made if the written consent of such Partner is obtained prior to the effectiveness thereof; provided, that any amendment that increases a Partner's obligation to contribute to the capital of the Partnership or increases such Partner's Clawback Share shall not be effective with respect to such Partner, unless such Partner consents thereto in advance in writing. Notwithstanding the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner to enable the Partnership to (i) comply with the requirements of the "Safe Harbor" Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation section 1.83-3(e)(1) or Proposed Treasury Regulation section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement and (ii) enable, when applicable, the Partnership (or the Partnership Representative) to comply with the BBA Audit Rules or to make any elections or take any other actions available thereunder. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 7.1 or Section 7.3 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.3(a) or relating to future Plan Years. The General Partner's approval of or consent to any transaction resulting in the substitution of another Person in place of the Partnership as the managing or general partner of any of the Funds or any change to the scheme of distribution under any of the Fund LP Agreements that would have the effect of reducing the Partnership's allocable share of the Net Income of any Fund shall require the consent of any Limited Partner adversely affected thereby.

(b) Notwithstanding the provisions of this Agreement, including Section 9.3(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with one or more Limited Partners shall govern with respect to such Limited Partner or Limited Partners notwithstanding the provisions of this Agreement. Any such side letters or similar agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement, but no such side letter or similar agreement between the General Partner and any Limited Partner or Limited Partners and the Partnership shall adversely amend the contractual rights or obligations of any other Limited Partner without such other Limited Partner's prior consent.

(c) The provisions of this Agreement that affect the terms of the Co-Investors (A) Partnership Agreement applicable to Limited Partners constitute a "side letter or similar agreement" between each Limited Partner and the general partner of Co-Investors (A), which has executed this Agreement exclusively for purposes of confirming the foregoing.

(d) This Agreement constitutes the entire agreement of the parties hereto and supersedes any other agreement thereof with respect to the subject matter hereof, except to the extent set forth in any side letter pursuant to Section 9.3(b) or the Points Award Memo.

Section 9.4 Special Power-of-Attorney .

(a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 9.3);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the United States of America, the State of Delaware or any other jurisdiction, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as a limited partnership;

(iii) all such instruments, certificates, agreements and other documents relating to the conduct of the investment program of any of the Funds which, in the opinion of such attorney-in-fact, in consultation with the legal counsel to the Funds, are reasonably necessary to accomplish the legal, regulatory and fiscal objectives of the Funds in connection with its or their acquisition, ownership and disposition of investments, including, without limitation:

(A) the governing documents of any management entity formed as a part of the tax planning for any of the Funds and any amendments thereto; and

(B) documents relating to any restructuring transaction with respect to any of the Funds' investments,

provided , that such documents referred to in clauses (A) and (B) above, viewed individually or in the aggregate, provide substantially equivalent financial and economic rights and obligations with respect to such Limited Partner and otherwise do not:

(1) increase the Limited Partner's overall financial obligation to make capital contributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(2) diminish the Limited Partner's overall entitlement to share in profits and distributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(3) cause the Limited Partner to become subject to increased personal liability for any debts or obligations of the Partnership; or

(4) otherwise result in an adverse change in the overall rights or obligations of the Limited Partner in relation to the conduct of the investment program of any of the Funds;

(iv) any instrument or document necessary or advisable to implement the provisions of Section 3.9 of this Agreement, including, but not limited to, the limited partnership agreement of Apollo Special Situations Advisors (IH-A), L.P., a Cayman Islands exempted limited partnership, or any joinder in relation to such Partner's admission as a partner of Apollo Special Situations Advisors (IH-A), L.P.;

(v) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the United States Securities Exchange Act of 1934, as amended, or that is registered under the United States Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(vi) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 9.8(c)).

(b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without his consent. If an amendment of the Certificate or this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this special power-of-attorney with a view to the orderly administration of the affairs of the Partnership. This power-of-attorney is a special power-of-attorney and is coupled with an interest in favor of the General Partner and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power-of-attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 9.5 Good Faith; Discretion.

To the fullest extent permitted by law and notwithstanding any other provision of this Agreement or in any agreement contemplated herein or applicable provisions of law or equity or otherwise, whenever in this Agreement the General Partner is permitted or required to make a decision (a) in its "sole discretion" or "discretion," the General Partner shall be entitled to consider only such interests and factors as it desires, including its and its Affiliates' own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Partnership or any other Person, or (b) in its "good faith" or under another express standard, the General Partner shall act under such express standard and shall not be subject to any other or different standard.

Section 9.6 Notices.

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of Leon D. Black with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at his Partnership office or electronically to the primary e-mail account supplied by the Partnership or its Affiliates for AGM business communications, except that a notice to a Retired Partner or a notice demanding cure of a Bad Act shall be considered given only when delivered by hand, by a recognized overnight courier, or by mailing with the United States Postal System by regular mail to such Retired Partner's Home Address.

Section 9.7 Agreement Binding Upon Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors by operation of law, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.8 Merger, Consolidation, Etc.

(a) Subject to Section 9.8(b) and Section 9.8(c), the Partnership may merge or consolidate with or into one or more limited partnerships formed under the Act or other business entities (as defined in section 17-211 of the Act) pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 9.8(c) but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 9.8(a) may, to the extent permitted by section 17-211(g) of the Act and Section 9.8(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the power and authority to approve and implement any merger, consolidation or other reorganization, restructuring or similar transaction without the consent of any Limited Partner, other than any Limited Partner with respect to which the General Partner has determined that such transaction will, or is more likely than not to, result in any material adverse change in the financial and other material rights such Limited Partner conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.3(b) or the imposition of any material new financial obligation on such Limited Partner. Subject to the foregoing, the General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

Section 9.9 Governing Law; Dispute Resolution .

(a) This Agreement, and the rights and obligations of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to conflict of laws rules thereof.

(b) Subject to Section 9.9(c) , any dispute, controversy, suit, action or proceeding arising out of or relating to this Agreement (including any Points Award Memo or other ancillary documentation) other than injunctive relief, shall be settled exclusively by confidential arbitration, conducted before a single arbitrator in New York County, New York (applying Delaware law) in accordance with, and pursuant to, the applicable rules of JAMS (" JAMS "). The decision of the arbitrator shall be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Either party may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the United States Federal Arbitration Act or the New York Arbitration Act. The party that is determined by the arbitrator not to be the prevailing party shall pay all of the JAMS administrative fees, the arbitrator's fee and expenses. Each party shall be responsible for such party's attorneys' fees. If neither party is so determined, such fees shall be shared. Each party shall be responsible for such party's attorneys' fees. IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTNER AND THE PARTNERSHIP WAIVE AND COVENANT THAT THE PARTNER AND THE PARTNERSHIP SHALL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE PARTNERSHIP OR ANY OF ITS AFFILIATES OR THE PARTNER MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTNERSHIP AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTNER, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS AGREEMENT SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(c) Nothing in this Section 9.9 shall prevent the General Partner or a Limited Partner from applying to a court for preliminary or interim relief or permanent injunction in a judicial proceeding (e.g., injunction or restraining order), in addition to and not in lieu of any other remedy to which it may be entitled at law or in equity, if such relief from a court is necessary to preserve the status quo pending resolution or to prevent serious and irreparable injury in connection with any breach or anticipated breach of covenants applicable pursuant to Section 9.1 ; provided , that all parties explicitly waive all rights to seek preliminary, interim, injunctive or other relief in a judicial proceeding and all parties submit to the exclusive jurisdiction of the forum described in Section 9.9(b) hereto for any dispute or claim concerning continuing entitlement to distributions or other payments, even if such dispute or claim involves or relates to Section 9.1 . For the purposes of this Section 9.9(c) , each party hereto consents to the exclusive jurisdiction and venue of the courts of the state and federal courts within the County of New York in the State of New York.

Section 9.10 Termination of Right of Action .

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.11 Not for Benefit of Creditors .

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. This Agreement is not intended for the benefit of any Person who is not a Partner other than the Covered Persons, who shall be third party beneficiaries hereto, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.12 Reports .

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes his distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year, including a copy of the United States Internal Revenue Service Schedule "K-1" issued by the Partnership to such Limited Partner, and a reconciliation of any difference between (i) such Operating Profit or Operating Loss, and (ii) the aggregate net profits or net losses allocated by the Funds to the Partnership for such year (other than any difference attributable to the aggregate Capital Profit or Capital Loss allocated by the Funds to the Partnership for such year).

Section 9.13 Filings .

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for federal, state and local income tax purposes.

Section 9.14 Headings, Gender, Etc.

The section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof. As used herein, masculine pronouns shall include the feminine and neuter, and the singular shall be deemed to include the plural.

Section 9.15 Corporate Clawback .

Notwithstanding any other provision herein contained, to the extent mandated by applicable law and/or as set forth in a written clawback policy, any amounts distributed with respect to Points (whether or not vested) may be subject to such policy, unless otherwise required by law, to the extent such policy was in effect on and as of the date the applicable Points were awarded.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

General Partner :

APOLLO SPECIAL SITUATIONS ADVISORS GP, LLC

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

Limited Partners :

APH HOLDINGS, L.P.

By: Apollo Principal Holdings III GP, Ltd.,
its general partner

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

Each person who shall sign an Execution Page and who shall be accepted by the General Partner to the Partnership

Solely for purposes of Section 9.3(c) :

APOLLO CO-INVESTORS MANAGER, LLC

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

Exhibit 10.81

CONFIDENTIAL & PROPRIETARY
EXECUTION VERSION

This exempted limited partnership is the general partner of Financial Credit Investment I, L.P. and its parallel funds and earns the "carried interest" on Financial Credit Investment I, L.P. profits.

Financial Credit Investment Advisors I, L.P.

First Amended and Restated Agreement of Exempted Limited Partnership

Dated March 13, 2013
and agreed as amongst the parties hereto to be of effect from January 7, 2011

THE TRANSFER OF THE LIMITED PARTNERSHIP INTERESTS
CONSTITUTED BY THIS AGREEMENT
IS RESTRICTED AS DESCRIBED HEREIN.

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FINANCIAL CREDIT INVESTMENT ADVISORS I, L.P.

A Cayman Islands exempted Limited Partnership

FIRST AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP

This First Amended and Restated Agreement of Exempted Limited Partnership (this "Agreement") of Financial Credit Investment Advisors I, L.P. (the "Partnership"), a Cayman Islands exempted limited partnership, is dated March 13, 2013 and agreed as amongst the parties to be of effect from January 7, 2011, by and among Financial Credit I Capital Management, LLC, a Delaware limited liability company, as the sole general partner of the Partnership (the "General Partner"), and the Persons whose names and addresses are set forth on the Register of Partners (as defined herein) under the caption Limited Partners.

W I T N E S S E T H:

WHEREAS, the Partnership was formed pursuant to an Initial Exempted Limited Partnership Agreement of the Partnership, dated October 26, 2010 (the "Original Agreement"), entered into between the General Partner and Apollo Principal Holdings III, L.P. and registered as an exempted limited partnership under the Partnership Law (as defined herein) on October 26, 2010;

WHEREAS, with effect from August 2, 2011, Apollo Principal Holdings III, L.P. transferred its entire interest as a Limited Partner to APH Holdings, L.P.; and

WHEREAS, the parties wish to amend and restate the Original Agreement in its entirety.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein made and intending to be legally bound hereby, the parties hereto hereby agree to amend and restate the Original Agreement in its entirety to read as follows:

ARTICLE 1
DEFINITIONS

"Affiliate" means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agreement" means this First Amended and Restated Agreement of Exempted Limited Partnership, as amended or supplemented from time to time.

"Alternative GP Vehicle" has the meaning ascribed to that term in Section 3.8.

"AGM" means, with reference to any individual Limited Partner, Apollo Global Management, LLC, a Delaware limited liability company, and any Affiliate that employs such individual to perform services relating to the Fund.

“APH” means APH Holdings, L.P., a Cayman Islands exempted limited partnership, in its capacity as a Limited Partner.

“Capital Account” means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3.

“Capital Loss” means, for each Fund with respect to any Fiscal Year, the portion of any Net Loss and any Portfolio Investment Loss allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership’s capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

“Capital Profit” means, for each Fund with respect to any Fiscal Year, the portion of any Net Income and any Portfolio Investment Gain allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership’s capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

“Clawback Payment” means any payment required to be made by the Partnership to any Fund pursuant to Section 10.3 of the Fund LP Agreement of such Fund.

“Clawback Share” means, with respect to any Limited Partner and any Clawback Payment, a portion of such Clawback Payment equal to (a) the cumulative amount distributed to such Limited Partner prior to the time of determination of Operating Profit attributable to the Fund to which the Clawback Payment is required to be made, divided by (b) the cumulative amount so distributed to all Partners with respect to such Operating Profit attributable to such Fund.

“Co-Investors (A)” means FCI Co-Investors I (A), L.P., a Cayman Islands exempted limited partnership.

“Code” means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

“Confidential Information” means information that has not been made publicly available by or with the permission of the General Partner and that is obtained or learned by a Limited Partner as a result of or in connection with his association with the Partnership or any of its Affiliates concerning the business, affairs or activities of the Partnership, any of its Affiliates or any of the Portfolio Investments, including, without limitation, models, codes, client information (including client identity and contacts, client lists, client financial or personal information), financial data, know-how, computer software and related documentation, trade secrets, and other forms of sensitive or valuable non-public information obtained or learned by the Limited Partner as a result of such Limited Partner’s participation in the Partnership. For the avoidance of doubt, Confidential Information does not include information concerning non-proprietary business or investment practices, methods or relationships customarily employed or entered into by comparable business enterprises

“Covered Person” has the meaning ascribed to that term in Section 5.7.

“Disability” has the meaning ascribed to that term in the Apollo Global Management LLC 2007 Omnibus Equity Incentive Plan.

“FCI” means Financial Credit Investment I, L.P., a Cayman Islands exempted limited partnership, and any successor thereto, to the extent the context so requires.

“Final Adjudication” has the meaning ascribed to that term in Section 5.7.

“Fiscal Year” means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

“Fund” means each of FCI and each “Parallel Fund” within the meaning of the Fund LP Agreement of FCI. Such term also includes each alternative investment vehicle created by FCI and/or any such Parallel Fund, to the extent the context so requires. As of the date hereof, the Funds are FCI.

“Fund General Partner” means the Partnership in its capacity as a general partner of any of the Funds pursuant to the Fund LP Agreements.

“Fund LP Agreement” means the limited partnership agreement of any of the Funds, as amended from time to time, and, to the extent the context so requires, the corresponding constituent agreement, certificate or other document governing each such Fund.

“General Partner” means Financial Credit I Capital Management, LLC, a Delaware limited liability company, in its capacity as general partner of the Partnership or any successor to the business of the General Partner in its capacity as general partner of the Partnership.

“Investment Committee” means the committee constituted pursuant to the limited partnership agreement of the Management Company, as amended from time to time.

“Limited Partner” means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner and any Voting Partner, until such Person is withdrawn entirely as a limited partner of the Partnership in accordance with the terms hereof, in his capacity as a limited partner of the Partnership. All references herein to a Limited Partner shall be construed as referring collectively to such Limited Partner and to each Related Party of such Limited Partner (and to each Person of which such Limited Partner is a Related Party) that also is or that previously was a Limited Partner, except to the extent that the General Partner determines that the context does not require such interpretation as between such Limited Partner and his Related Parties. For purposes of the Partnership Law, all Limited Partners shall be considered a single class or group and only those Persons who are recorded, from time to time, on the Register of Partners shall be deemed to be a limited partner of the Partnership.

“Management Company” has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Income" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Net Loss" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Operating Loss" means, with respect to any Fiscal Year, any net loss of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

"Operating Profit" means, with respect to any Fiscal Year, any net income of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

"Partner" means the General Partner or any of the Limited Partners, and "Partners" means the General Partner and all of the Limited Partners.

"Partnership" means the exempted limited partnership continued pursuant to this Agreement.

"Partnership Law" means the Exempted Limited Partnership Law (as amended) of the Cayman Islands, as amended from time to time and any successor law thereto.

"Permanent Disability" means a Disability that continues for (a) periods aggregating at least 24 months during any period of 48 consecutive months or (b) such shorter period as the General Partner may determine.

"Person" means any individual, partnership (whether or not having separate legal personality), corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

"Point" means a share of Operating Profit or Operating Loss. The aggregate number of Points available for assignment to all Partners initially shall be [ ] and shall be subject to adjustment from time to time as provided herein.

"Points Percentage" with respect to any Partner or group of Partners means the percentage determined by dividing the number of Points held by such Partner or group of Partners by the total number of outstanding Points.

“Portfolio Investment” has the meaning ascribed to that term in each of the Fund LP Agreements.

“Portfolio Investment Gain” has the meaning ascribed to that term in each of the Fund LP Agreements.

“Portfolio Investment Loss” has the meaning ascribed to that term in each of the Fund LP Agreements.

“Reference Rate” means the interest rate described in Section 3.1(c) (or the corresponding provision) of each of the Fund LP Agreements.

“Register of Partners” means the register of partnership interests for the Partnership, recording, as the Partnership Law may require from time to time, the names of each of the Partners, their Capital Commitments, the date and amount of their Capital Contributions including the return of any amounts, and their business addresses, maintained by the General Partner (or its designee) in the books and records of the Partnership.

“Registrar” means the Cayman Islands Registrar of Exempted Limited Partnerships appointed pursuant to Section 8 of the Partnership Law.

“Related Party” means, with respect to any Limited Partner:

(a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner’s parent, or any natural Person who occupies the same principal residence as the Limited Partner;

(b) any trust or estate in which the Limited Partner and any Related Party or Related Parties (other than such trust or estate) collectively have more than 80 percent of the beneficial interests (excluding contingent and charitable interests);

(c) any entity of which the Limited Partner and any Related Party or Related Parties (other than such entity) collectively are beneficial owners of more than 80 percent of the equity interest; and

(d) any Person with respect to whom such Limited Partner is a Related Party.

“Required Voting Partners” means, at any time, at least two-thirds by number of Limited Partners that are Voting Partners at such time.

“Retired Partner” means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2.

“Retirement Date” means, with respect to any Limited Partner, the date as of which such Person becomes a Retired Partner.

“Team Member” has the meaning ascribed to that term in Section 6.1(c).

"Transfer" means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of his interest in the Partnership (whether respecting, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

"United States" or "U.S." means the United States of America.

"Vested Points" means, with respect to any Retired Partner, the product of such Retired Partner's Points as of such Retired Partner's Retirement Date multiplied by the applicable Vesting Percentage with respect to each of such Points at such time.

"Vesting Percentage" means, with respect to each of the Points of any Retired Partner: [ ].

"Vesting Start Date" means, with respect to each Limited Partner other than APH, the commencement date of the 60-month vesting period with respect to such Limited Partner, as specified by the General Partner at the time of such Limited Partner's admission (which, for the avoidance of doubt, may be a date preceding the applicable admission date).

"Voting Partner" means each of the members of the Investment Committee, so long as he has not become a Retired Partner. All references herein to a Voting Partner (except in the definition of Required Voting Partners) shall be construed as referring collectively to such Voting Partner and to each Related Party of such Voting Partner that also is or that previously was a Limited Partner (unless such Limited Partner is a Retired Partner), except to the extent that the General Partner determines that the context does not require such interpretation as between such Voting Partner and his Related Parties.

"Winding-Up Event" has the meaning given to that term in Section 2.5 of this Agreement.

ARTICLE 2
FORMATION AND ORGANIZATION

Section 2.1 Continuation

The parties hereto agree to continue the Partnership as an exempted limited partnership pursuant to the Partnership Law on the terms of this Agreement. The parties hereby agree that for all purposes this Agreement shall take effect and shall be deemed to have taken effect as at and from January 7, 2011.

Section 2.2 Name

The name of the Partnership continued hereby shall be "Financial Credit Investment Advisors I, L.P.". The General Partner is authorized to make any variations in the Partnership's name which the General Partner may deem necessary or advisable to comply with the laws of any jurisdiction in which the Partnership may operate (other than any variation which references the name of any Limited Partner without the prior consent of such Limited Partner); provided that such name shall contain the words "Limited Partnership", the abbreviation "L.P." or the designation "LP" as required by the Partnership Law. The General Partner shall file a statement in accordance with

Section 10 of the Partnership Law with the Registrar and provide written notice to each Limited Partner of any change in the name of the Partnership.

Section 2.3 Organizational Certificates and Other Filings

If requested by the General Partner, the Limited Partners shall immediately execute all certificates and other documents, and any amendments or renewals of such certificates and other documents as thereafter required, consistent with the terms of this Agreement necessary for the General Partner to accomplish all filing, recording, publishing and other acts as may be appropriate to comply with all requirements for (a) the continuation and operation of the Partnership as an exempted limited partnership under the laws of the Cayman Islands, (b) if the General Partner deems it advisable, the operation of the Partnership as a limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (c) all other filings required to be made by the Partnership.

Section 2.4 Offices

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the Cayman Islands, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Partnership Law.

Section 2.5 Term of Partnership

The term of the Partnership commenced at the time of its registration as an exempted limited partnership under the Partnership Law and shall continue until the first to occur of any of the following events (each a "Winding-Up Event"):

(i) the dissolution (without continuation) of all of the Funds; or

(ii) at any time there are no Limited Partners; or

(iii) upon any event that results in the General Partner ceasing to be a general partner of the Partnership pursuant to Section 15(5)(a), (b) or (c) of the Partnership Law, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining qualifying general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after notice of the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective from the date of such event, if required, of one or more additional general partners of the Partnership; or

(iv) an order of any court of the Cayman Islands, pursuant to the Partnership Law, for the winding up and dissolution of the Partnership.

(b) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action for the winding up of the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby undertakes and agrees and further waives and renounces its right to seek the appointment of a liquidator for the Partnership, except as expressly provided herein. Further the provisions of Section 15(2), 15(6) and 15(7) of the Partnership Law shall not apply to the Partnership.

Section 2.6 Purpose of the Partnership

The principal purpose of the Partnership is to act as the sole general partner or as the managing general partner (as the case may be) of each of the Funds pursuant to their respective Fund LP Agreements and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto. The purpose of the Partnership shall be limited to serving as a general partner of direct investment funds, including any of their Affiliates, and the provision of investment management and advisory services.

Section 2.7 Actions by Partnership

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.8 Continuation and/or Admission of Partners

On the date hereof, the Persons whose names are set forth on the Register of Partners as “Limited Partners” shall be admitted to the Partnership or shall continue, as the case may be, as limited partners of the Partnership upon their execution of this Agreement, or of a deed of adherence to this Agreement, or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner’s intent to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement. The General Partner agrees to continue as the General Partner of the Partnership upon its execution of this Agreement.

ARTICLE 3
CAPITAL

Section 3.1 Contributions to Capital

(a) Any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth on the Register of Partners. Contributions to the capital of the Partnership shall be made on the date of admission of such Limited Partner as a limited partner of the Partnership and on each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b) APH shall make capital contributions from time to time to the extent necessary to ensure that the Partnership meets its obligations to make contributions of capital to each of the Funds.

(c) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership other than as specified in this Section 3.1. No Limited Partner shall be obligated to restore any deficit balance in his Capital Account.

(d) To the extent, if any, that at the time of the Final Distribution (as defined in each of the Fund LP Agreements), it is determined that the Partnership, as a general partner of each of the Funds, is required to make any Clawback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership for ultimate distribution to the limited partners of the relevant Fund an amount equal to such Limited Partner's Clawback Share of any Clawback Payment, but not in any event in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund.

Section 3.2 Rights of Partners in Capital

(a) No Partner shall be entitled to interest on his capital contributions to the Partnership.

(b) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1 or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts

(a) The Partnership shall maintain for each Partner a separate Capital Account.

(b) Each Partner's Capital Account shall have an initial balance equal to the amount of cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(c) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1, plus

(ii) in the case of APH, any Capital Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iv) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.6 and any receipts determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

(d) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) in the case of APH, any Capital Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(ii) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1 or 8.1 including any amount deducted pursuant to Section 4.2 or 5.4 from any such amount distributed, plus

(iv) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.6 and any payments determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

Section 3.4 Allocation of Profit and Loss

(a) Allocations of Profit. Capital Profit and Operating Profit for any Fiscal Year shall be allocated to the Partners:

(i) first, to Partners to which Capital Loss and Operating Loss previously have been allocated pursuant to Section 3.4(b), to the extent of and in proportion to the amount of such losses;

(ii) next, to the extent that the cumulative amount of distributions pursuant to Article 4 (other than distributions representing a return of such Partners' capital contributions) exceeds the cumulative amount of Capital Profit and Operating Profit previously allocated to such Partners pursuant to Section 3.4(a), in the order that such distributions occurred; and

(iii) thereafter, any remaining such Capital Profit and Operating Profit shall be allocated among the Partners so as to produce Capital Accounts (computed after taking into account any other Capital Profit and Operating Profit or Capital Loss and Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Article 4 with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(d)) for the Partners such that a distribution of an amount of cash equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Article 4.

(b) Allocations of Losses. Subject to the limitation of Section 3.4(c), Capital Loss for any Fiscal Year shall be allocated to APH, and Operating Loss for any Fiscal Year shall be allocated among the Partners in proportion to their respective Points as of the close of such Fiscal Year.

(c) To the extent that the allocations of Capital Loss or Operating Loss contemplated by Section 3.4(b) would cause the Capital Account of any Limited Partner to be less than zero, such Capital Loss or Operating Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner (or, at the direction of the General Partner, to those Limited Partners who are members of the General Partner in proportion to their limited liability company interests in the General Partner). Following any such adjustment pursuant to Section 3.4(c) with respect to any Limited Partner, any Capital Profit or Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner (or relevant Limited Partners) until the cumulative amounts so credited to the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(c) is equal to the cumulative amount debited against the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(c).

(d) Each Limited Partner’s rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Capital Profit and Operating Profit expressly conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.1(b) and the other rights expressly conferred by this Agreement and any such side letter or similar agreement to the extent permitted, and save as otherwise expressly prohibited or required, by the Partnership Law, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of his interest, or to have or exercise any other rights, privileges or powers.

Section 3.5 Tax Allocations

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Capital Profit, Capital Loss, Operating Profit and Operating Loss pursuant to the provisions of Section 3.4 for such Fiscal Year, taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of Section 704(c) of the Code.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving interests in the Partnership (whether under Section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership’s net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time; provided that, if any individual reserve item, as adjusted by any increase therein, exceeds the lesser of $500,000 or one percent of the aggregate value of the Capital Accounts of all such Partners, the amount of such reserve, increase or decrease shall instead be charged or credited to those parties who were Partners at the time, as determined by the General Partner, of the act or omission giving rise to the contingent liability for which the reserve item was established in proportion to their respective Points at that time.

(b) If at any time an amount is paid or received by the Partnership and such amount was not accrued or reserved for but would nevertheless, in accordance with the Partnership's accounting practices, be treated as applicable to one or more prior periods, then such amount may be proportionately charged or credited by the General Partner, as appropriate, to those parties who were Partners during such prior period or periods.

(c) If any amount is required by Section 3.6(a) or (b) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash, with interest from the date on which the General Partner determines that such credit is required at the Reference Rate in effect on that date. Any amount required to be charged pursuant to Section 3.6(a) or (b) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency, together with a carrying charge at a rate equal to the Reference Rate, of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge. In no event shall a current or former Partner be obligated to satisfy any amount required to be charged pursuant to Section 3.6(a) or (b) other than by means of a debit against such Partner's Capital Account.

Section 3.7 Finality and Binding Effect of General Partner's Determinations

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article 3, including any accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

Section 3.8 Alternative GP Vehicles

If the General Partner determines that for legal, tax, regulatory or other reasons (a) any investment or other activities of the Fund should be conducted through one or more parallel funds or other alternative investment vehicles as contemplated by the Fund LP Agreement, (b) any of such separate entities comprising the Fund should be managed or controlled by one or more separate entities serving as a general partner or in a similar capacity (each, an "Alternative GP Vehicle"), and (c) some or all of the Partners should participate through any such Alternative GP Vehicle, the General Partner may require any or all of the Partners, as determined by the General Partner, to participate directly or indirectly through any such Alternative GP Vehicle and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto with and/or in lieu of the Partnership, and the General Partner shall have all necessary authority to implement such Alternative GP Vehicle. Each Partner shall take such actions and execute such documents as the General Partner determines are reasonably needed to accomplish the foregoing.

ARTICLE 4
DISTRIBUTIONS

Section 4.1 Distributions

(a) Any amount of cash or property received as a distribution from any of the Funds by the Partnership in its capacity as a partner, to the extent such amount is determined by reference to the capital commitment of the Partnership in, or the capital contributions of the Partnership to, any of the Funds, shall be promptly distributed by the Partnership to APH.

(b) The General Partner shall use reasonable efforts to cause the Partnership to distribute, as promptly as practicable after receipt by the Partnership, any available cash or property attributable to items included in the determination of Operating Profit, subject to the provisions of Section 10.3 of the Fund LP Agreements and subject to the retention of such reserves as the General Partner considers appropriate for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.6 hereof. Any such distributions shall be made to Partners in proportion to their respective Points, determined:

(i) in the case of any amount of cash or property received from any of the Funds that is attributable to the disposition of a Portfolio Investment by such Fund, as of the date of such disposition by such Fund; and

(ii) in any other case, as of the date of receipt of such cash or property by the Partnership.

(c) Subject to Section 5.2(d)(ii), any other distributions or payments in respect of the interests of Limited Partners shall be made at such time, in such manner and to such Limited Partners as the General Partner shall determine.

(d) The General Partner may cause the Partnership to pay distributions to the Partners at any time in addition to those contemplated by Section 4.1(a), (b) or (c), in cash or in kind; provided that the General Partner shall only make a distribution in kind either to all Partners ratably or to those Partners who have agreed to accept such a distribution in kind. Distributions of any such amounts shall be made to the Partners in proportion to their respective Points, determined immediately prior to giving effect to such distribution.

Section 4.2 Withholding of Certain Amounts

(a) If the Partnership incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner, then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner’s interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(b) The General Partner may withhold from any distribution to any Limited Partner pursuant to this Agreement any other amounts due from such Limited Partner to the Partnership or to any other Affiliate of AGM to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.3 Limitation on Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of his interest in the Partnership if such distribution would violate the Partnership Law or other applicable law.

ARTICLE 5
MANAGEMENT

Section 5.1 Rights and Powers of the General Partner

(a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership and (ii) for the conduct of the business and affairs of the Partnership, including all such decisions and all such business and affairs to be made or conducted by the Partnership in its capacity as Fund General Partner of any of the Funds.

(b) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners; provided that the General Partner shall not have authority to cause the Partnership to borrow any funds for its own account on a secured basis without the consent of the Required Voting Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund LP Agreements and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Partnership Law shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(c) The General Partner, or a Limited Partner designated by the General Partner, shall be the tax matters partner for purposes of Section 6231(a)(7) of the Code. Each Partner agrees not to treat, on his United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other law.

Section 5.2 Delegation of Duties

(a) Subject to Section 5.1 and Section 5.2(d), the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(b) Without limiting the generality of Section 5.2(a), but subject to the limitations contained in Section 5.2(d), the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to the Partnership and/or to act as an employee of the Partnership or agent of the General Partner, with such titles and duties as may be specified by the General Partner, including the following:

(i) a chief financial officer, to whom the General Partner may delegate its authority to disburse funds for the account of the Partnership and the Funds for any proper purpose, to establish deposit accounts with banks or other financial institutions, to make permitted investments of Partnership assets, and to take any other permitted actions pertaining to the finances of the Partnership and the Funds;

(ii) a chief accounting officer, to whom the General Partner may delegate its authority to prepare and maintain financial and accounting books, records and statements of the Partnership and the Funds; and

(iii) one or more vice presidents, treasurers and controllers, to whom the General Partner may delegate its authority to execute any of its decisions and to take any other permitted actions on behalf of the Partnership (including in its capacity as a Fund General Partner of any of the Funds) subject to the supervision of the chief executive officer, the chief financial officer or the chief accounting officer.

Any Person appointed by the General Partner to serve as an officer, employee or agent of the Partnership and/or the General Partner shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(c) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(d) Except as otherwise expressly provided herein, action by the General Partner with respect to any of the following matters shall be taken only in accordance with the directions of the Required Voting Partners:

(i) the waiver of any provision of Section 5.6 hereof concerning other activities of Limited Partners;

(ii) the amount and timing of any discretionary distribution to Partners pursuant to Section 4.1(c), and any decision to pay any distribution to Partners in kind;

(iii) the exercise of the authority of the Partnership to (A) cause any of the Funds to pay a distribution in kind and (B) elect to receive any such distribution in kind;

(iv) the exercise of the Partnership's authority to borrow any funds on a secured basis for the account of the Partnership;

(v) the determination of whether to conduct a business other than serving as a general partner of the Funds; and

(vi) to the fullest extent permitted by law, the voluntary dissolution of the Partnership, and the exercise of the authority of the Partnership to cause a voluntary dissolution of any of the Funds.

The foregoing shall not restrict the General Partner from delegating authority to execute or implement any such determinations made by the General Partner.

(e) The General Partner shall be permitted to designate one or more committees of the Partnership which committees may include Limited Partners as members. Any such committees shall have such powers and authority granted by the General Partner. Any Limited Partner who has agreed to serve on a committee shall not be deemed to have the power to bind or act for or on behalf of the Partnership in any manner and in no event shall a member of a committee be considered a general partner of the Partnership by agreement, estoppel or otherwise or be deemed to participate in the control and/or conduct of the business of the Partnership as a result of the performance of his duties hereunder or otherwise.

(f) The General Partner shall cause the Partnership to enter into an arrangement with the Management Company which arrangement shall require the Management Company to pay all costs and expenses of the Partnership.

Section 5.3 Transactions with Affiliates

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of the foregoing Persons.

Section 5.4 Expenses

(a) Subject to the arrangement contemplated by Section 5.2(f), the Partnership will pay, or will reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(b) Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.2.

Section 5.5 Rights of Limited Partners

(a) Limited Partners shall have no right to take part in the management, control or conduct of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(b) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Partnership Law.

(c) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

Section 5.6 Other Activities of Partners

(a) No Limited Partner other than a Retired Partner shall engage in any occupation, profession, employment or other business, as an officer, director, partner, manager, member, employee, agent, consultant or otherwise, without the prior written consent of the General Partner, unless such activity is carried out on behalf of the Partnership or an Affiliate.

(b) Subject to the Fund LP Agreements (including, without limitation, Section 6.7 thereof) and to full compliance with the Partnership's code of ethics and other written policies relating to personal investment transactions, membership in the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

(c) Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

Section 5.7 Duty of Care; Indemnification

(a) The General Partner (including, without limitation, for this purpose each former and present director, officer, manager, member, employee and stockholder of the General Partner) and each Limited Partner (including any former Limited Partner) in his capacity as such, and to the extent such Limited Partner participates, directly or indirectly, in the Partnership's activities, whether or not a Retired Partner (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage or liability occasioned by any acts or omissions in the performance of his services hereunder, unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such loss, claim, damage or liability is due to an act or omission of a Covered Person (i) made in bad faith or with criminal intent or (ii) that adversely affected any Fund and that failed to satisfy the duty of care owed pursuant to the applicable Fund LP Agreement or as otherwise required by law.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any losses, claims, damages, liabilities and expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) incurred by or imposed upon him by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or his activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any judicial, administrative, regulatory or legislative body or agency to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been the General Partner or a Limited Partner or by reason of serving or having served, at the request of the Partnership in its capacity as Fund General Partner of the Funds, as a director, officer, consultant, advisor, manager, member or partner of any enterprise in which any of the Funds has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that his acts or his failure to act (i) were in bad faith or with criminal intent or (ii) were of a nature that makes indemnification by the Funds unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the final disposition of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that he is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including, without limitation, insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5 with any Covered Person, whether or not such Covered Person is themselves a party to this Agreement, and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder without the further consent of any Limited Partner. Subject to applicable law, each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article 5, and shall be entitled to the benefit of the indemnity granted to the Partnership by each of the Funds pursuant to the terms of the Fund LP Agreements.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for his good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the Partners to replace such other duties and liabilities of each such Covered Person, save that the General Partner shall act at all times in good faith in accordance with the requirements of the Partnership Law.

(d) Notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may but shall not be required to indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of the issuer of any Portfolio Investment to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Portfolio Investment by the Fund.

ARTICLE 6
ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points

(a) The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be become a limited partner of the Partnership and to adhere to and be bound by the provisions of this Agreement and assign Points to such Person and/or increase the Points of any existing Limited Partner. Once assigned, such Points shall not be subject to forfeiture except as contemplated pursuant to Section 7.3 in connection with a Partner's retirement.

(b) Each additional Limited Partner shall execute a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such Limited Partner undertakes and agrees to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner.

(c) No Team Member shall experience a Points Percentage reduction as a consequence of an award of Points to any other new or existing Partner unless, after giving effect to all Points adjustments in connection with any such award:

(i) Team Members will hold at least [ ] Points;

(ii) such Team Member's Points Percentage will not be less than two percent; and

(iii) x/y will not be less than a/b , where:

x = such Team Member's new Points Percentage

y = such Team Member's previous Points Percentage

a = APH's new Points Percentage

b = APH's previous Points Percentage

For purposes of the foregoing, the term "Team Member" means (x) a natural person who is actively involved, directly or indirectly, in the Fund's investment program, (y) a Retired Partner who was so involved prior to his Retirement Date, or (z) a Related Party of the foregoing.

Section 6.2 Admission of Additional General Partner

The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner other than the Required Voting Partners and any other Voting Partner whose Points are proposed to be reduced in connection with such admission. No reduction in the Points Percentage of any Limited Partner shall be made as a result of the admission of an additional general partner or the increase in the Points of any general partner without the consent of such Limited Partner. Any additional general partner shall, for the purposes of this Agreement, be deemed admitted as a general partner of the Partnership upon its execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such person undertakes and agrees to become a General Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a General Partner. The incumbent General Partner shall make such filings with the Registrar as are necessary pursuant to the Partnership Law to effect the legal admission of any additional general partner of the Partnership.

Section 6.3 Transfer of Interests of Limited Partners

(a) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(b) A Limited Partner or his legal representative shall give the General Partner notice before the proposed effective date of any voluntary Transfer and within 30 days after any involuntary Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not result in any of the following consequences:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under Section 708(b)(1)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(c) In the event any Transfer permitted by this Section 6.3 shall result in the multiple beneficial ownership of any Limited Partner's interest in the Partnership, the General Partner may require one or more trustees or nominees, whose names will be entered on the Register of Partners, to be designated to hold the legal title to the interest and to represent the entire interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferees have pursuant to the provisions of this Agreement. The Partnership shall not otherwise be required to recognize any trust or other beneficial ownership of any interest.

(d) A permitted transferee shall be entitled to the allocations and distributions attributable to the interest in the Partnership transferred to such transferee and to Transfer such interest in accordance with the terms of this Agreement; provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until he becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such transferee undertakes and agrees to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(e) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner’s interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(f) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership’s assets to be adjusted as provided by Section 734 or 743 of the Code.

(g) No transfer of a partnership interest shall be effective until the transfer of the partnership interest is registered by the General Partner on the Register of Partners.

Section 6.4 Withdrawal of Partners

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner’s entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

Section 6.5 Pledges

(a) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(b) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve.

(c) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

ARTICLE 7

ALLOCATION OF POINTS; ADJUSTMENTS OF POINTS AND RETIREMENT OF PARTNERS

Section 7.1 Allocation of Points

(a) Except as otherwise provided herein, the General Partner shall be responsible for the allocation of Points from time to time to the Limited Partners. The allocation of Points to any Limited Partner who is invited to become a member of Co-Investors (A) shall not become effective until the effective date of the acceptance by Co-Investors (A) of a capital commitment from such Limited Partner (or his Related Party, as applicable) in a mutually agreed amount. Points allocated to a Limited Partner, and the Points Percentage represented by such Points, may not be reduced except as set forth in Section 6.1 and Section 7.3.

(b) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and promptly upon any change in such Limited Partner's Points pursuant to this Article 7 or otherwise.

Section 7.2 Retirement of Partner

(a) A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner declaring such Limited Partner to be a Retired Partner (which shall be deemed to have been given upon delivery of a notice terminating such Limited Partner's employment by AGM, unless otherwise determined by the General Partner);

(ii) a date specified in a notice delivered by such Limited Partner to the General Partner stating that such Limited Partner elects to become a Retired Partner, which date shall not be less than 60 days after the General Partner's receipt of such notice; or

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Permanent Disability of the Limited Partner.

(b) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner, it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points

(a) The Points of any Limited Partner who becomes a Retired Partner shall be reduced automatically to an amount equal to such Limited Partner's Vested Points calculated as of the Retirement Date. Any such reduction shall be effective on the Retirement Date or such subsequent date as may be determined by the General Partner; provided that the General Partner may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner.

(b) The General Partner shall determine the manner of apportioning any Points that become available for reallocation pursuant to Section 7.3(a) as a result of any Partner becoming a Retired Partner.

(c) Except as contemplated by Section 7.3(a), the General Partner shall have no authority under the provisions of this Agreement to reduce the Points of any Limited Partner.

ARTICLE 8
DISSOLUTION AND LIQUIDATION

Section 8.1 Liquidation and Dissolution of Partnership

(a) The General Partner, except where, the General Partner is unable to perform this function, a liquidator elected by a majority in interest (determined by Points) of Limited Partners, shall commence the winding-up of the Partnership pursuant to Section 15(1) of the Partnership Law upon occurrence of any Winding-Up Event. The General Partner or appointed liquidator shall terminate the business and administrative affairs of the Partnership and commence the liquidation of the Partnership's assets.

(b) Capital Profit and Capital Loss, Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts pro rata in accordance with and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article 3.

(c) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon the winding-up of the Partnership, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(a), provided that if any in kind distribution is to be made the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(a).

(d) Upon completion of the winding-up of the Partnership in accordance with the terms hereof the Partnership shall be dissolved by the filing of a notice of dissolution in accordance with the provisions of the Partnership Law.

ARTICLE 9
GENERAL PROVISIONS

Section 9.1 Amendment of Partnership Agreement

(a) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner by giving notice of such amendment to any Limited Partner whose rights or obligations as a Limited Partner pursuant to this Agreement are changed thereby; provided that any amendment that would effect a material adverse change in the contractual rights of a Partner may only be made if the written consent of such Partner is obtained prior to the effectiveness thereof. Notwithstanding the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner (other than a Limited Partner whose rights to allocations and distributions would suffer a material adverse change as a result of such amendment), to enable the Partnership to comply with the requirements of the “Safe Harbor” Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation Section 1.83-3(e)(1) or Proposed Treasury Regulation Section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 6.1 or 7.3 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.1(a). The General Partner’s approval of or consent to any transaction resulting in the substitution of another Person in place of the Partnership as the managing or general partner of any of the Funds or any change to the scheme of distribution under any of the Fund LP Agreements that would have the effect of reducing the Partnership’s allocable share of the Net Income of any Fund shall require the consent of any Limited Partner adversely affected thereby.

(b) Notwithstanding the provisions of this Agreement, including Section 9.1(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with one or more Limited Partners shall govern with respect to such Limited Partner or Limited Partners notwithstanding the provisions of this Agreement. Any such side letters or similar agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement, but no such side letter or similar agreement between the General Partner and any Limited Partner or Limited Partners and the Partnership shall adversely amend the contractual rights of any other Limited Partner without such other Limited Partner's prior consent.

Section 9.2 Special Power-of-Attorney

(a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 9.1);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the Cayman Islands or any other jurisdiction, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as an exempted limited partnership or partnership in which the limited partners thereof enjoy limited liability;

(iii) all such instruments, certificates, agreements and other documents relating to the conduct of the investment program of any of the Funds which, in the opinion of such attorney-in-fact and the legal counsel to the Funds, are reasonably necessary to accomplish the legal, regulatory and fiscal objectives of the Funds in connection with its or their acquisition, ownership and disposition of investments, including, without limitation:

(A) the governing documents of any management entity formed as a part of the tax planning for any of the Funds and any amendments thereto; and

(B) documents relating to any restructuring transaction with respect to any of the Funds' investments,

provided that such documents referred to in clauses (A) and (B) above, viewed individually or in the aggregate, provide substantially equivalent financial and economic rights with respect to such Limited Partner and otherwise do not:

(1) increase the Limited Partner's overall financial obligation to make capital contributions with respect to the relevant Fund

(directly or through any associated vehicle in which the Limited Partner holds an interest);

(2) diminish the Limited Partner's overall entitlement to share in profits and distributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(3) cause the Limited Partner to become subject to increased personal liability for any debts or obligations of the Partnership; or

(4) otherwise result in an adverse change in the overall rights or obligations of the Limited Partner in relation to the conduct of the investment program of any of the Funds;

(iv) any instrument or document necessary or advisable to implement the provisions of Section 3.8 of this Agreement;

(v) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the United States Securities Exchange Act of 1934, as amended, or that is registered under the United States Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(vi) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 9.5(c)).

(b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without his consent. If an amendment to this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this power-of-attorney with a view to the orderly administration of the affairs of the Partnership. Each Limited Partner agrees that the power-of-attorney granted hereby is intended to secure an interest in property and, in addition, the obligations of each such Limited Partner under this Agreement and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power of attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 9.3 Notices

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of Leon D. Black with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at his Partnership office or electronically to the primary e-mail account supplied by the Partnership for Partnership business communications, except that a notice to a Retired Partner shall be considered given when delivered by hand by a recognized overnight courier together with mailing through the United States Postal System by regular mail to such Retired Partner's Home Address.

Section 9.4 Agreement Binding Upon Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors by operation of law, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.5 Merger, Consolidation, etc.

(a) Subject to Sections 9.5(b) and 9.5(c), the Partnership may merge or consolidate with or into one or more limited partnerships formed under any applicable law or other business entities under applicable law pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 9.1(a) but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 9.5(a) may, to the extent permitted by Section 9.5(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the power and authority to approve and implement any merger, consolidation or other reorganization, restructuring or similar transaction without the consent of any Limited Partner, other than any Limited Partner with respect to which the General Partner has determined that such transaction will, or is more likely than not to, result in any material adverse change in the financial and other material rights of such Limited Partner conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.1(b) or the imposition of any material new financial obligation on such Limited Partner. Subject to the foregoing, the General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

Section 9.6 Governing Law

This Agreement, and the rights of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to conflict of laws rules thereof. The parties hereby consent to the exclusive jurisdiction and venue for any action arising out of this Agreement (to the extent not subject to arbitration pursuant to this Section 9.6) in any appropriate court in any of the Cayman Islands, or Delaware or New York. In addition to any other means available at law for service of process, each Limited Partner hereby agrees, to the fullest extent permitted by law, that service of process will be duly effectuated when delivered to a Limited Partner's Home Address by hand or by a recognized overnight carrier together with mailing through the United States Postal System by regular mail.

Section 9.7 Termination of Right of Action

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.8 Confidentiality

(a) Each Limited Partner acknowledges and agrees that the information contained in the books and records of the Partnership concerning the Points assigned with respect to any other Limited Partner (including any Retired Partner) is confidential, and, to the fullest extent permitted by applicable law, each Limited Partner waives, and covenants not to assert, any claim or entitlement whatsoever to gain access to any such information. The Limited Partners agree that the restrictions set forth in this Section 9.8(a) shall constitute reasonable standards under the Partnership Law regarding access to information.

(b) Each Limited Partner acknowledges and agrees not to, at any time, either during the term of such Limited Partner's participation in the Partnership or thereafter, disclose, use, publish or in any manner reveal, directly or indirectly, to any Person (other than on a confidential basis to such Limited Partner's legal and tax advisors who have a need to know such information) the contents of this Agreement or any Confidential Information, except (i) as may be necessary to the performance of the Limited Partner's duties hereunder, (ii) with the prior written consent of the General Partner, (iii) to the extent that any such information is in the public domain other than as a result of the Limited Partner's breach of any of his obligations, or (iv) where required to be disclosed by court order, subpoena or other government process; provided that, to the fullest extent permitted by law, the Limited Partner shall promptly notify the General Partner upon becoming aware of any such disclosure requirement and shall cooperate with any effort by the General Partner to prevent or limit such disclosure.

(c) Notwithstanding any of the provisions of this Section 9.8, each Limited Partner may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including tax opinions or other tax analyses) that are provided to the Limited Partner relating to such tax treatment. For this purpose, "tax treatment" is the purported or claimed United States federal income tax treatment of a transaction and "tax structure" is limited to any fact that may be relevant to understanding the purported or claimed United States federal income tax treatment of a transaction. For this purpose, the names of the Partnership, the Partners, their affiliates, the names of their partners, members or equity holders and the representatives, agents and tax advisors of any of the foregoing are not items of tax structure.

Section 9.9 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. This Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.10 Reports

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes his distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year and a reconciliation of any difference between (i) such Operating Profit or Operating Loss and (ii) the aggregate net profits or net losses allocated by the Funds to the Partnership for such year (other than any difference attributable to the aggregate Capital Profit or Capital Loss allocated by the Funds to the Partnership for such year).

Section 9.11 Filings

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for United States federal, state and local income tax purposes.

Section 9.12 Headings, Gender, Etc.

The section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof. As used herein, masculine pronouns shall include the feminine and neuter, and the singular shall be deemed to include the plural.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as a deed on the day and year first above written.

General Partner:

FINANCIAL CREDIT I CAPITAL MANAGEMENT, LLC

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

in the presence of: Ellen W. McCarthy
Name: Ellen W. McCarthy

Limited Partner:

APH HOLDINGS, L.P.

By: Apollo Principal Holdings III GP, Ltd.,
its general partner

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

in the presence of: Ellen W. McCarthy
Name: Ellen W. McCarthy

On behalf of all Limited Partners listed in the Register of Partners as Limited Partners (other than any person whose signature appears herein) who are being admitted to the Partnership as a Limited Partner pursuant to powers of attorney granted to FINANCIAL CREDIT I CAPITAL MANAGEMENT, LLC

FINANCIAL CREDIT I CAPITAL MANAGEMENT, LLC

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

in the presence of: Ellen W. McCarthy
Name: Ellen W. McCarthy

Exhibit 10.82

CONFIDENTIAL & PROPRIETARY

This exempted limited partnership is the general partner of Financial Credit Investment II, L.P. and its parallel funds and earns the "carried interest" on Financial Credit Investment II, L.P. profits.

Financial Credit Investment Advisors II, L.P.

Amended and Restated Agreement of Exempted Limited Partnership

Dated June 12, 2014
and agreed as amongst the parties hereto to be effective from January 1, 2014

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FINANCIAL CREDIT INVESTMENT ADVISORS II, L.P.

A Cayman Islands exempted Limited Partnership

AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP

This Amended and Restated Agreement of Exempted Limited Partnership (this "Agreement") of Financial Credit Investment Advisors II, L.P. (the "Partnership"), a Cayman Islands exempted limited partnership, is dated June 12, 2014 and agreed as amongst the parties to be effective from January 1, 2014, by and among Financial Credit II Capital Management, LLC, a Delaware limited liability company, as the sole general partner of the Partnership (the "General Partner"), and the Persons whose names and addresses are set forth on the Register of Partnership Interests (as defined herein) under the caption "Limited Partners" as limited partners.

W I T N E S S E T H:

WHEREAS, the Partnership was formed pursuant to an Initial Exempted Limited Partnership Agreement of the Partnership, dated May 10, 2013 (the "Original Agreement"), entered into between the General Partner and APH Holdings, L.P., a Cayman Islands exempted limited partnership and registered as an exempted limited partnership under the Partnership Law (as defined herein) on May 10, 2013; and

WHEREAS, the parties wish to amend and restate the Original Agreement in its entirety.

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Capitalized terms used but not otherwise defined herein have the following meanings:

"Affiliate" means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person. Except as the context otherwise requires, the term "Affiliate" in relation to AGM includes each collective investment fund and other client account sponsored or managed by AGM or its affiliated asset management entities, but, in each case, does not include Portfolio Companies except with respect to Bad Acts.

"AGM" means Apollo Global Management, LLC, a Delaware limited liability company.

"AGM Share" means one Class A share of AGM issued in accordance with the terms and conditions set forth in Section 4.2 and Exhibits A-1 and A-2 hereto.

"Agreement" means this Amended and Restated Agreement of Exempted Limited Partnership, as amended or supplemented from time to time.

"Alternative GP Vehicle" has the meaning ascribed to that term in Section 3.8.

"APH" means APH Holdings, L.P., a Cayman Islands exempted limited partnership, and any other entity that holds Points for the benefit (directly or indirectly) of AGM and AP Professional Holdings, L.P. in its capacity as a Limited Partner.

"Applicable Points" has the meaning ascribed to that term in Section 7.1(d)(v).

"Award Letter" means, with respect to any Limited Partner, the letter agreement between the Partnership and such Limited Partner setting forth (a) such Limited Partner's initial Points, (b) any restrictive covenants with respect to such Limited Partner, and (c) any other terms applicable to such Partner.

"Bad Act" means a Limited Partner's:

(a) commission of an intentional violation of a material law or regulation in connection with any transaction involving the purchase, sale, loan, pledge or other disposition of, or the rendering of investment advice with respect to, any security, asset, futures or forward contract, insurance contract, debt instrument or currency, in each case, that has a significant adverse effect on the Limited Partner's ability to perform his or her services to AGM or any of its Affiliates;

(b) commission of an intentional and material breach of a material provision of a written AGM Code of Conduct (other than any AGM Code of Conduct adopted after the date of such Limited Partner's admission to the Partnership with the primary purpose of creating or finding "Bad Acts");

(c) commission of intentional misconduct in connection with the performance by the Limited Partner of his or her services for AGM or any of its Affiliates;

(d) commission of any misconduct that, individually or in the aggregate, has caused or substantially contributed to, or is reasonably likely to cause or substantially contribute to, material economic or reputational harm to AGM or any of its Affiliates (excluding any mistake of judgment made in good faith with respect to a portfolio investment or account managed by AGM or its Affiliates, or a communication made to the principals or other partners, in a professional manner, of a good faith disagreement with a proposed action by AGM or any of its Affiliates);

(e) conviction of a felony or plea of no contest to a felony charge, in each case if such felony relates to AGM or any of its Affiliates;

(f) fraud in connection with the performance by the Limited Partner of his or her services for AGM or any of its Affiliates; or

(g) embezzlement from AGM or any of its Affiliates or interest holders;

provided, however, that

(i) the Limited Partner has failed to cure within 15 days after notice thereof, to the extent such occurrence is susceptible to cure, the items set forth in clauses (b) and (d), and

(ii) during the pendency of any felony charge under clause (e), AGM and its Affiliates may suspend payment of any distributions in respect of the Limited Partner's Points, and if (A) the Limited Partner is later acquitted or otherwise exonerated from such charge, or (B) the employment or service of such Limited Partner with AGM or its applicable Affiliate does not terminate, then (1) AGM or its applicable Affiliate shall pay to the Limited Partner all such accrued but unpaid distributions with respect to vested Points, with interest calculated from the date such distributions were suspended at the prime lending rate in effect on the date of such suspension, and (2) throughout the period of suspension (or until the date of termination of employment or service, if earlier), distributions with respect to unvested Points shall continue to accrue, and Points shall continue to vest, in accordance with the terms and conditions set forth herein.

"Capital Account" means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3.

"Capital Loss" means, for each Fund with respect to any Fiscal Year, the portion of any Net Loss and any Portfolio Investment Loss allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

"Capital Profit" means, for each Fund with respect to any Fiscal Year, the portion of any Net Income and any Portfolio Investment Gain allocable to the Partnership, but only to the extent such allocation is made by such Fund to the Partnership in proportion to the Partnership's capital contribution to such Fund, as determined pursuant to the Fund LP Agreement.

"Clawback Payment" means any payment required to be made by the Partnership to any Fund pursuant to section 10.3 of the Fund LP Agreement of such Fund.

"Clawback Share" means, with respect to any Limited Partner and any Clawback Payment, a portion of such Clawback Payment equal to (a) the cumulative amount distributed to such Limited Partner prior to the time of determination of Operating Profit attributable to the Fund to which the Clawback Payment is required to be made, divided by (b) the cumulative amount so distributed to all Partners with respect to such Operating Profit attributable to such Fund.

"Co-Investors (A)" means FCI Co-Investors II (A), L.P., a Cayman Islands exempted limited partnership.

"Co-Investors (A) Partnership Agreement" means the amended and restated limited partnership agreement of Co-Investors (A), dated the date hereof.

"Code" means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

“Covered Person” has the meaning ascribed to that term in Section 5.7.

“Disability” has the meaning ascribed to that term in the Apollo Global Management LLC 2007 Omnibus Equity Incentive Plan.

“FCI” means Financial Credit Investment II, L.P., a Cayman Islands exempted limited partnership, and any successor thereto, to the extent the context so requires.

“Final Adjudication” has the meaning ascribed to that term in Section 5.7.

“Fiscal Year” means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

“Fund” means each of FCI and each “Parallel Fund” within the meaning of the Fund LP Agreement of FCI. Such term also includes each alternative investment vehicle created by FCI and/or any such Parallel Fund, to the extent the context so requires. As of the date hereof, the Funds are FCI.

“Fund General Partner” means the Partnership in its capacity as a general partner of any of the Funds pursuant to the Fund LP Agreements.

“Fund LP Agreement” means the limited partnership agreement of any of the Funds, as amended from time to time, and, to the extent the context so requires, the corresponding constituent agreement, certificate or other document governing each such Fund.

“General Partner” means Financial Credit II Capital Management, LLC, a Delaware limited liability company, in its capacity as general partner of the Partnership or any successor to the business of the General Partner in its capacity as general partner of the Partnership.

“Grant Date” has the meaning ascribed to that term in Section 4.2(b).

“Holdback Amount” has the meaning ascribed to that term in Section 4.2(a).

“JAMS” has the meaning ascribed to that term in Section 9.7(b).

“Limited Partner” means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner, until such Person is withdrawn entirely as a limited partner of the Partnership in accordance with the terms hereof, in his capacity as a limited partner of the Partnership. All references herein to a Limited Partner shall be construed as referring collectively to such Limited Partner and to each Related Party of such Limited Partner (and to each Person of which such Limited Partner is a Related Party) that also is or that previously was a Limited Partner, except to the extent that the General Partner determines that the context does not require such interpretation as between such Limited Partner and his Related Parties. For purposes of the Partnership Law, all Limited Partners shall be considered a single class or group and only those Persons who are recorded, from time to time, on the Register of Partnership Interests shall be deemed to be a limited partner of the Partnership.

“Management Company” has the meaning ascribed to that term in each of the Fund LP Agreements.

“Net Income” has the meaning ascribed to that term in each of the Fund LP Agreements.

“Net Loss” has the meaning ascribed to that term in each of the Fund LP Agreements.

“Operating Loss” means, with respect to any Fiscal Year, any net loss of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

“Operating Profit” means, with respect to any Fiscal Year, any net income of the Partnership, adjusted to exclude (a) any Capital Profit or Capital Loss and (b) the effect of any reorganization, restructuring or other capital transaction proceeds derived by the Partnership. To the extent derived from any Fund, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by the relevant Fund, and any items not derived from a Fund shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

“Partner” means the General Partner or any of the Limited Partners, and “Partners” means the General Partner and all of the Limited Partners.

“Partnership” means the exempted limited partnership continued pursuant to this Agreement.

“Partnership Law” means the Exempted Limited Partnership Law (as amended) of the Cayman Islands, as amended from time to time and any successor law thereto or re-enactment thereof.

“Person” means any individual, partnership (whether or not having separate legal personality), corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

“Point” means a share of Operating Profit or Operating Loss. The aggregate number of Points available for assignment to all Partners shall be [ ].

“Portfolio Investment” has the meaning ascribed to that term in each of the Fund LP Agreements.

"Portfolio Investment Gain" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Portfolio Investment Loss" has the meaning ascribed to that term in each of the Fund LP Agreements.

"Reference Rate" means the interest rate described in Section 3.1(c) (or the corresponding provision) of each of the Fund LP Agreements.

"Register of Partnership Interests" means the register of partnership interests for the Partnership maintained by the General Partner in accordance with the Act.

"Registrar" means the Cayman Islands Registrar of Exempted Limited Partnerships appointed pursuant to Section 8 of the Partnership Law.

"Related Party" means, with respect to any Limited Partner:

(a) any spouse, child, parent or other lineal descendant of such Limited Partner or such Limited Partner's parent, or any natural Person who occupies the same principal residence as the Limited Partner;

(b) any trust or estate in which the Limited Partner and any Related Party or Related Parties (other than such trust or estate) collectively have more than 80 percent of the beneficial interests (excluding contingent and charitable interests);

(c) any entity of which the Limited Partner and any Related Party or Related Parties (other than such entity) collectively are beneficial owners of more than 80 percent of the equity interest; and

(d) any Person with respect to whom such Limited Partner is a Related Party.

"Required Voting Partners" means, at any time, at least two-thirds by number of Limited Partners who are Voting Partners at such time.

"Reserved Team Points" means a number of Points equal to the sum of the total initial number of Points that were offered by the General Partner to prospective Team Members at the time when prospective Team Members were initially invited to join the Partnership, plus any Points reserved for prospective Team Members, as confirmed in an email from AGM's Head of Human Resources to the Lead Partner of Credit.

"Retired Partner" means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2.

"Retirement Date" means, with respect to any Limited Partner, the date as of which such Person becomes a Retired Partner.

"Share Plan Participant" has the meaning ascribed to that term in Section 4.2(a)

“Team Member” has the meaning ascribed to that term in Section 7.1(d).

“Third Party Priority Distribution” has the meaning ascribed to that term in Section 7.1(f).

“Transfer” means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of his interest in the Partnership or an economic benefit thereof (whether respecting, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

“United States” or “U.S.” means the United States of America.

“Vested Points” means, with respect to any Retired Partner, the product of such Retired Partner’s Points as of such Retired Partner’s Retirement Date multiplied by such Retired Partner’s Vesting Percentage at such time.

“Vesting Commencement Date” means, with respect to each Limited Partner other than APH, the commencement date of the vesting period with respect to such Limited Partner, as specified by the General Partner at the time of such Limited Partner’s admission (which, for the avoidance of doubt, may be a date preceding the applicable admission date).

“Vesting Percentage” means, with respect to any Retired Partner: [ ].

“Voting Partner” means each Partner set forth on Exhibit B, so long as he has not become a Retired Partner. All references herein to a Voting Partner (except in the definition of Required Voting Partners) shall be construed as referring collectively to such Voting Partner and to each Related Party of such Voting Partner that also is or that previously was a Limited Partner (unless such Limited Partner is a Retired Partner), except to the extent that the General Partner determines that the context does not require such interpretation as between such Voting Partner and his Related Parties.

“Winding-Up Event” has the meaning given to that term in Section 2.5 of this Agreement.

ARTICLE 2
FORMATION AND ORGANIZATION

Section 2.1 Continuation

The parties hereto agree to continue the Partnership as an exempted limited partnership pursuant to the Partnership Law on the terms of this Agreement. The parties hereby agree that for all purposes this Agreement shall take effect and shall be deemed to have taken effect as at and from January 1, 2014.

Section 2.2 Name

The name of the Partnership continued hereby shall be “Financial Credit Investment Advisors II, L.P.” The General Partner is authorized to make any variations in the Partnership’s name which the General Partner may deem necessary or advisable to comply with the laws of any jurisdiction in which the Partnership may operate (other than any variation which references the name of any Limited Partner without the prior consent of such Limited Partner); provided that such name shall contain the words “Limited Partnership”, the abbreviation “L.P.” or the designation “LP” as required by the Partnership Law. The General Partner shall file a statement in accordance with the Partnership Law with the Registrar and provide written notice to each Limited Partner of any change in the name of the Partnership.

Section 2.3 Organizational Certificates and Other Filings

If requested by the General Partner, the Limited Partners shall immediately execute all certificates and other documents, and any amendments or renewals of such certificates and other documents as thereafter required, consistent with the terms of this Agreement necessary for the General Partner to accomplish all filing, recording, publishing and other acts as may be appropriate to comply with all requirements for (a) the continuation and operation of the Partnership as an exempted limited partnership under the laws of the Cayman Islands, (b) if the General Partner deems it advisable, the operation of the Partnership as a limited partnership, or partnership in which the Limited Partners have limited liability, in all jurisdictions where the Partnership proposes to operate and (c) all other filings required to be made by the Partnership.

Section 2.4 Offices

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the Cayman Islands, at the expense of the Partnership, a registered office and registered agent for service of process on the Partnership as required by the Partnership Law.

Section 2.5 Term of Partnership

The term of the Partnership commenced at the time of its registration as an exempted limited partnership under the Partnership Law and shall continue until the first to occur of any of the following events (each a “Winding-Up Event”):

(i) the dissolution (without continuation) of all of the Funds; or

(ii) at any time there are no Limited Partners; or

(iii) upon any event that results in the General Partner ceasing to be a general partner of the Partnership pursuant to the Partnership Law, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining qualifying general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after notice of the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective from the date of such event, if required, of one or more additional general partners of the Partnership; or

(iv) an order of any court of the Cayman Islands, pursuant to the Partnership Law, for the winding up and dissolution of the Partnership.

(b) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action for the winding up of the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby undertakes and agrees and further waives and renounces its right to seek the appointment of a liquidator for the Partnership, except as expressly provided herein.

Section 2.6 Purpose of the Partnership

The principal purpose of the Partnership is to act as the sole general partner or as the managing general partner (as the case may be) of each of the Funds pursuant to their respective Fund LP Agreements and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto. The purpose of the Partnership shall be limited to serving as a general partner of direct investment funds, including any of their Affiliates, and the provision of investment management and advisory services.

Section 2.7 Actions by Partnership

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.8 Continuation and/or Admission of Partners

On the date hereof, the Persons whose names are set forth on the Register of Partnership Interests as “Limited Partners” shall be admitted to the Partnership or shall continue, as the case may be, as limited partners of the Partnership upon their execution of this Agreement, or of a deed of adherence to this Agreement, or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner’s intent to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement. The General Partner agrees to continue as the General Partner of the Partnership upon its execution of this Agreement.

ARTICLE 3
CAPITAL

Section 3.1 Contributions to Capital

(a) Subject to the remaining provisions of this Section 3.1, (i) any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth on the Register of Partnership Interests or on such other record of the amount and date of the contributions of Limited Partners (as the case may be), and (ii) contributions to the capital of the Partnership shall be made on the date of admission of such Limited Partner as a limited partner of the Partnership and on each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b) APH shall make capital contributions from time to time to the extent necessary to ensure that the Partnership meets its obligations to make contributions of capital to each of the Funds.

(c) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership other than as specified in this Section 3.1. No Limited Partner shall be obligated to restore any deficit balance in his Capital Account.

(d) To the extent, if any, that at the time of the Final Distribution (as defined in each of the Fund LP Agreements), it is determined that the Partnership, as a general partner of each of the Funds, is required to make any Clawback Payment with respect to any of the Funds, each Limited Partner shall be required to participate in such payment and contribute to the Partnership for ultimate distribution to the limited partners of the relevant Fund an amount equal to such Limited Partner's Clawback Share of any Clawback Payment, but not in any event in excess of the cumulative amount theretofore distributed to such Limited Partner with respect to the Operating Profit attributable to such Fund. For purposes of determining each Limited Partner's required contribution, each Limited Partner's allocable share of any escrow account set up pursuant to section 10.3(b) of the Fund LP Agreements, to the extent applied to satisfy any portion of a Clawback Payment, shall be treated as if it had been distributed to such Limited Partner and re-contributed by such Limited Partner pursuant to this Section 3.1(d) at the time of such application. For purposes of calculating a Limited Partner's Clawback Share, AGM Shares (including, for the avoidance of doubt, any such shares that have previously vested, but excluding any such shares that have previously been mandatorily repurchased by AGM) shall be valued, without regard to any restrictions thereon and/or whether or not the Partner still retains such AGM Shares, based on the purchase price of such AGM Shares as set forth on the grant notice provided with respect to such AGM Shares.

(e) Cash proceeds derived by a Share Plan Participant from a mandatory repurchase of AGM Shares shall be contributed to the Partnership as contemplated by Section 4.2(g).

Section 3.2 Rights of Partners in Capital

(a) No Partner shall be entitled to interest on his capital contributions to the Partnership.

(b) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1 or (ii) upon dissolution of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts

(a) The Partnership shall maintain for each Partner a separate Capital Account.

(b) Each Partner's Capital Account shall have an initial balance equal to the amount of cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(c) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1, plus

(ii) in the case of APH, any Capital Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the portion of any Operating Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iv) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.6 and any receipts determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

(d) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) in the case of APH, any Capital Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(ii) the portion of any Operating Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1 or Section 8.1 including any amount deducted pursuant to Section 4.3 or Section 5.4 from any such amount distributed, plus

(iv) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.6 and any payments determined to be applicable to a prior period pursuant to Section 3.6(b), to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

(e) If securities and/or other property are to be distributed in kind to the Partners or Retired Partners, including in connection with a liquidation pursuant to Section 8.1, they shall first be written up or down to their fair market value as of the date of such distribution, thus creating gain or loss for the Partnership, and the value of the securities and/or other property received by each Partner and each Retired Partner as so determined shall be debited against such Person's Capital Account at the time of distribution.

Section 3.4 Allocation of Profit and Loss

(a) Capital Profit and Operating Profit or Capital Loss and Operating Loss for any Fiscal Year shall be allocated to the Partners so as to produce Capital Accounts (computed after taking into account any other Capital Profit and Operating Profit or Capital Loss and Operating Loss for the Fiscal Year in which such event occurred and all distributions pursuant to Article 4 with respect to such Fiscal Year and after adding back each Partner's share, if any, of Partner Nonrecourse Debt Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(i), or Partnership Minimum Gain, as defined in Treasury Regulations Sections 1.704 - 2(b)(2) and 1.704 - 2(d)) for the Partners such that a distribution of an amount of cash equal to such Capital Account balances in accordance with such Capital Account balances would be in the amounts, sequence and priority set forth in Article 4.

(b) To the extent that the allocations of Capital Loss or Operating Loss contemplated by Section 3.4(a) would cause the Capital Account of any Limited Partner to be less than zero, such Capital Loss or Operating Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner (or, at the direction of the General Partner, to those Limited Partners who are members of the General Partner in proportion to their limited liability company interests in the General Partner). Following any such adjustment pursuant to Section 3.4(b) with respect to any Limited Partner, any Capital Profit or Operating Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner (or relevant Limited Partners) until the cumulative amounts so credited to the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(b) is equal to the cumulative amount debited against the Capital Account of the General Partner (or relevant Limited Partners) with respect to such Limited Partner pursuant to Section 3.4(b).

(c) Each Limited Partner's rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Capital Profit and Operating Profit expressly conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.2(b) and the other rights expressly conferred by this Agreement and any such side letter or similar agreement or required by the Partnership Law, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of his interest, or to have or exercise any other rights, privileges or powers.

Section 3.5 Tax Allocations

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Capital Profit, Capital Loss, Operating Profit and Operating Loss pursuant to the provisions of Section 3.4 for such Fiscal Year, taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of Section 704(c) of the Code.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving interests in the Partnership (whether under Section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against the Operating Profit or Operating Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time; provided that, if any individual reserve item, as adjusted by any increase therein, exceeds the lesser of $500,000 or one percent of the aggregate value of the Capital Accounts of all such Partners, the amount of such reserve, increase or decrease shall instead be charged or credited to those parties who were Partners at the time, as determined by the General Partner, of the act or omission giving rise to the contingent liability for which the reserve item was established in proportion to their respective Points at that time. The amount of any such reserve charged against the Capital Account of a Partner shall reduce the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1; and the amount of any such reserve credited to the Capital Account of a Partner shall increase the distributions such Partner would otherwise be entitled to under Section 4.1 or Section 8.1.

(b) If at any time an amount is paid or received by the Partnership, and such amount was not accrued or reserved for but would nevertheless, in accordance with the Partnership's accounting practices, be treated as applicable to one or more prior periods, then such amount may be proportionately charged or credited by the General Partner, as appropriate, to those parties who were Partners during such prior period or periods, based on each such Partner's Points for such applicable period.

(c) If any amount is required by Section 3.6(a) or (b) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash, with interest from the date on which the General Partner determines that such credit is required at the Reference Rate in effect on that date. Any amount required to be charged pursuant to Section 3.6(a) or (b) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner’s share of any such deficiency, together with a carrying charge at a rate equal to the Reference Rate, of any Operating Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge. In no event shall a current or former Partner be obligated to satisfy any amount required to be charged pursuant to Section 3.6(a) or (b) other than by means of a debit against such Partner’s Capital Account.

Section 3.7 Finality and Binding Effect of General Partner’s Determinations

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article 3, including any accounting procedures applicable thereto, shall be determined by the General Partner unless specifically and expressly otherwise provided for by the provisions of this Agreement, and such determinations and allocations shall be final and binding on all the Partners.

Section 3.8 Alternative GP Vehicles

If the General Partner determines that for legal, tax, regulatory or other reasons (a) any investment or other activities of the Fund should be conducted through one or more parallel funds or other alternative investment vehicles as contemplated by the Fund LP Agreement, (b) any of such separate entities comprising the Fund should be managed or controlled by one or more separate entities serving as a general partner or in a similar capacity (each, an “Alternative GP Vehicle”), and (c) some or all of the Partners should participate through any such Alternative GP Vehicle, the General Partner may require any or all of the Partners, as determined by the General Partner, to participate directly or indirectly through any such Alternative GP Vehicle and to undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto with and/or in lieu of the Partnership, and the General Partner shall have all necessary authority to implement such Alternative GP Vehicle; provided that to the maximum extent practicable and subject to applicable legal, tax, regulatory or similar technical reasons, each Partner shall have the same economic interest in all material respects in an Alternative GP Vehicle formed pursuant to this Section 3.8 as such Partner would have had if it had participated in all Portfolio Investments through the Partnership, and the terms of such Alternative GP Vehicle shall be substantially the same in all material respects to those of the Partnership and this Agreement. Each Partner shall take such actions and execute such documents as the General Partner determines are reasonably needed to accomplish the foregoing.

ARTICLE 4
DISTRIBUTIONS

Section 4.1 Distributions

(a) Any amount of cash or property received as a distribution from any of the Funds by the Partnership in its capacity as a partner, to the extent such amount is determined by reference to the capital commitment of the Partnership in, or the capital contributions of the Partnership to, any of the Funds, shall be promptly distributed by the Partnership to APH.

(b) The General Partner shall use reasonable efforts to cause the Partnership to distribute, as promptly as practicable after receipt by the Partnership, any available cash or property attributable to items included in the determination of Operating Profit, subject to the provisions of section 10.3 of the Fund LP Agreements and subject to the retention of such reserves as the General Partner considers appropriate for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.6. Any such distributions (before adjustment for Holdback Amounts) shall be made to Partners in proportion to their respective Points, determined:

(i) in the case of any amount of cash or property received from any of the Funds that is attributable to the disposition of a Portfolio Investment by such Fund, as of the date of such disposition by such Fund; and

(ii) in any other case, as of the date of receipt of such cash or property by the Partnership.

Notwithstanding the foregoing, the General Partner shall retain from the distribution amount apportioned to each Limited Partner other than APH any Holdback Amount with respect to such Limited Partner, determined in accordance with Section 4.2(a). Such amount shall be applied to the purchase of AGM Shares for the account of such Limited Partner in accordance with the provisions of Section 4.2.

(c) Subject to Section 4.2, distributions of amounts attributable to Operating Profit shall be made in cash; provided, however, that if the Partnership receives a distribution from the Fund in the form of property other than cash, the General Partner may distribute such property in kind to Partners in proportion to their respective Points. AGM Shares shall be purchased on behalf of Partners (other than APH) in accordance with Section 4.2.

(d) Cash proceeds derived from the mandatory repurchase of AGM Shares and contributed to the Partnership pursuant to Section 4.2(g) shall be distributed to APH.

(e) Any distributions or payments in respect of the interests of Limited Partners unrelated to Capital Profit or Operating Profit shall be made at such time, in such manner and to such Limited Partners as the General Partner shall determine.

Section 4.2 Mandatory Purchases and Repurchases of AGM Shares

(a) A portion of all distributions to be made to any Limited Partner (other than APH) (the "Holdback Amount") in a given quarter will be required to be used by such Limited Partner (a "Share Plan Participant") to purchase AGM Shares in accordance with the Restricted Share Award Agreement and related grant notice (as attached hereto as Exhibit A-1) or, to the extent applicable for a Retired Partner, in accordance with the terms and conditions set forth in the Retired Partner Share Award Agreement under the Apollo Global Management LLC 2007 Omnibus Equity Incentive

Plan and related grant notice (as attached hereto as Exhibit A-2). The Holdback Amount will be [ ].

(b) The Holdback Amount for a particular quarter, if any, will be distributed to the Share Plan Participant on the first business day on which a “trading window” for AGM Shares occurs during the calendar quarter following the quarter end to which the distribution relates, or, if earlier, 10 days before the end of such succeeding quarter or, if such date falls on a weekend or holiday, the next preceding business day (the “Grant Date”).

(c) The General Partner (or its designee) shall serve as agent in effecting the acquisition by the Share Plan Participant of the AGM Shares on the Grant Date and no cash distribution will actually be made to the Share Plan Participants, but rather, the Holdback Amount with respect to each Share Plan Participant will be paid directly to AGM on behalf of such Share Plan Participant to acquire AGM Shares. In the case of AGM Shares that are subject to vesting pursuant to the terms of Exhibit A-1, the vesting commencement date shall be the midpoint of the calendar quarter in which the Holdback Amount was reserved, without regard to the actual date in a subsequent calendar quarter on which such AGM Shares are purchased with such Holdback Amount.

(d) The number of AGM Shares to be granted shall be based on the volume weighted average price of a Class A Share of AGM on the Grant Date, rounded down to the nearest whole AGM Share. Only whole AGM Shares will be acquired, and cash shall be distributed to the Share Plan Participants in lieu of fractional AGM Shares.

(e) Delivery of AGM Shares to a Share Plan Participant shall be subject to the execution of the applicable grant notice (substantially in the form attached as Exhibit A-1 or Exhibit A-2, as applicable) by such Share Plan Participant.

(f) Following the separation of service of any Share Plan Participant who retains Vested Points, a Holdback Amount shall still apply, but any AGM Shares acquired will not be subject to vesting or forfeiture and may be granted outside of the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan. However, such AGM Shares shall be subject solely to the transfer restrictions and other terms set forth or referenced in Exhibit A-2. Notwithstanding anything to the contrary herein, if (i) following the distribution of a Holdback Amount to a Share Plan Participant, and (ii) prior to the time of the acquisition of the applicable AGM Shares with respect to such Holdback Amount for such Share Plan Participant, such Share Plan Participant becomes a Retired Partner, then the AGM Shares (that would have otherwise been acquired with the Holdback Amount), or a portion thereof, as applicable, shall be forfeited to the same extent as AGM Shares would have been forfeited if purchased on the Grant Date.

(g) In the case of any AGM Shares that are subject to mandatory repurchase by AGM from a Share Plan Participant pursuant to the provisions of Exhibit A-1 or Exhibit A-2, the cash proceeds of such mandatory repurchase shall be contributed by AGM, as agent for such Share Plan Participant, to the Partnership for distribution to APH and, for all purposes of this Agreement, such cash contribution shall be treated as contributed by such Share Plan Participant to the Partnership and will increase the Capital Account of the related Partner.

Section 4.3 Withholding of Certain Amounts

(a) If the Partnership incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner, then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(b) The General Partner may (i) withhold from any distribution to any Limited Partner pursuant to this Agreement and (ii) arrange the withholding from any distribution from Co-Investors (A) to such Limited Partner any other amounts due from such Limited Partner or a Related Party (without duplication) to the Partnership, Co-Investors (A) or to any other Affiliate of AGM pursuant to any binding agreement or published policy to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.4 Limitation on Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of his interest in the Partnership if such distribution would violate the Partnership Law or other applicable law.

Section 4.5 Distributions in Excess of Basis

Notwithstanding anything in this Agreement to the contrary, the General Partner may refrain from making, at any time prior to the dissolution of the Partnership, all or any portion of any cash distribution that otherwise would be made to a Partner or Retired Partner, if such distribution would exceed such Person's U.S. federal income tax basis in the Partnership. Any amount that is not distributed to a Partner or Retired Partner due to the preceding sentence, as determined by the General Partner, either shall be retained by the Partnership on such Person's behalf or loaned to such Person. Subject to the first sentence of this Section 4.5, 100% of any or all subsequent cash distributions shall be distributed to such Person (or, if there is more than one such Person, pro rata to all such Persons based on the aggregate amount of distributions each such Person has not yet received) until each such Person has received the same aggregate amount of distributions such Person would have received had distributions to such Person not been deferred pursuant to this Section 4.5. If any amount is loaned to a Partner or Retired Partner pursuant to this Section 4.5, (i) any amount thereafter distributed to such Person shall be applied to repay the principal amount of such loan and (ii) interest, if any, accrued or received by the Partnership on such loan shall be allocated and distributed to such Person. Any such loan shall be repaid no later than immediately prior to the liquidation of the Partnership. Until such repayment, for purposes of any determination hereunder based on amounts distributed to a Person, the principal amount of such loan shall be treated as having been distributed to such Person.

ARTICLE 5
MANAGEMENT

Section 5.1 Rights and Powers of the General Partner

(a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership and (ii) for the conduct of the business and affairs of the Partnership, including all such decisions and all such business and affairs to be made or conducted by the Partnership in its capacity as Fund General Partner of any of the Funds.

(b) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners; provided that the General Partner shall not have authority to cause the Partnership to borrow any funds for its own account on a secured basis without the consent of the Required Voting Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the Fund LP Agreements and any documents contemplated thereby or related thereto and (subject to any vote requirement in Section 5.2(d)(iv)) any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Partnership Law shall be construed as being exercisable by the General Partner in its sole and absolute discretion.

(c) The General Partner shall be the tax matters partner for purposes of Section 6231(a)(7) of the Code. Each Partner agrees not to treat, on his United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other law.

Section 5.2 Delegation of Duties

(a) Subject to Section 5.1, the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(b) Without limiting the generality of Section 5.2(a), the General Partner shall have the power and authority to appoint any Person, including any Person who is a Limited Partner, to provide services to and act as an employee or agent of the Partnership and/or the General Partner, with such titles and duties as may be specified by the General Partner.

Any Person appointed by the General Partner to serve as an employee or agent of the Partnership shall be subject to removal at any time by the General Partner; and shall report to and consult with the General Partner at such times and in such manner as the General Partner may direct.

(c) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(d) Except as otherwise expressly provided herein, action by the General Partner with respect to any of the following matters shall be taken only in accordance with the directions of the Required Voting Partners:

(i) the exercise of the Partnership's authority to borrow any funds on a secured basis for the account of the Partnership;

(ii) the determination of whether to conduct a business other than serving as a general partner of the Funds;

(iii) the amendment of this Agreement, and the exercise of the authority of the Partnership with respect to the approval of any amendment to the Fund LP Agreement, in each case, that adversely affects, obligations, rights or economic interests of Team Members; and

(iv) to the fullest extent permitted by law, the voluntary dissolution of the Partnership, and the exercise of the authority of the Partnership to cause a voluntary dissolution of any of the Funds.

The foregoing shall not restrict the General Partner from delegating authority to execute or implement any such determinations made by the General Partner.

(e) The General Partner shall be permitted to designate one or more committees of the Partnership which committees may include Limited Partners as members. Any such committees shall have such powers and authority granted by the General Partner. Any Limited Partner who has agreed to serve on a committee shall not be deemed to have the power to bind or act for or on behalf of the Partnership in any manner and in no event shall a member of a committee be considered a general partner of the Partnership by agreement, estoppel or otherwise or be deemed to participate in the control and/or conduct of the business of the Partnership as a result of the performance of his duties hereunder or otherwise.

(f) The General Partner shall cause the Partnership to enter into an arrangement with the Management Company which arrangement shall require the Management Company to pay all costs and expenses of the Partnership.

Section 5.3 Transactions with Affiliates

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Limited Partner, the Partnership, any of the Funds or any Affiliate of the foregoing Persons.

Section 5.4 Expenses

(a) Subject to the arrangement contemplated by Section 5.2(f), the Partnership will pay, or will reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(b) Any withholding taxes payable by the Partnership, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.3.

Section 5.5 Rights of Limited Partners

(a) Limited Partners shall have no right to take part in the management, control or conduct of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(b) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Partnership Law.

(c) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

(d) Subject to the Fund LP Agreements and to full compliance with AGM's code of ethics and other written policies relating to personal investment transactions, membership in the Partnership shall not prohibit a Limited Partner from purchasing or selling as a passive investor any interest in any asset.

Section 5.6 Other Activities of General Partner

Nothing in this Agreement shall prohibit the General Partner from engaging in any activity other than acting as General Partner hereunder.

Section 5.7 Duty of Care; Indemnification

(a) The General Partner (including, without limitation, for this purpose each former and present director, officer, manager, member, employee and stockholder of the General Partner) and each Limited Partner (including any former Limited Partner) in his capacity as such, and to the extent such Limited Partner participates, directly or indirectly, in the Partnership's activities, whether or not a Retired Partner (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage or liability occasioned by any acts or omissions in the performance of his services hereunder, unless it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such loss, claim, damage or liability is due to an act or omission of a Covered Person (i) made in bad faith or with criminal intent or (ii) that adversely affected any Fund and that failed to satisfy the duty of care owed pursuant to the applicable Fund LP Agreement or as otherwise required by law.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any losses, claims, damages, liabilities and expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) incurred by or imposed upon him by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or his activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any judicial, administrative, regulatory or legislative body or agency to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been the General Partner or a Limited Partner or by reason of serving or having served, at the request of the Partnership in its capacity as Fund General Partner of the Funds, as a director, officer, consultant, advisor, manager, member or partner of any enterprise in which any of the Funds has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that his acts or his failure to act (i) were in bad faith or with criminal intent or (ii) were of a nature that makes indemnification by the Funds unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the final disposition of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that he is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including, without limitation, insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5 with any Covered Person, whether or not such Covered Person is itself a party to this Agreement, and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder without the further consent of any Limited Partner. Subject to applicable law, each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article 5, may enforce any rights granted to it pursuant to this Agreement in its own right as if it were a party to this Agreement and shall be entitled to the benefit of the indemnity granted to the Partnership by each of the Funds pursuant to the terms of the Fund LP Agreements.

(c) To the fullest extent permitted by law, to the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for his good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the Partners to replace such other duties and liabilities of each such Covered Person, save that the General Partner shall act at all times in good faith in accordance with the requirements of the Partnership Law.

(d) To the fullest extent permitted by law, notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may but shall not be required to indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of the issuer of any Portfolio Investment to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Portfolio Investment by the Fund.

ARTICLE 6
ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points

(a) The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be bound by this Agreement and may assign Points to such Person in accordance with Section 7.1.

(b) Each additional Limited Partner shall execute (i) either a counterpart to this Agreement or a separate instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and (ii) the documents contemplated by Section 7.1(b), and shall be admitted as a Limited Partner upon such execution.

Section 6.2 Admission of Additional General Partner

The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner, other than the Required Voting Partners if such additional general partner is not an Affiliate of AGM. Any additional general partner shall, for the purposes of this Agreement, be deemed admitted as a general partner of the Partnership upon its execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such person undertakes and agrees to become a General Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a General Partner. The incumbent General Partner shall make such filings with the Registrar as are necessary pursuant to the Partnership Law to effect the legal admission of any additional general partner of the Partnership.

Section 6.3 Transfer of Interests of Limited Partners

(a) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(b) A Limited Partner or his legal representative shall give the General Partner notice before the proposed effective date of any voluntary Transfer and within 30 days after any involuntary Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not result in any of the following consequences:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under Section 708(b)(1)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(c) In the event any Transfer permitted by this Section 6.3 shall result in multiple ownership of any Limited Partner's interest in the Partnership, the General Partner may require one or more trustees or nominees, whose names will be entered on the Register of Partnership Interests, to be designated to hold the legal title to the interest and to represent the entire interest transferred for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement, and for the purpose of exercising the rights which the transferees have pursuant to the provisions of this Agreement. The Partnership shall not otherwise be required to recognize any trust or other beneficial ownership of any interest.

(d) At the direction of a transferring Limited Partner, a permitted transferee shall be entitled to be paid the allocations and distributions attributable to the economic interest in the Partnership transferred to such transferee (and any such payment shall constitute a good and valid discharge of such obligation on the part of the General Partner); provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until he becomes a substituted Limited Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a deed of adherence, in a form satisfactory to the General Partner, to this Agreement pursuant to which such transferee undertakes and agrees to become a Limited Partner of the Partnership and to adhere to and be bound by the provisions of this Agreement on admission as a Limited Partner. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the Partnership and recorded on its books and the effective date of the Transfer has passed.

(e) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner’s interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(f) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under Section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership’s assets to be adjusted as provided by Section 734 or 743 of the Code.

(g) No transfer of a partnership interest shall be effective until the transfer of the partnership interest is registered by the General Partner on the Register of Partnership Interests.

Section 6.4 Withdrawal of Partners

A Partner in the Partnership may not withdraw from the Partnership prior to its dissolution. For the avoidance of doubt, any Limited Partner who transfers to a Related Party such Limited Partner’s entire remaining entitlement to allocations and distributions shall remain a Limited Partner, notwithstanding the admission of the transferee Related Party as a Limited Partner, for as long as the transferee Related Party remains a Limited Partner.

Section 6.5 Pledges

(a) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(b) Notwithstanding Section 6.5(a), any Limited Partner may grant to a bank or other financial institution a security interest in such part of such Limited Partner's interest in the Partnership as relates solely to the right to receive distributions of Operating Profit in the ordinary course of obtaining bona fide loan financing to fund his contributions to the capital of the Partnership or Co-Investors (A). If the interest of the Limited Partner in the Partnership or Co-Investors (A) or any portion thereof in respect of which a Limited Partner has granted a security interest ceases to be owned by such Limited Partner in connection with the exercise by the secured party of remedies resulting from a default by such Limited Partner or upon the occurrence of such similar events with respect to such Limited Partner's interest in Co-Investors (A), such interest of the Limited Partner in the Partnership or portion thereof shall thereupon become a non-voting interest and the holder thereof shall not be entitled to vote on any matter pursuant to this Agreement and, if applicable, shall no longer be considered a Voting Partner for purposes of this Agreement.

(c) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve.

(d) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

ARTICLE 7

ALLOCATION OF POINTS; ADJUSTMENTS OF POINTS AND RETIREMENT OF PARTNERS

Section 7.1 Allocation of Points

(a) Except as otherwise provided herein, the General Partner shall be responsible for the allocation of Points from time to time to the Limited Partners. The General Partner may allocate Points to a new Limited Partner and/or increase or reduce the Points of any existing Limited Partner at any time; provided that, except as expressly set forth in Sections 7.1(b)(ii), 7.1(d) and 7.3, the General Partner may not reduce (i) a Limited Partner's Points more than once in a 12-month period or (ii) a Retired Partner's Vested Points. Notwithstanding anything to the contrary herein, there shall be a maximum of 2,000 Points available for issuance.

(b) Unless otherwise agreed by the General Partner, the initial allocation of Points to any Limited Partner shall not become effective until:

(i) the receipt of the following documents, in form and substance satisfactory to the General Partner, executed by such Limited Partner a customary and standard guarantee or guarantees, for the benefit of Fund investors, of the Limited Partner's Clawback Share of the Partnership's obligation to make Clawback Payments; and

(ii) the effective date of the acceptance by Co-Investors (A) of a capital commitment from such Limited Partner (or his Related Party, as applicable) in an amount specified in such Limited Partner's Award Letter. Upon the occurrence of a default, after the expiration of the applicable cure period set forth in section 4.2 of the Co-Investors (A) Partnership Agreement, in the obligation to contribute capital to Co-Investors (A) in accordance with the Co-Investors (A) Partnership Agreement by a Limited Partner, the General Partner may reduce or eliminate the Points of any such Limited Partner (including the Vested Points of any Retired Partner); and

(iii) if the Limited Partner is not the individual to whom any covenants contained in such Limited Partner's Award Letter apply, the receipt of an undertaking, in form and substance satisfactory to the General Partner, executed by the individual to comply with the covenants contained in such Award Letter.

(c) The number of Points allocated to a Team Member shall not be reduced except as expressly set forth in Sections 7.1(a), 7.1(b)(ii), 7.1(d) and 7.3.

(d) In addition to Section 7.1(a), the number of Points allocated to a Team Member may be reduced as a consequence of an allocation of Points to another Partner if all of the following conditions are satisfied:

(i) The allocation of Points is to be made to a Person who is (or will become at the time of the Point allocation) a Team Member.

(ii) Team Members will hold a number of Points that is greater than the Reserved Team Points.

(iii) After giving effect to any reduction in a Team Member's Points, such Team Member will have at least [ ] Points (or, in the case of a Retired Partner, the product of [ ] multiplied by such Retired Partner's Vesting Percentage at the time of Retirement).

(iv) The "Commitment Period" (as defined in the Fund LP Agreement) has not expired.

(v) The reduction in a Team Member's Points shall be equal to *a x b,* where:

a = the excess of the number of Points described in clause (i), above, over the number, determined before such allocation, of Reserved Team Points that are not held by Team Members ("Applicable Points").

b = a percentage equal to the aggregate number of Points that were held immediately prior to such reduction by the Team Member whose Points are to be reduced divided by the sum of (a) the aggregate number of Points that were held immediately prior to such reduction by all Team

Members whose Points are to be reduced and (b) the aggregate number of Points that were held by APH immediately prior to such reduction and (c) the aggregate number of Points that were held by each other Limited Partner who had more than [ ] Points at such time.

If, as a result of the reduction described in clause (v) above, a Team Member's Points would be reduced to below [ ], such Team Member's Points shall be reduced to [ ] and the balance of the Points that would otherwise have reduced such Team Member's Points shall instead be treated as Applicable Points and shall reduce the Points of the other Team Members whose Points are to be reduced in accordance with clause (v) above. The same principle shall apply to any other Limited Partner, other than APH, whose Points would be reduced to below [ ].

For purposes of this Agreement, the term "Team Member" means (x) a natural person whose services to AGM or its Affiliates are substantially dedicated to AGM's or its Affiliates' credit business, (y) a natural person who, following the date hereof, becomes a Retired Partner and who, on or following the date hereof, held Points in his capacity as a Team Member, or (z) a Related Party of any of the foregoing.

(e) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and promptly upon any change in such Limited Partner's Points pursuant to this Article 7 and such notice shall include the calculations used by the General Partner to determine the amount of any such reduction.

(f) In the event that the General Partner in good faith enters into an agreement with respect to a specific transaction pursuant to which a Person other than AGM, a subsidiary of AGM or any of their respective personnel would receive a distribution of Operating Profit that would be made prior to any distribution of Operating Profit with respect to the same transaction for Team Members or their Related Parties (a "Third Party Priority Distribution"), distributions of Operating Profit with respect to such transaction to Partners must be commenced following the Third Party Priority Distribution at the same time to all Partners, in each case, in accordance with Section 4.1(b).

(g) If a Limited Partner's Points are reduced pursuant to Section 7.1(a) or 7.1(d) in an aggregate cumulative amount of at least 10% of the highest number of Points held by such Limited Partner at any time, the General Partner shall arrange for such Limited Partner's capital commitment to Co-Investors (A) to be reduced to an amount that is proportionate to such Limited Partner's Points; provided that if a Limited Partner's Points are subsequently increased pursuant to Section 7.3(b), the General Partner shall arrange for such Limited Partner's capital commitment to Co-Investors (A) to be increased to an amount that is proportionate to such Limited Partner's Points.

Section 7.2 Retirement of Partner

(a) A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner terminating such Limited Partner's employment by AGM or an Affiliate thereof, unless otherwise determined by the General Partner;

(ii) delivery by such Limited Partner of a notice to the General Partner, AGM or an Affiliate thereof stating that such Limited Partner elects to resign from or otherwise terminate his or her employment by or service to AGM or an Affiliate thereof; or

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Disability of the Limited Partner.

(b) If (i) a Limited Partner becomes a Retired Partner for a reason other than an election to resign from employment by or service to AGM or an Affiliate or involuntary termination of employment or service by reason of a Bad Act and (ii) such Limited Partner's Points are reduced upon retirement pursuant to Section 7.3, upon the request of such Retired Partner, the General Partner shall arrange for such Limited Partner's capital commitment to Co-Investors (A) to be reduced to an amount that is proportionate to such Limited Partner's Vested Points. Otherwise, if a Limited Partner's Points are reduced upon retirement pursuant to Section 7.3, the General Partner may, but shall not be required to, arrange for such Limited Partner's capital commitment to Co-Investors (A) to be reduced to an amount that is proportionate to such Limited Partner's Vested Points. A Limited Partner's capital commitment to Co-Investors (A) shall not be otherwise reduced or released as a result of a Limited Partner becoming a Retired Partner.

(c) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner, it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points

(a) The Points of any Limited Partner who becomes a Retired Partner shall be reduced automatically to (i) zero if such retirement is the consequence of a Bad Act and (ii) otherwise, an amount equal to such Limited Partner's Vested Points calculated as of the Retirement Date. Any such reduction shall be effective as of the Retirement Date or such subsequent date as may be determined by the General Partner; provided that the General Partner may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner.

(b) If any Points become available for reallocation as a result of a reduction pursuant to Section 7.3(a) at a time when any Team Member's Points have been reduced pursuant to Section 7.1(d) and not fully restored, such available Points shall be reallocated, on a pro rata basis, among (i) all such Team Members having any such unrestored Points, (ii) APH and (iii) any other Limited Partner whose Points were reduced, until all such reduced Points of all such Team Members have been fully restored. For this purpose, "pro rata" with respect to any Team Member means *a/b* , where:

a = the reduction amounts for such Team Member pursuant to Section 7.1(d), net of all amounts previously restored.

b = the aggregate of all such net unrestored reduction amounts for all Team Members and APH taking into account only reductions incurred as a consequence of allocations to Team Members, excluding reductions of APH's Points that increased the number of Reserved Team Points then allocated to Team Members.

If a reduction occurred prior to retirement of a Limited Partner and a Retired Partner has unrestored Points at the time of Retirement, the quantity of such unrestored Points shall be adjusted at that time by multiplying such amount by the Vesting Percentage applicable to such Retired Partner. After restoration of all previously reduced Points, the General Partner shall determine the manner of reallocating any Points that become available as a result of a reduction pursuant to Section 7.3(a).

(c) Notwithstanding Section 7.3(b), unless otherwise determined by the General Partner in its good faith discretion, the aggregate amount of forfeited Points reallocated to non-Retired Team Members who hold Points shall be apportioned among them in accordance with the Points held by such Team Members at the time the relevant Points are forfeited.

(d) If one or more Partners or Retired Partners is assigned additional Points and such Partner or Retired Partner and the General Partner agree in connection with such assignment that such assignment may be, for purposes of Section 83 of the Code, a transfer in connection with the performance of services of an interest that would not qualify as a "profits interest" within the meaning of IRS Revenue Procedure 93-27, then to the extent mutually agreed by such Partner or Retired Partner and the General Partner, the Partnership may make such adjustments to the amounts allocated and distributed to such Partner or Retired Partner with respect to such interest (and corresponding adjustments to other allocations and distributions for Partners and Retired Partners as determined by the General Partner) so as to cause such interest to qualify as a "profits interest" within the meaning of IRS Revenue Procedure 93-27.

ARTICLE 8
DISSOLUTION AND LIQUIDATION

Section 8.1 Liquidation and Dissolution of Partnership

(a) The General Partner, except where, the General Partner is unable to perform this function, a liquidator elected by a majority in interest (determined by Points) of Limited Partners, shall commence the winding-up of the Partnership pursuant to the Partnership Law upon occurrence of any Winding-Up Event. The General Partner or appointed liquidator shall terminate the business and administrative affairs of the Partnership and commence the liquidation of the Partnership's assets.

(b) Capital Profit and Capital Loss, Operating Profit and Operating Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts pro rata in accordance with and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article 3.

(c) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon the winding-up of the Partnership, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(a), provided that if any in kind distribution is to be made the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(a).

(d) Upon completion of the winding-up of the Partnership in accordance with the terms hereof the Partnership shall be dissolved by the filing of a notice of dissolution in accordance with the provisions of the Partnership Law.

ARTICLE 9
GENERAL PROVISIONS

Section 9.1 Consistent Economic Treatment

Except as otherwise specifically provided herein, the General Partner shall not treat any Limited Partner other than APH in a manner that is materially adverse in comparison with the treatment of APH with respect to allocations of Operating Profit, distributions of Operating Profit, Point dilution and funding of Clawback Shares. For the avoidance of doubt, the foregoing is not intended to limit the General Partner's authority relating to forfeiture of Points due to retirement or Bad Acts and allocation of Points to APH to the extent not required to be allocated to Team Members.

Section 9.2 Amendment of Partnership Agreement and Co-Investors (A) Partnership Agreement

(a) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner by giving notice of such amendment to any Limited Partner whose rights or obligations as a Limited Partner pursuant to this Agreement are changed thereby; provided that any amendment that would effect a materially adverse change in the contractual rights or obligations of a Partner (such rights or obligations determined without regard to the amendment power reserved herein) may only be made if the written consent of such Partner is obtained prior to the effectiveness thereof; provided that any amendment that increases a Partner's obligation to contribute to the capital of the Partnership or increases such Partner's Clawback Share shall not be effective with respect to such Partner, unless such Partner consents thereto in advance in writing. Notwithstanding the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any Limited Partner to enable the Partnership to (i) comply with the requirements of the "Safe Harbor" Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation Section 1.83-3(e)(1) or Proposed Treasury Regulation Section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement and (ii) comply with applicable law; provided that any amendment pursuant to clause (i) that would cause a Limited Partner's rights to allocations and distributions to suffer a material adverse change only may be made if the written consent of such Limited Partner is obtained prior to the effectiveness thereof. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 7.1 or Section 7.3 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.2(a). The General Partner's approval of or consent to any transaction resulting in the substitution of another Person in place of the Partnership as the managing or general partner of any of the Funds or any change to the scheme of distribution under any of the Fund LP Agreements that would have the effect of reducing the Partnership's allocable share of the Net Income of any Fund shall require the consent of any Limited Partner adversely affected thereby.

(b) Notwithstanding the provisions of this Agreement, including Section 9.2(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with one or more Limited Partners shall govern with respect to such Limited Partner or Limited Partners notwithstanding the provisions of this Agreement. Any such side letters or similar agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement, but no such side letter or similar agreement between the General Partner and any Limited Partner or Limited Partners and the Partnership shall adversely amend the contractual rights or obligations of any other Limited Partner without such other Limited Partner's prior consent.

(c) The provisions of this Agreement that affect the terms of the Co-Investors (A) Partnership Agreement applicable to Limited Partners constitute a "side letter or similar agreement" between each Limited Partner and the general partner of Co-Investors (A), which has executed this Agreement exclusively for purposes of confirming the foregoing.

(d) Notwithstanding any term of this Agreement, the consent of or notice to any person who is not a party to this Agreement shall not be required for any termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under this Agreement at any time.

Section 9.3 Special Power-of-Attorney

(a) Each Partner hereby irrevocably makes, constitutes and appoints the General Partner with full power of substitution, the true and lawful representative and attorney-in-fact, and in the name, place and stead of such Partner, with the power from time to time to make, execute, sign, acknowledge, swear to, verify, deliver, record, file and/or publish:

(i) any amendment to this Agreement which complies with the provisions of this Agreement (including the provisions of Section 9.2);

(ii) all such other instruments, documents and certificates which, in the opinion of legal counsel to the Partnership, may from time to time be required by the laws of the Cayman Islands or any other jurisdiction, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership as an exempted limited partnership or partnership in which the limited partners thereof enjoy limited liability;

(iii) all such instruments, certificates, agreements and other documents relating to the conduct of the investment program of any of the Funds which, in the opinion of such attorney-in-fact and the legal counsel to the Funds, are reasonably necessary to accomplish the legal, regulatory and fiscal objectives of the Funds in connection with its or their acquisition, ownership and disposition of investments, including, without limitation:

(A) the governing documents of any management entity formed as a part of the tax planning for any of the Funds and any amendments thereto; and

(B) documents relating to any restructuring transaction with respect to any of the Funds' investments,

provided that such documents referred to in clauses (A) and (B) above, viewed individually or in the aggregate, provide substantially equivalent financial and economic rights and obligations with respect to such Limited Partner and otherwise do not:

(1) increase the Limited Partner's overall financial obligation to make capital contributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(2) diminish the Limited Partner's overall entitlement to share in profits and distributions with respect to the relevant Fund (directly or through any associated vehicle in which the Limited Partner holds an interest);

(3) cause the Limited Partner to become subject to increased personal liability for any debts or obligations of the Partnership; or

(4) otherwise result in an adverse change in the overall rights or obligations of the Limited Partner in relation to the conduct of the investment program of any of the Funds;

(iv) any instrument or document necessary or advisable to implement the provisions of Section 3.8;

(v) any written notice or letter of resignation from any board seat or office of any Person (other than a company that has a class of equity securities registered under the United States Securities Exchange Act of 1934, as amended, or that is registered under the United States Investment Company Act of 1940, as amended), which board seat or office was occupied or held at the request of the Partnership or any of its Affiliates; and

(vi) all such proxies, consents, assignments and other documents as the General Partner determines to be necessary or advisable in connection with any merger or other reorganization, restructuring or other similar transaction entered into in accordance with this Agreement (including the provisions of Section 9.6(c)).

(b) Each Limited Partner is aware that the terms of this Agreement permit certain amendments to this Agreement to be effected and certain other actions to be taken or omitted by or with respect to the Partnership without his consent. If an amendment to this Agreement or any action by or with respect to the Partnership is taken by the General Partner in the manner contemplated by this Agreement, each Limited Partner agrees that, notwithstanding any objection which such Limited Partner may assert with respect to such action, the General Partner is authorized and empowered, with full power of substitution, to exercise the authority granted above in any manner which may be necessary or appropriate to permit such amendment to be made or action lawfully taken or omitted. Each Partner is fully aware that each other Partner will rely on the effectiveness of this power-of-attorney with a view to the orderly administration of the affairs of the Partnership. Each Limited Partner agrees that the power-of-attorney granted hereby is intended to secure an interest in property and, in addition, the obligations of each such Limited Partner under this Agreement and as such:

(i) shall be irrevocable and continue in full force and effect notwithstanding the subsequent death or incapacity of any party granting this power-of-attorney, regardless of whether the Partnership or the General Partner shall have had notice thereof; and

(ii) shall survive any Transfer by a Limited Partner of the whole or any portion of its interest in the Partnership, except that, where the transferee thereof has been approved by the General Partner for admission to the Partnership as a substituted Limited Partner, this power of attorney given by the transferor shall survive such Transfer for the sole purpose of enabling the General Partner to execute, acknowledge and file any instrument necessary to effect such substitution.

Section 9.4 Notices

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of Leon D. Black with a copy to the general counsel of the Partnership. A notice to a Limited Partner shall be directed to such Limited Partner's last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner's "Home Address"). A notice shall be considered given when delivered to the addressee either by hand at his Partnership office or electronically to the primary e-mail account supplied by the Partnership for Partnership business communications, except that a notice to a Retired Partner or a notice demanding cure of a Bad Act shall be considered given only when delivered by hand or by a recognized overnight courier, together with mailing through the United States Postal System by regular mail to such Retired Partner's Home Address.

Section 9.5 Agreement Binding Upon Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors by operation of law, but the rights and obligations of the Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.6 Merger, Consolidation, etc.

(a) Subject to Sections 9.6(b) and 9.6(c), the Partnership may merge or consolidate with or into one or more limited partnerships formed under any applicable law or other business entities under applicable law pursuant to an agreement of merger or consolidation which has been approved by the General Partner.

(b) Subject to Section 9.6(c) but notwithstanding any other provision to the contrary contained elsewhere in this Agreement, an agreement of merger or consolidation approved in accordance with Section 9.6(a) may, to the extent permitted by Section 9.6(a), (i) effect any amendment to this Agreement, (ii) effect the adoption of a new partnership agreement for the Partnership if it is the surviving or resulting limited partnership in the merger or consolidation, or (iii) provide that the partnership agreement of any other constituent limited partnership to the merger or consolidation (including a limited partnership formed for the purpose of consummating the merger or consolidation) shall be the partnership agreement of the surviving or resulting limited partnership.

(c) The General Partner shall have the power and authority to approve and implement any merger, consolidation or other reorganization, restructuring or similar transaction without the consent of any Limited Partner, other than any Limited Partner with respect to which the General Partner has determined that such transaction will, or is more likely than not to, result in any material adverse change in the financial and other material rights of such Limited Partner conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.2(b) or the imposition of any material new financial obligation on such Limited Partner. Subject to the foregoing, the General Partner may require one or more of the Limited Partners to sell, exchange, transfer or otherwise dispose of their interests in the Partnership in connection with any such transaction, and each Limited Partner shall take such action as may be directed by the General Partner to effect any such transaction.

Section 9.7 Governing Law; Dispute Resolution

(a) This Agreement, and the rights of each and all of the Partners hereunder, shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to conflict of laws rules thereof.

(b) Subject to Section 9.7(c), any dispute, controversy, suit, action or proceeding arising out of or relating to this Agreement, other than injunctive relief, will be settled exclusively by arbitration, conducted before a single arbitrator in New York County, New York (applying Cayman Islands law) in accordance with, and pursuant to, the applicable rules of JAMS ("JAMS"). The decision of the arbitrator will be final and binding upon the parties hereto. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction. Either party may commence litigation in court to obtain injunctive relief in aid of arbitration, to compel arbitration, or to confirm or vacate an award, to the extent authorized by the U.S. Federal Arbitration Act or the New York Arbitration Act. The party that is determined by the arbitrator not to be the prevailing party will pay all of the JAMS administrative fees, the arbitrator's fee and expenses. Each party shall be responsible for such party's attorneys' fees. If neither party is so determined, such fees shall be shared. Each party shall be responsible for such party's attorneys' fees. IF THIS AGREEMENT TO ARBITRATE IS HELD INVALID OR UNENFORCEABLE THEN, TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, EACH PARTNER AND THE PARTNERSHIP WAIVE AND COVENANT THAT THE PARTNER AND THE PARTNERSHIP WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREE THAT ANY OF THE PARTNERSHIP OR ANY OF ITS AFFILIATES OR THE PARTNER MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTNERSHIP AND ITS AFFILIATES, ON THE ONE HAND, AND THE PARTNER, ON THE OTHER HAND, IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN SUCH PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THAT ANY PROCEEDING PROPERLY HEARD BY A COURT UNDER THIS AGREEMENT WILL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

(c) Nothing in this Section 9.7(c) will prevent the General Partner or a Limited Partner from applying to a court for preliminary or interim relief or permanent injunction in a judicial proceeding (e.g., injunction or restraining order), in addition to and not in lieu of any other remedy to which it may be entitled at law or in equity, if such relief from a court is necessary to preserve the status quo pending resolution or to prevent serious and irreparable injury in connection with any breach or anticipated breach of covenants applicable pursuant to a Limited Partner's Award Letter; provided, however, that all parties explicitly waive all rights to seek preliminary, interim, injunctive or other relief in a judicial proceeding and all parties submit to the exclusive jurisdiction of the forum described in Section 9.7(b) for any dispute or claim concerning continuing entitlement to distributions or other payments, even if such dispute or claim involves or relates to any restrictive covenants set forth in such Limited Partner's Award Letter. For the purposes of this Section 9.7(c), each party hereto consents to the exclusive jurisdiction and venue of the courts of the state and federal courts within the County of New York in the State of New York.

Section 9.8 Termination of Right of Action

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.9 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. This Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.10 Reports

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes his distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Operating Profit or Operating Loss for such year, including a copy of the United States Internal Revenue Service Schedule "K-1" issued by the Partnership to such Limited Partner, and a reconciliation of any difference between (i) such Operating Profit or Operating Loss and (ii) the aggregate net profits or net losses allocated by the Funds to the Partnership for such year (other than any difference attributable to the aggregate Capital Profit or Capital Loss allocated by the Funds to the Partnership for such year).

Section 9.11 Filings

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for United States federal, state and local income tax purposes.

Section 9.12 Headings, Gender, Etc.

The section headings in this Agreement are for convenience of reference only, and shall not be deemed to alter or affect the meaning or interpretation of any provisions hereof. As used herein, masculine pronouns shall include the feminine and neuter, and the singular shall be deemed to include the plural.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as a deed on the day and year first above written.

General Partner:

FINANCIAL CREDIT II CAPITAL MANAGEMENT, LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

in the presence of: /s/ Kristina Hoops
Name: Kristina Hoops

Limited Partner:

APH HOLDINGS, L.P.

By: Apollo Principal Holdings III GP, Ltd.,
its general partner

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

in the presence of: /s/ Kristina Hoops
Name: Kristina Hoops

On behalf of all Limited Partners listed in the Register of Partnership Interests as Limited Partners (other than any person whose signature appears herein) who are being admitted to the Partnership as a Limited Partner pursuant to powers of attorney granted to FINANCIAL CREDIT II CAPITAL MANAGEMENT, LLC

FINANCIAL CREDIT II CAPITAL MANAGEMENT, LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

in the presence of: /s/ Kristina Hoops
Name: Kristina Hoops

For purposes of Section 9.2(c):

APOLLO CO-INVESTORS MANAGER, LLC

By: /s/ Joseph D. Glatt
Name: Joseph D. Glatt
Title: Vice President

in the presence of: /s/ Kristina Hoops
Name: Kristina Hoops

Exhibit 10.83

CONFIDENTIAL AND PROPRIETARY
EXECUTION VERSION

This partnership is a Class C Limited Partner of AAA Associates, L.P.

AAA Life Re Carry, L.P.

Amended and Restated

Limited Partnership Agreement

Dated October 15, 2009

THE TRANSFER OF THE PARTNERSHIP INTERESTS DESCRIBED IN THIS AGREEMENT IS RESTRICTED AS DESCRIBED HEREIN.

TABLE OF CONTENTS

AAA LIFE RE CARRY, L.P.

A Cayman Islands Exempted Limited Partnership

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT of AAA LIFE RE CARRY, L.P. (the "Partnership") is made on October 15, 2009 by and among Apollo Advisors VII (EH), L.P., a Cayman Islands exempted limited partnership, as the sole general partner (the "General Partner"), the persons whose names and addresses are set forth in the Register of Partners under the caption "Limited Partners" as the limited partners and the Initial Limited Partner (as defined herein), solely for the purpose of effecting his withdrawal as a limited partner with effect as of the date hereof (the "Agreement").

W I T N E S S E T H:

WHEREAS, the Partnership was formed pursuant to the laws of the Cayman Islands and an Agreement of Limited Partnership of the Partnership, dated July 30, 2009, between the General Partner and the Initial Limited Partner (the "Original Agreement"); and

WHEREAS, the parties hereto wish to amend and restate the Original Agreement in its entirety to reflect the withdrawal of the Initial Limited Partner, the admission as Limited Partners of the parties listed on the Register of Partners as Limited Partners and the modifications to the Original Agreement as set forth herein.

NOW, THEREFORE, the parties hereby agree as follows:

ARTICLE 1

DEFINITIONS

"AAA Associates" means AAA Associates, L.P., a Guernsey limited partnership and the general partner of the Fund.

"AAA Associates LP Agreement" means the limited partnership agreement of AAA Associates, as amended from time to time.

"Act" means the Exempted Limited Partnership Law (as revised) of the Cayman Islands, as the same may be amended from time to time, or any successor law.

"Advisors VII LP Agreement" means the limited partnership agreement of Apollo Advisors VII, L.P., as amended from time to time.

"Affiliate" means with respect to any Person any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"Agreement" means this Amended and Restated Limited Partnership Agreement, as amended or supplemented from time to time.

“APH” means Apollo Principal Holdings III, L.P. (or its assignees or transferees).

“Capital Account” means with respect to each Partner the capital account established and maintained on behalf of such Partner as described in Section 3.3.

“Cause” means with respect to any Limited Partner, an election by such Limited Partner in accordance with Section 7.2(a)(ii) or a determination by the General Partner that any of the following events has occurred with respect to such Limited Partner:

(a) the Limited Partner’s conviction of a felony or plea of no contest to a felony charge;

(b) the Limited Partner’s intentional violation of law in connection with any transaction involving the purchase, sale, loan or other disposition of, or the rendering of investment advice with respect to, any security, futures or forward contract, insurance contract, debt instrument or currency;

(c) dishonesty, bad faith, gross negligence (as defined and interpreted in accordance with the laws of the State of New York in the United States of America), willful misconduct, fraud or willful or reckless disregard of duties by a Limited Partner in connection with the performance of any services on behalf of the Partnership or any Affiliate of the Partnership;

(d) intentional failure by a Limited Partner to comply with any reasonable directive of the General Partner in connection with the performance of any services on behalf of the Partnership or any Affiliate of the Partnership;

(e) intentional breach by a Limited Partner of any material provision of this Agreement, the AAA Associates LP Agreement, the limited partnership agreement of the Fund or any of the equivalent agreements of any Affiliate of the Partnership;

(f) intentional violation by a Limited Partner of any material written policies adopted by the General Partner governing the conduct of Persons performing services on behalf of the Partnership or any Affiliate of the Partnership;

(g) the taking of or omission to take any action that has caused or substantially contributed to a material deterioration in the business or reputation of the Partnership or any of its Affiliates, or that was otherwise materially disruptive of their business or affairs; provided that the term Cause shall not include for this purpose (i) any mistake of judgment made in good faith with respect to any transaction respecting a Fund Investment or (ii) a communication to other Partners or other Apollo professionals, in a professional and business-like manner, of any bona fide disagreement or suggestion concerning a proposed action by the Partnership or an Affiliate;

(h) the failure by a Limited Partner to devote a significant portion of time to performing services as an agent of the Partnership or any of its Affiliates without the prior consent of the General Partner, other than by reason of death or Disability;

(i) the obtaining by a Limited Partner of any material improper personal benefit as a result of a breach by such Limited Partner of any covenant or agreement (including, without limitation, a breach by a Limited Partner of the code of ethics of Apollo Global Management, LLC or any of its Affiliates or a material breach by a Limited Partner of other written policies furnished to the Limited Partner relating to personal investment transactions or of any covenant, agreement, representation or warranty contained in the Associates LP Agreement or the limited partnership agreement of the Fund); or

(j) the Limited Partner being deemed a "Retired Partner for Cause" under the Advisors VII LP Agreement;

provided that if a failure, breach, violation or action or omission described in any of clauses (d) through (g) is capable of being cured, the Limited Partner has failed to do so after being given notice and a reasonable opportunity to cure.

"Certificate" means the Certificate of Registration of Exempted Limited Partnership of the Partnership and any amendments thereto as issued by the Cayman Islands Registrar of Exempted Limited Partnerships.

"Class C Interest" means the Partnership's limited partner interest in AAA Associates that represents the entitlement of the Partnership to allocations and distributions by AAA Associates of amounts derived by AAA Associates from the Fund GP Book Account attributable to the Class C Investment and as set forth in the Class Designation Schedule adopted by the general partner of AAA Associates.

"Class C Investment" means the Fund's investment in Athene Holding Ltd. only.

"Class C Limited Partner" means the Partnership in its capacity as a limited partner of AAA Associates holding a Class C Interest.

"Class C Shares" means the Class Shares attributable to the Class C Investment.

"Class Designation Schedule" has the meaning ascribed to that term in the AAA Associates LP Agreement.

"Class Share" has the meaning ascribed to that term in the AAA Associates LP agreement.

"Code" means the United States Internal Revenue Code of 1986, as amended and as hereafter amended, or any successor law.

"Confidential Information" means information that has not been made publicly available by or with the permission of the General Partner and that is obtained or learned by a Limited Partner as a result of or in connection with such Limited Partner's association with the Partnership or any of its Affiliates concerning the business, affairs or activities of the Partnership, AAA Associates, any of their Affiliates or any Fund Investments, including, without limitation, models, codes, client information (including client identity and contacts, client lists, client financial or personal information), financial data, know-how, computer software and related documentation, trade secrets, and other forms of sensitive or valuable non-public information obtained or learned by the Limited Partner as a result of such Limited Partner's participation in the Partnership. For the avoidance of doubt, Confidential Information does not include information concerning non-proprietary business or investment practices, methods or relationships customarily employed or entered into by comparable business enterprises.

"Covered Person" has the meaning ascribed to that term in Section 5.7.

"Disability" means, with respect to a Limited Partner, any physical or mental illness, disability or incapacity that prevents the Limited Partner from performing substantially all of the duties delegated to him as an agent of the Partnership pursuant to Section 5.2 or as an agent of Apollo Advisors VII, L.P. pursuant to the Advisors VII LP Agreement.

"Final Adjudication" has the meaning ascribed to that term in Section 5.7.

"Fiscal Year" means, with respect to a year, the period commencing on January 1 of such year and ending on December 31 of such year (or on the date of a final distribution pursuant to Section 8.1(a)), unless the General Partner shall elect another fiscal year for the Partnership which is a permissible taxable year under the Code.

"Fund" has the meaning ascribed to that term in the AAA Associates LP Agreement.

"Fund GP Book Account" has the meaning ascribed to that term in the AAA Associates LP Agreement.

"Fund Investment" has the meaning ascribed to that term in the AAA Associates LP Agreement.

"General Partner" means Apollo Advisors VII (EH), L.P., a Cayman Islands exempted limited partnership, in its capacity as general partner of the Partnership or any successor to the business of the General Partner in its capacity as general partner of the Partnership.

"Initial Limited Partner" means Patrick Head.

"Investment Manager" has the meaning ascribed to that term in the AAA Associates LP Agreement.

"Limited Partner" means any Person admitted as a limited partner to the Partnership in accordance with this Agreement, including any Retired Partner, until such Person withdraws entirely as a limited partner of the Partnership, in its capacity as a limited partner of the Partnership.

"Loss" means, with respect to any Fiscal Year, any net loss of the Partnership. To the extent derived from AAA Associates, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by AAA Associates, and any items not derived from AAA Associates shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

"Partner" means the General Partner and any of the Limited Partners and "Partners" means the General Partner and all of the Limited Partners.

"Partnership" means the exempted limited partnership continued pursuant to this Agreement.

"Permanent Disability" means a Disability that continues for (a) periods aggregating at least 24 months during any period of 48 consecutive months, or (b) such shorter period as the General Partner may determine.

"Person" means any individual, partnership, corporation, limited liability company, joint venture, joint stock company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government, governmental agency, political subdivision of any government, or other entity.

"Point" means a 1/x share of Profit or Loss. The aggregate number of Points assigned or available for assignment to all Partners shall not at any time exceed [ ].

"Profit" means, with respect to any Fiscal Year, any net income of the Partnership. To the extent derived from AAA Associates, any items of income, gain, loss, deduction and credit shall be determined in accordance with the same accounting policies, principles and procedures applicable to the determination by AAA Associates, and any items not derived from AAA Associates shall be determined in accordance with the accounting policies, principles and procedures used by the Partnership for United States federal income tax purposes.

"Register of Partners" means the register of Partners maintained by the General Partner showing the following information with respect to each Partner: name, address, date of admission and withdrawal and the date and amount of receipt of any required capital contribution (if any) made to the Partnership and the date and amount of any payment representing a return of any part of the contribution of any Partner.

"Retired Partner" means any Limited Partner who has become a retired partner in accordance with or pursuant to Section 7.2.

"Transfer" means any direct or indirect sale, exchange, transfer, assignment or other disposition by a Partner of any or all of such Partner's interest in the Partnership (whether respecting, for example, economic rights only or all the rights associated with the interest) to another Person, whether voluntary or involuntary.

"Treasury Regulations" means the regulations promulgated under the Code.

"Unvested Points" means, with respect to any Limited Partner as of the commencement of any Vesting Period, any amount by which (a) the total Points assigned to such Limited Partner as of such date, excluding, unless otherwise determined by the General Partner, any Points assigned to such Limited Partner pursuant to Section 7.3(c), exceed (b) such Limited Partner's Vested Points, if any, as of such time.

"Vested Points" means, with respect to any Limited Partner at any time, the sum of:

(a) with respect to the first Vesting Period, the product of (i) such Limited Partner's Points as of the commencement of the first Vesting Period, multiplied by (ii) such Limited Partner's Vesting Percentage with respect to the first Vesting Period, plus

(b) with respect to each Vesting Period after the first Vesting Period and without duplication (i) such Limited Partner's Vested Points, if any, as of the close of the immediately preceding Vesting Period, plus (ii) the product of (A) such Limited Partner's Unvested Points as of the commencement of such Vesting Period, multiplied by (B) such Limited Partner's Vesting Percentage with respect to such Vesting Period.

"Vesting Date" means, with respect to any Limited Partner, the last day of the calendar month coinciding with or immediately preceding any of the following:

(a) the date on which such Limited Partner becomes a Retired Partner; or

(b) the date of an increase in such Limited Partner's Points pursuant to Section 6.1(a).

"Vesting Percentage" means, with respect to any Vesting Period of any Limited Partner: [ ].

"Vesting Period" means, with respect to any Limited Partner, an initial period that commences as of the later of (a) July 15, 2009, and (b) the effective date of such Limited Partner's admission to the Partnership and ends on the first Vesting Date thereafter, and each subsequent period that commences on the next day following the immediately preceding Vesting Date and ends on the next succeeding Vesting Date.

"Winding-up Event" has the meaning ascribed to that term in Section 2.4(b).

ARTICLE 2

FORMATION AND ORGANIZATION

Section 2.1 Formation

The Partnership was formed pursuant to the Original Agreement and is hereby continued as an exempted limited partnership under and pursuant to the terms hereof and in accordance with the Act. The Certificate was issued on July 30, 2009. The General Partner shall execute, acknowledge and file any statements as may be required by the Act and any other instruments, documents and certificates which, in the opinion of the Partnership's legal counsel, may from time to time be required by the laws of the Cayman Islands or any other jurisdiction in which the Partnership shall determine to do business, or any political subdivision or agency thereof, or which such legal counsel may deem necessary or appropriate to effectuate, implement and continue the valid and subsisting existence and business of the Partnership.

Section 2.2 Name

The name of the Partnership shall be "AAA Life Re Carry, L.P." or such other name as the General Partner may hereafter adopt upon causing an appropriate amendment to be made to this Agreement and the filing of an appropriate statement in accordance with the Act. Promptly thereafter, the General Partner shall send notice thereof to each Limited Partner.

Section 2.3 Offices

(a) The Partnership shall maintain its principal office, and may maintain one or more additional offices, at such place or places as the General Partner may from time to time determine.

(b) The General Partner shall arrange for the Partnership to have and maintain in the Cayman Islands, at the expense of the Partnership, a registered office at the office of Walkers Corporate Services Limited, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005 or at such place or places in the Cayman Islands as the General Partner may decide.

Section 2.4 Term of the Partnership

(a) The term of the Partnership shall continue until it is terminated in accordance with the further terms hereof.

(b) The Partnership shall only be wound up at the time or upon the occurrence of any of the following events (each a "Winding-Up Event") and sections 15(2), 15(5), 15(6) and 15(7) of the Act shall not apply to the Partnership save as otherwise expressly provided herein:

(i) any date on which the General Partner shall elect to commence the winding-up and dissolution of the Partnership; or

(ii) the withdrawal of the last remaining Limited Partner; or

(iii) following the occurrence of any event described in paragraphs (a), (b) or (c) of section 15(5) of the Act in relation to the sole or last remaining qualifying General Partner unless all remaining Partners agree in writing to continue the business of the Partnership and to appoint a replacement general partner within 90 days after such General Partner (or its legal representative) gives notice of the event giving rise to the automatic dissolution trigger.

(c) The parties agree that irreparable damage would be done to the goodwill and reputation of the Partners if any Limited Partner should bring an action to dissolve the Partnership. Care has been taken in this Agreement to provide for fair and just payment in liquidation of the interests of all Partners. Accordingly, to the fullest extent permitted by law, each Limited Partner hereby waives and renounces its right to apply for such a decree of dissolution or to seek the winding-up and appointment of a liquidator for the Partnership, except as provided herein.

(d) Upon the occurrence of a Winding-Up Event the Partnership shall be wound up and dissolved in accordance with the terms of Article 8 of this Agreement and the Act.

Section 2.5 Purpose of the Partnership

The principal purpose of the Partnership is to (a) act as a Class C Limited Partner of AAA Associates pursuant to the AAA Associates LP Agreement, (b) engage in any lawful act or activity for which limited partnerships may be formed under the Act, and (c) undertake such related and incidental activities and execute and deliver such related documents necessary or incidental thereto.

Section 2.6 Actions by the Partnership

The Partnership may execute, deliver and perform, and the General Partner may execute and deliver, all contracts, agreements and other undertakings, and engage in all activities and transactions as may in the opinion of the General Partner be necessary or advisable to carry out the objects and purposes of the Partnership, without the approval or vote of any Limited Partner.

Section 2.7 Admission of Limited Partners

On the date hereof, the Persons whose names are set forth in the Schedule of Partners under the caption "Limited Partners" shall be admitted to the Partnership as limited partners of the Partnership upon their execution of a deed of adherence to this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and to be bound by the terms of this Agreement.

Section 2.8 Withdrawal of the Initial Limited Partner

On the date hereof, immediately following the admission of the first Limited Partner to the Partnership in accordance with the terms of Section 2.7 hereof, the Initial Limited Partner shall be deemed to have automatically withdrawn as a Partner of the Partnership and shall have no continuing rights, obligations or liabilities hereunder or with respect to the Partnership or the remaining Partners of the Partnership.

ARTICLE 3

CAPITAL

Section 3.1 Contributions to Capital

(a) Any required contribution of a Limited Partner to the capital of the Partnership shall be as set forth in the Register of Partners. Contributions to the capital of the Partnership shall be made as of the date of admission of such Limited Partner as a limited partner of the Partnership and as of each such other date as may be specified by the General Partner. Except as otherwise permitted by the General Partner, all contributions to the capital of the Partnership by each Limited Partner shall be payable exclusively in cash.

(b) No Partner shall be obligated, nor shall any Partner have any right, to make any contribution to the capital of the Partnership other than as specified in this Section 3.1 or Section 4.2(a). No Limited Partner shall be obligated to restore any deficit balance in its Capital Account.

(c) The General Partner shall not be required to make capital contributions except as may be required by the Act.

Section 3.2 Rights of Partners in Capital

(a) No Partner shall be entitled to interest on its capital contributions to the Partnership.

(b) No Partner shall have the right to distributions or the return of any contribution to the capital of the Partnership except (i) for distributions in accordance with Section 4.1 or Section 6.4, or (ii) upon the winding-up of the Partnership. The entitlement to any such return at such time shall be limited to the value of the Capital Account of the Partner. The General Partner shall not be liable for the return of any such amounts.

Section 3.3 Capital Accounts

(a) The Partnership shall maintain for each Partner a separate Capital Account.

(b) Each Partner's Capital Account shall have an initial balance equal to the amount of any cash and the net value of any securities or other property constituting such Partner's initial contribution to the capital of the Partnership.

(c) Each Partner's Capital Account shall be increased by the sum of:

(i) the amount of cash and the net value of any securities or other property constituting additional contributions by such Partner to the capital of the Partnership permitted pursuant to Section 3.1, plus

(ii) the portion of any Profit allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(iii) such Partner's allocable share of any decreases in any reserves recorded by the Partnership pursuant to Section 3.6, to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be credited to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

(d) Each Partner's Capital Account shall be reduced by the sum of (without duplication):

(i) the portion of any Loss allocated to such Partner's Capital Account pursuant to Section 3.4, plus

(ii) the amount of any cash and the net value of any property distributed to such Partner pursuant to Section 4.1, Section 6.4 or Section 8.1 including any amount deducted pursuant to Section 4.2 or Section 5.4 from any such amount distributed, plus

(iii) any withholding taxes or other items payable by the Partnership and allocated to such Partner pursuant to Section 5.4(b), any increases in any reserves recorded by the Partnership pursuant to Section 3.6, to the extent the General Partner determines that, pursuant to any provision of this Agreement, such item is to be charged to such Partner's Capital Account on a basis which is not in accordance with the current respective Points of all Partners.

Section 3.4 Allocation of Profit and Loss

(a) Allocations of Profit. Profit for any Fiscal Year shall be allocated among the Partners in proportion to their respective Points as of the close of such Fiscal Year.

(b) Allocations of Losses. Subject to the limitation of Section 3.4(c), Loss for any Fiscal Year shall be allocated among the Partners in proportion to their respective Points as of the close of such Fiscal Year.

(c) To the extent that the allocations of Loss contemplated by Section 3.4(b) would cause the Capital Account of any Limited Partner to be less than zero, such Loss shall to that extent instead be allocated to and debited against the Capital Account of the General Partner. Following any such adjustment pursuant to Section 3.4(c) with respect to any Limited Partner, any Profit for any subsequent Fiscal Year which would otherwise be credited to the Capital Account of such Limited Partner pursuant to Section 3.4(a) shall instead be credited to the Capital Account of the General Partner until the cumulative amounts so credited to the Capital Account of the General Partner with respect to such Limited Partner pursuant to Section 3.4(c) is equal to the cumulative amount debited against the Capital Account of the General Partner with respect to such Limited Partner pursuant to Section 3.4(c).

(d) Special Allocations.

(i) Qualified Income Offset. In the event any Partner unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations section 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Partnership income and gain shall be specially allocated to each such Limited Partner in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, the deficit balance in the Capital Account of such Partner as quickly as possible; provided that an allocation pursuant to this Section 3.4(d)(i) may be made only if and to the extent that such Partner would have a deficit balance in its Capital Account after all other allocations provided for in this Article 3 have been tentatively made as if this Section 3.4(d)(i) were not in this Agreement. This Section 3.4(d)(i) is intended to constitute a "qualified income offset" within the meaning of Treasury Regulations section 1.704-1(b)(2)(ii), and shall be interpreted consistently therewith.

(ii) Gross Income Allocation. In the event any Partner has a deficit Capital Account at the end of any Fiscal Year that is in excess of the sum of (i) the amount such Partner is obligated to restore pursuant to any provision of this Agreement, and (ii) the amount such Partner is deemed to be obligated to restore pursuant to the penultimate sentences of Treasury Regulations sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Partner shall be specially allocated items of Partnership income and gain in the amount of such excess as quickly as possible; provided that an allocation pursuant to this Section 3.4(d)(ii) may be made only if and to the extent that such Partner would have a deficit Capital Account in excess of such sum after all other allocations provided for in this Article 3 have been made as if Section 3.4(d)(i) and this Section 3.4(d)(ii) were not in this Agreement.

(iii) Other Special Allocations. Special allocations shall be made in accordance with the requirements set forth in the Treasury Regulations sections 1.704-2(f), (g) and (j) (minimum gain chargeback), 1.704-2(i)(4) (partner minimum gain chargeback), 1.704-2(i)(2) (nonrecourse deductions), and, to the extent that an election under section 754 of the Code is in effect, 1.704-1(b)(2)(iv)(m) (section 754 adjustments).

(e) Each Limited Partner's rights and entitlements as a Limited Partner are limited to the rights to receive allocations and distributions of Profit expressly conferred by this Agreement and any side letter or similar agreement entered into pursuant to Section 9.1(b) and the other rights expressly conferred by this Agreement and any such side letter or similar agreement or required by the Act, and a Limited Partner shall not be entitled to any other allocations, distributions or payments in respect of its interest, or to have or exercise any other rights, privileges or powers.

Section 3.5 Tax Allocations

(a) For United States federal, state and local income tax purposes, Partnership income, gain, loss, deduction or credit (or any item thereof) for each Fiscal Year shall be allocated to and among the Partners in order to reflect the allocations of Profit and Loss pursuant to Section 3.4 for such Fiscal Year, taking into account any variation between the adjusted tax basis and book value of Partnership property in accordance with the principles of section 704(c) of the Code.

(b) If any Partner or Partners are treated for United States federal income tax purposes as realizing ordinary income because of receiving an interest in the Partnership (whether under section 83 of the Code or under any similar provision of any law, rule or regulation) and the Partnership is entitled to any offsetting deduction (net of any income realized by the Partnership as a result of such receipt), the Partnership's net deduction shall be allocated to and among the Partners in such manner as to offset, as nearly as possible, the ordinary income realized by such Partner or Partners.

Section 3.6 Reserves; Adjustments for Certain Future Events

(a) Appropriate reserves may be created, accrued and charged against Profit or Loss for contingent liabilities, if any, as of the date any such contingent liability becomes known to the General Partner or as of each other date as the General Partner deems appropriate, such reserves to be in the amounts which the General Partner deems necessary or appropriate. The General Partner may increase or reduce any such reserve from time to time by such amounts as the General Partner deems necessary or appropriate. The amount of any such reserve, or any increase or decrease therein, shall be proportionately charged or credited, as appropriate, to the Capital Accounts of those parties who are Partners at the time when such reserve is created, increased or decreased, as the case may be, in proportion to their respective Points at such time.

(b) If any amount is required by Section 3.6(a) to be credited to a Person who is no longer a Partner, such amount shall be paid to such Person in cash. Any amount required to be charged pursuant to Section 3.6(a) shall be debited against the current balance in the Capital Account of the affected Partners. To the extent that the aggregate current Capital Account balances of such affected Partners are insufficient to cover the full amount of the required charge, the deficiency shall be debited against the Capital Accounts of the other Partners in proportion to their respective Capital Account balances at such time; provided that each such other Partner shall be entitled to a preferential allocation, in proportion to and to the extent of such other Partner's share of any such deficiency of any Profit that would otherwise have been allocable after the date of such charge to the Capital Accounts of the affected Partners whose Capital Accounts were insufficient to cover the full amount of the required charge.

Section 3.7 Finality and Binding Effect of General Partner's Determinations

All matters concerning the determination, valuation and allocation among the Partners with respect to any profit or loss of the Partnership and any associated items of income, gain, deduction, loss and credit, pursuant to any provision of this Article 3, including any accounting procedures applicable thereto, shall be determined by the General Partner, and such determinations and allocations shall be final and binding on all the Partners.

ARTICLE 4

DISTRIBUTIONS

Section 4.1 Distributions

(a) The General Partner shall use reasonable efforts to cause the Partnership to distribute, as promptly as practicable after receipt by the Partnership, any available revenues, subject to the retention of such reserves as the General Partner considers appropriate or necessary for purposes of the prudent and efficient financial operation of the Partnership's business including in accordance with Section 3.6 hereof. Any such distributions shall be made to Partners in proportion to their respective Capital Account balances until such time as the Capital Account balance of every Partner is zero and thereafter in proportion to their respective Points, in either case determined:

(A) in the case of any amount of revenue received from AAA Associates as of the date immediately prior to giving effect to such distribution; and

(B) in any other case, as of the date of receipt of such revenue by the Partnership.

(b) Any other distributions or payments in respect of the interests of Partners shall be made at such time, in such manner and to such Partners as the General Partner shall determine.

(c) The General Partner may cause the Partnership to pay distributions to the Partners at any time in addition to those contemplated by Section 4.1(a) or (b), in cash or in kind. Distributions of any such amounts shall be made to the Partners in proportion to their respective Points, determined immediately prior to giving effect to such distribution.

Section 4.2 Withholding of Certain Amounts

(a) If the Partnership or AAA Associates incurs a withholding tax or other tax obligation with respect to the share of Partnership income allocable to any Partner, then the General Partner, without limitation of any other rights of the Partnership, may cause the amount of such obligation to be debited against the Capital Account of such Partner when the Partnership pays such obligation, and any amounts then or thereafter distributable to such Partner shall be reduced by the amount of such taxes. If the amount of such taxes is greater than any such then distributable amounts, then such Partner and any successor to such Partner's interest shall indemnify and hold harmless the Partnership, AAA Associates and the General Partner against, and shall pay to the Partnership as a contribution to the capital of the Partnership, upon demand of the General Partner, the amount of such excess.

(b) The General Partner may withhold from any distribution or other payment to any Limited Partner pursuant to this Agreement or otherwise any other amounts due from such Limited Partner to the Partnership or the General Partner pursuant to this Agreement to the extent not otherwise paid. Any amounts so withheld shall be applied by the General Partner to discharge the obligation in respect of which such amounts were withheld.

Section 4.3 Limitation on Distributions

Notwithstanding any provision to the contrary contained in this Agreement, the Partnership, and the General Partner on behalf of the Partnership, shall not make a distribution to any Partner on account of such Partner's interest in the Partnership if such distribution would violate the Act or other applicable law.

ARTICLE 5

MANAGEMENT

Section 5.1 Rights and Powers of the General Partner

(a) Subject to the terms and conditions of this Agreement, the General Partner shall have complete and exclusive responsibility (i) for all management decisions to be made on behalf of the Partnership, and (ii) for the conduct of the business and affairs of the Partnership.

(b) Without limiting the generality of the foregoing, the General Partner shall have full power and authority to execute, deliver and perform such contracts, agreements and other undertakings, and to engage in all activities and transactions, as it may deem necessary or advisable for, or as may be incidental to, the conduct of the business contemplated by this Section 5.1, including, without in any manner limiting the generality of the foregoing, contracts, agreements, undertakings and transactions with any Partner or with any other Person having any business, financial or other relationship with any Partner or Partners. The Partnership, and the General Partner on behalf of the Partnership, may enter into and perform the AAA Associates LP Agreement and any documents contemplated thereby or related thereto and any amendments thereto, without any further act, vote or approval of any Person, including any Partner, notwithstanding any other provision of this

Agreement. The General Partner is hereby authorized to enter into the documents described in the preceding sentence on behalf of the Partnership, but such authorization shall not be deemed a restriction on the power of the General Partner to enter into other documents on behalf of the Partnership. Except as otherwise expressly provided herein or as required by law, all powers and authority vested in the General Partner by or pursuant to this Agreement or the Act shall be construed as being exercisable by the General Partner in its sole, absolute and non-appealable discretion.

(c) The General Partner shall be the "tax matters partner" for purposes of section 6231(a)(7) of the Code. Each Partner agrees not to treat, on such Partner's United States federal income tax return or in any claim for a refund, any item of income, gain, loss, deduction or credit in a manner inconsistent with the treatment of such item by the Partnership. The General Partner shall have the exclusive authority to make any elections required or permitted to be made by the Partnership under any provisions of the Code or any other revenue laws.

Section 5.2 Delegation of Duties

(a) Subject to Section 5.1, the General Partner may delegate to any Person or Persons any of the duties, powers and authority vested in it hereunder on such terms and conditions as it may consider appropriate.

(b) Any Person who is a Limited Partner and to whom the General Partner delegates any of its duties pursuant to this Section 5.2 or any other provision of this Agreement shall be subject to the same standard of care, and shall be entitled to the same rights of indemnification and exoneration, applicable to the General Partner under and pursuant to Section 5.7, unless such Person and the General Partner mutually agree to a different standard of care or right to indemnification and exoneration to which such Person shall be subject.

(c) The General Partner shall cause the Partnership to enter into an arrangement with the Investment Manager which arrangement shall require the Investment Manager to pay all costs and expenses of the Partnership.

Section 5.3 Transactions with Affiliates

To the fullest extent permitted by applicable law, the General Partner (or any Affiliate of the General Partner), when acting on behalf of the Partnership, is hereby authorized to (a) purchase property from, sell property to, lend money to or otherwise deal with any Affiliates, any Partner, the Partnership, AAA Associates, the Fund or any Affiliate of any of the foregoing Persons, and (b) obtain services from any Affiliates, any Partner, the Partnership, AAA Associates, the Fund or any Affiliate of the foregoing Persons.

Section 5.4 Expenses

(a) Subject to the arrangement contemplated by Section 5.2(c), the Partnership will pay, or will reimburse the General Partner for, all costs and expenses arising in connection with the organization and operations of the Partnership.

(b) Any withholding taxes payable by the Partnership or AAA Associates, to the extent determined by the General Partner to have been paid or withheld on behalf of, or by reason of particular circumstances applicable to, one or more but fewer than all of the Partners, shall be allocated among and debited against the Capital Accounts of only those Partners on whose behalf such payments are made or whose particular circumstances gave rise to such payments in accordance with Section 4.2.

Section 5.5 Rights of Limited Partners

(a) Limited Partners shall have no right to take part in the management, conduct or control of the Partnership's business, nor shall they have any right or authority to act for the Partnership or to vote on matters other than as set forth in this Agreement or as required by applicable law.

(b) Without limiting the generality of the foregoing, the General Partner shall have the full and exclusive authority, without the consent of any Limited Partner, to compromise the obligation of any Limited Partner to make a capital contribution or to return money or other property paid or distributed to such Limited Partner in violation of the Act.

(c) Nothing in this Agreement shall entitle any Partner to any compensation for services rendered to or on behalf of the Partnership as an agent or in any other capacity, except for any amounts payable in accordance with this Agreement.

Section 5.6 Other Activities of Partners

(a) Subject to the AAA Associates LP Agreement and to full compliance with the code(s) of ethics of Apollo Global Management, LLC and its Affiliates and other written policies relating to personal investment transactions, membership in the Partnership shall not prohibit a Partner from purchasing or selling as a passive investor any interest in any asset.

(b) Nothing in this Agreement shall prohibit the General Partner from engaging in any lawful activity not expressly prohibited by this Agreement.

Section 5.7 Duty of Care; Indemnification

(a) To the fullest extent permitted by law, the General Partner and its Affiliates and their respective partners, members, managers, shareholders, officers, directors, employees and associates and, with the approval of the General Partner, any agent of any of the foregoing (including their respective executors, heirs, assigns, successors or other legal representatives) (each, a "Covered Person" and collectively, the "Covered Persons"), shall not be liable to the Partnership or to any of the other Partners for any loss, claim, damage or liability occasioned by any acts or omissions in the performance of its services hereunder, except to the extent that it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "Final Adjudication") that such loss, claim, damage or liability is due to an act or omission of a Covered Person is due to an act or omission of such a Covered Person that constituted a bad faith violation of the implied contractual covenant of good faith and fair dealing.

(b) A Covered Person shall be indemnified to the fullest extent permitted by law by the Partnership against any losses, claims, damages, liabilities and expenses (including attorneys' fees, judgments, fines, penalties and amounts paid in settlement) incurred by or imposed upon it by reason of or in connection with any action taken or omitted by such Covered Person arising out of the Covered Person's status as a Partner or its activities on behalf of the Partnership, including in connection with any action, suit, investigation or proceeding before any judicial, administrative, regulatory or legislative body or agency to which it may be made a party or otherwise involved or with which it shall be threatened by reason of being or having been a Partner or by reason of serving or having served, at the request of the Partnership, as a director, officer, consultant, advisor, manager, member or partner of any enterprise in which AAA Associates has or had a financial interest, including issuers of Portfolio Investments; provided that the Partnership may, but shall not be required to, indemnify a Covered Person with respect to any matter as to which there has been a Final Adjudication that such Covered Person's acts or its failure to act (i) constituted a bad faith violation of the implied contractual covenant of good faith and fair dealing, or (ii) were of a nature that makes indemnification by AAA Associates unavailable. The right to indemnification granted by this Section 5.7 shall be in addition to any rights to which a Covered Person may otherwise be entitled and shall inure to the benefit of the successors by operation of law or valid assigns of such Covered Person. The Partnership shall pay the expenses incurred by a Covered Person in defending a civil or criminal action, suit, investigation or proceeding in advance of the final disposition of such action, suit, investigation or proceeding, upon receipt of an undertaking by the Covered Person to repay such payment if there shall be a Final Adjudication that it is not entitled to indemnification as provided herein. In any suit brought by the Covered Person to enforce a right to indemnification hereunder it shall be a defense that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7, and in any suit in the name of the Partnership to recover expenses advanced pursuant to the terms of an undertaking the Partnership shall be entitled to recover such expenses upon Final Adjudication that the Covered Person has not met the applicable standard of conduct set forth in this Section 5.7. In any such suit brought to enforce a right to indemnification or to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the Covered Person is not entitled to be indemnified, or to an advancement of expenses, shall be on the Partnership (or any Limited Partner acting derivatively or otherwise on behalf of the Partnership or the Limited Partners). The General Partner may not satisfy any right of indemnity or reimbursement granted in this Section 5.7 or to which it may be otherwise entitled except out of the assets of the Partnership (including, without limitation, insurance proceeds and rights pursuant to indemnification agreements), and no Partner shall be personally liable with respect to any such claim for indemnity or reimbursement. The General Partner may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5 and obtain appropriate insurance coverage on behalf and at the expense of the Partnership to secure the Partnership's indemnification obligations hereunder and may enter into appropriate indemnification agreements and/or arrangements reflective of the provisions of this Article 5. Each Covered Person shall be deemed a third party beneficiary (to the extent not a direct party hereto) to this Agreement and, in particular, the provisions of this Article 5.

(c) To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or the Partners, the Covered Person shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict or eliminate the duties and liabilities of a Covered Person otherwise existing at law or in equity to the Partnership or the Partners, are agreed by the parties hereto to replace such other duties and liabilities of such Covered Person. Notwithstanding anything to the contrary contained in this Agreement or otherwise applicable provision of law or equity, to the maximum extent permitted by the Act, a Covered Person shall owe no duties (including fiduciary duties) to the Partnership or the Partners other than those specifically set forth herein; provided that (a) a Covered Person shall have the duty to act in accordance with the implied contractual covenant of good faith and fair dealing, and (b) the General Partner shall act at all times in good faith in the interests of the Partnership in accordance with section 4(3) of the Act.

(d) Notwithstanding any of the foregoing provisions of this Section 5.7, the Partnership may, but shall not be required to, indemnify (i) a Retired Partner (or any other former Limited Partner) with respect to any claim for indemnification or advancement of expenses arising from any conduct occurring more than six months after the date of such Person's retirement (or other withdrawal or departure), or (ii) a Limited Partner with respect to any claim for indemnification or advancement of expenses as a director, officer or agent of the issuer of the Fund Investment to the extent arising from conduct in such capacity occurring more than six months after the complete disposition of such Fund Investment by the Fund.

(e) Each of the Covered Persons may consult with legal counsel, accountants and other experts selected by it and any act or omission suffered or taken by it on behalf of the Partnership or in furtherance of the interests of the Partnership, AAA Associates or the Fund in good faith in reliance upon and in accordance with the advice of such counsel, accountants or other experts shall create a rebuttable presumption of the good faith and due care of such Covered Person with respect to such act or omission.

(f) The General Partner shall be entitled to enter into one or more agreements and/or deeds on behalf of the Partnership to give effect to the indemnification provisions of this Section 5.7.

ARTICLE 6

ADMISSIONS, TRANSFERS AND WITHDRAWALS

Section 6.1 Admission of Additional Limited Partners; Effect on Points

The General Partner may at any time admit as an additional Limited Partner any Person who has agreed to be bound by this Agreement, assign Points to such Person and/or increase the Points of any existing Limited Partner. Each additional Limited Partner shall execute either a counterpart to this Agreement or a separate instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and to be bound by the terms of this Agreement and shall be admitted as a Limited Partner upon such execution. In connection with such admission or increase in Points of any Partner, the Points of APH shall be reduced in an amount determined by the General Partner.

Section 6.2 Admission of Additional General Partner

(a) The General Partner may admit one or more additional general partners at any time without the consent of any Limited Partner. Any additional general partner shall be admitted as a general partner upon its execution of a counterpart signature page to this Agreement.

(b) The General Partner may transfer its interest as a general partner in the Partnership without the consent of any other Person. Any such Transfer shall be subject to the existence of at least one other General Partner, incorporated or registered in the Cayman Islands, continuing to act as General Partner after such cessation.

Section 6.3 Transfer of Interests of Limited Partners

(a) No Transfer of any Limited Partner's interest in the Partnership, whether voluntary or involuntary, shall be valid or effective, and no transferee shall become a substituted Limited Partner, unless the prior written consent of the General Partner has been obtained, which consent may be given or withheld by the General Partner. In the event of any Transfer, all of the conditions of the remainder of this Section 6.3 must also be satisfied.

(b) A Limited Partner requesting approval of a Transfer, or such Partner's legal representative, shall give the General Partner reasonable notice before the proposed effective date of any requested Transfer, and shall provide sufficient information to allow legal counsel acting for the Partnership to make the determination that the proposed Transfer will not:

(i) require registration of the Partnership or any interest therein under any securities or commodities laws of any jurisdiction;

(ii) result in a termination of the Partnership under section 708(b)(1)(B) of the Code or jeopardize the status of the Partnership as a partnership for United States federal income tax purposes; or

(iii) violate, or cause the Partnership, AAA Associates, the Fund, the General Partner or any Limited Partner to violate, any applicable law, rule or regulation of any jurisdiction.

Such notice must be supported by proof of legal authority and a valid instrument of assignment acceptable to the General Partner.

(c) A permitted transferee shall be entitled to the allocations and distributions attributable to the interest in the Partnership transferred to such transferee and to Transfer such interest in accordance with the terms of this Agreement; provided that such transferee shall not be entitled to the other rights of a Limited Partner as a result of such transfer until it becomes a substituted Limited

Partner. No transferee may become a substituted Limited Partner except with the prior written consent of the General Partner (which consent may be given or withheld by the General Partner). Such transferee shall be admitted to the Partnership as a substituted Limited Partner upon execution of a deed of adherence to this Agreement or such other instrument evidencing, to the satisfaction of the General Partner, such Limited Partner's intent to become a Limited Partner and to be bound by the terms of this Agreement. Notwithstanding the above, the Partnership and the General Partner shall incur no liability for allocations and distributions made in good faith to the transferring Limited Partner until a written instrument of Transfer has been received and accepted by the General Partner and recorded on the books of the Partnership and the effective date of the Transfer has passed.

(d) Any other provision of this Agreement to the contrary notwithstanding, to the fullest extent permitted by law, any successor or transferee of any Limited Partner's interest in the Partnership shall be bound by the provisions hereof. Prior to recognizing any Transfer in accordance with this Section 6.3, the General Partner may require the transferee to make certain representations and warranties to the Partnership and the Partners and to accept, adopt and approve in writing all of the terms and provisions of this Agreement.

(e) In the event of a Transfer or in the event of a distribution of assets of the Partnership to any Partner, the Partnership, at the direction of the General Partner, may, but shall not be required to, file an election under section 754 of the Code and in accordance with the applicable Treasury Regulations, to cause the basis of the Partnership's assets to be adjusted as provided by section 734 or section 743 of the Code.

(f) The Partnership shall maintain books for the purpose of registering the transfer of interests in the Partnership. No transfer of an interest in the Partnership shall be effective until the transfer of such interest is registered upon books maintained for that purpose by or on behalf of the Partnership.

Section 6.4 Withdrawal of Partners

(a) A Limited Partner may not withdraw from the Partnership prior to dissolution of the Partnership without the prior written consent of the General Partner which consent may be given or withheld by the General Partner.

(b) Notwithstanding the foregoing, a Limited Partner shall cease to be a Partner and be deemed to have withdrawn its interest in the Partnership automatically upon any date (and with immediate effect from such date) on which such Limited Partner (or, in the case of a Limited Partner that was admitted to the Partnership by virtue of its relationship with an employee of Apollo Global Management, LLC or one of its Affiliates, such employee) becomes a Retired Partner for Cause.

(c) Payment of a withdrawing Limited Partner's withdrawal proceeds (being an amount equal to the balance of such Limited Partner's capital account as of the effective date of withdrawal) will generally be made at the same time as such amounts would have been distributed to such Limited Partner under Section 4.1; provided that the General Partner may (i) delay such payment if such delay is reasonably necessary to prevent such withdrawal from having a material adverse impact on the Partnership, the Fund, AAA Associates or the remaining Partners, and (ii) hold back from any payments such reserves as the General Partner determines to be necessary or appropriate, including, without limitation, as provided in Section 4.1(a) and Section 6.4(c). Amounts withdrawn by a Partner will not be adjusted as a result of audit adjustments made after the final payment date relating to the applicable withdrawal and will not earn interest for the period from the applicable withdrawal date through the settlement date. The General Partner may deduct from any withdrawal proceeds due to any Partner an amount representing the actual or estimated expenses of the Partnership associated with processing the withdrawal and any other amounts owed by the withdrawing Partner to the General Partner or its Affiliates whether under this Agreement or otherwise.

(d) The right of any Partner to receive distributions pursuant to this Section 6.4 is subject to the provision by the General Partner for all liabilities of the Partnership and for reserves for contingencies as provided in Section 3.6.

(e) A former Partner shall remain liable to make capital contributions to the Partnership pursuant to Section 4.2(a), notwithstanding that such Person may have withdrawn from the Partnership and ceased to be a Partner.

Section 6.5 Pledges

(a) A Limited Partner shall not pledge or grant a security interest in such Limited Partner's interest in the Partnership unless the prior written consent of the General Partner has been obtained (which consent may be given or withheld by the General Partner).

(b) The Partner who is granting a security interest in all or part of its interest in the Partnership shall provide written notice to the Partnership at its registered office of such security interest, together with a copy of the instrument creating such security interest signed by both the Partner and the holder of the security interest.

(c) Any partnership interest in the Partnership may be evidenced by a certificate issued by the Partnership in such form as the General Partner may approve. Every certificate representing an interest in the Partnership, if any such certificates are issued, shall bear a legend substantially in the following form.

THE TRANSFER OF THIS CERTIFICATE AND THE PARTNERSHIP INTERESTS REPRESENTED HEREBY IS RESTRICTED AS DESCRIBED IN THE AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF THE PARTNERSHIP, DATED OCTOBER 15, 2009, AS THE SAME MAY BE AMENDED OR RESTATED FROM TIME TO TIME AND AS MAY BE PRESCRIBED UNDER THE EXEMPTED LIMITED PARTNERSHIP LAW (AS REVISED) OF THE CAYMAN ISLANDS.

(d) Each certificate representing a partnership interest in the Partnership shall be executed by manual or facsimile signature of the General Partner on behalf of the Partnership.

ARTICLE 7

POINTS

Section 7.1 Allocation of Points

(a) Except as otherwise provided herein, the General Partner shall be responsible for the allocation of Points from time to time to the Limited Partners. At each such time of allocation, all Points available for allocation shall be so allocated to the Limited Partners (including APH) by the General Partner. Points allocated to Limited Partners (other than APH) may not be reduced except as set forth in Section 6.1 and Section 7.3. Upon any allocation of Points by the General Partner to an existing or new Limited Partner other than APH, there shall be a corresponding reduction in the Points of APH, as provided in Section 6.1.

(b) The General Partner shall maintain on the books and records of the Partnership a record of the number of Points allocated to each Limited Partner and shall give notice to each Limited Partner of the number of such Limited Partner's Points upon admission to the Partnership of such Limited Partner and as soon as reasonably practicable upon any change in such Limited Partner's Points.

Section 7.2 Retirement of Partner

(a) A Limited Partner shall become a Retired Partner upon:

(i) delivery to such Limited Partner of a notice by the General Partner declaring such Limited Partner to be a Retired Partner;

(ii) a date specified in a notice delivered by such Limited Partner to the General Partner stating that such Limited Partner elects to become a Retired Partner, which date shall not be less than 60 days after the General Partner's receipt of such notice;

(iii) the death of the Limited Partner, whereupon the estate of the deceased Limited Partner shall be treated as a Retired Partner in the place of the deceased Limited Partner, or the Permanent Disability of the Limited Partner; or

(iv) the date on which such Limited Partner has become a "Retired Partner" under the Advisors VII LP Agreement.

(b) The notice declaring any Limited Partner to be a Retired Partner shall specify whether such Limited Partner is being declared a Retired Partner for Cause or a Retired Partner other than for Cause. Retirement by reason of death or Permanent Disability shall constitute retirement other than for Cause. A written notice of retirement given by a Limited Partner shall be deemed to constitute a declaration that such Limited Partner is a Retired Partner for Cause. For the avoidance of doubt, any Partner who becomes a "Retired Partner for Cause" under the Advisors VII LP Agreement automatically shall be deemed a Retired Partner for Cause under this Agreement and any Partner who becomes a "Retired Partner other than for Cause" under the Advisors VII LP

Agreement automatically shall be deemed a Retired Partner other than for Cause under this Agreement.

(c) Nothing in this Agreement shall obligate the General Partner to treat Retired Partners alike, and the exercise of any power or discretion by the General Partner in the case of any one such Retired Partner shall not create any obligation on the part of the General Partner to take any similar action in the case of any other such Retired Partner; it being understood that any power or discretion conferred upon the General Partner shall be treated as having been so conferred as to each such Retired Partner separately.

Section 7.3 Effect of Retirement on Points

(a) The Points of any Limited Partner that becomes a Retired Partner for Cause shall be reduced automatically to zero and shall be forfeited as of the date on which such Limited Partner becomes a Retired Partner or such subsequent date as may be determined by the General Partner; provided that the General Partner may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner for Cause.

(b) The Points of any Limited Partner who becomes a Retired Partner other than for Cause shall be reduced automatically to an amount equal to such Limited Partner's Vested Points as of the date such Limited Partner became a Retired Partner. Any such reduction shall be effective as of the date such Limited Partner became a Retired Partner or such subsequent date as may be determined by the General Partner; provided that the General Partner may agree to a lesser reduction (or to no reduction) of the Points of any such Limited Partner who becomes a Retired Partner other than for Cause.

(c) Any Points that are forfeited pursuant to Section 7.3(a) as a result of any Partner becoming a Retired Partner for Cause or become available for reallocation pursuant to Section 7.3(b) as a result of any Partner becoming a Retired Partner other than for Cause shall, automatically and without any action on the part of any Person, be reallocated to APH, unless otherwise determined by the General Partner; and no Limited Partner other than APH shall have any right or claim with respect to such Points.

Section 7.4 Points as Profits Interests

(a) Except to the extent not permitted by law, the Partnership and each Limited Partner agree to treat Points as "profits interests" within the meaning of United States Internal Revenue Service Revenue Procedure ("Rev. Proc.") 93-27, 1993-2 C.B. 343. Except to the extent not permitted by law, in accordance with Rev. Proc. 2001-43, 2001-2 C.B. 191, the Partnership shall treat each Limited Partner as the holder of Points from the issue date of such Points, and shall file its Partnership tax return, and issue appropriate Schedules K-1 to such Limited Partner, allocating to such Limited Partner its distributive share of all items of income, gain, loss, deduction and credit associated with such Points and each such Limited Partner agrees to take into account such distributive share in computing such Limited Partner's United States federal income tax liability for the entire period during which such Limited Partner holds such Points. Except as required pursuant to a "Determination" as defined in section 1313(a) of the Code, the Partnership and each

Limited Partner agree not to claim a deduction (as wages, compensation or otherwise) for the fair market value of any Points issued to a Limited Partner at the time of issuance of the Points. The undertakings contained in this Section 7.4(a) shall be construed in accordance with section 4 of Rev. Proc. 2001-43. Except to the extent not permitted by law, the provisions of this Section 7.4(a) shall apply regardless of whether the Limited Partner files an election pursuant to section 83(b) of the Code.

(b) Notwithstanding the provisions of this Agreement, the General Partner shall have the discretion to vary the allocations of Profit and Loss and the distributions pursuant to this Agreement to the extent necessary to ensure that the issuance of Points to a Limited Partner does not result, in the General Partner's discretion, in a taxable capital shift (unless the General Partner otherwise intends) to such Limited Partner, including by treating as additional Profit or Loss for the taxable period and by allocating such Profit and Loss to the Limited Partners other than the Limited Partner receiving the Points, any unrealized appreciation or deprecation in the Partnership's assets as of the time the Points are issued.

ARTICLE 8

DISSOLUTION AND LIQUIDATION

Section 8.1 Winding-Up and Liquidation of Partnership

(a) Upon the occurrence of a Winding-Up Event, the General Partner shall liquidate the business and administrative affairs of the Partnership, except that, if the General Partner is unable to perform this function, a liquidator may be elected by a majority in interest (determined by Points) of Limited Partners and upon such election such liquidator shall liquidate the Partnership, in each case pursuant to section 15(1) of the Act. Profit and Loss during the Fiscal Years that include the period of liquidation shall be allocated pursuant to Section 3.4. The proceeds from liquidation shall be distributed, subject to the Act, in the following manner:

(i) first, the debts, liabilities and obligations of the Partnership including the expenses of liquidation (including legal and accounting expenses incurred in connection therewith and any remuneration due to the General Partner or liquidator of the Partnership), up to and including the date that distribution of the Partnership's assets to the Partners has been completed, shall be satisfied (whether by payment or by making reasonable provision for payment thereof); and

(ii) thereafter, the Partners shall be paid amounts pro rata in accordance with and up to the positive balances of their respective Capital Accounts, as adjusted pursuant to Article 3.

(b) Anything in this Section 8.1 to the contrary notwithstanding, the General Partner or liquidator may distribute ratably in kind rather than in cash, upon winding-up, any assets of the Partnership in accordance with the priorities set forth in Section 8.1(a); provided that if any in kind distribution is to be made, the assets distributed in kind shall be valued as of the actual date of their distribution and charged as so valued and distributed against amounts to be paid under Section 8.1(a).

Section 8.2 Dissolution

On completion of the winding-up of the Partnership, the Partnership shall be dissolved upon the filing of a notice of dissolution with the Registrar of Exempted Limited Partnerships in the Cayman Islands in accordance with the requirements of section 15(3) of the Act.

ARTICLE 9

GENERAL PROVISIONS

Section 9.1 Amendment of this Agreement

(a) The General Partner may amend this Agreement at any time, in whole or in part, without the consent of any other Partner; provided that any amendment which would increase the obligation of any Partner to make any contribution to the capital of the Partnership shall not be made unless such Partner has consented thereto. Without limiting the foregoing, the General Partner may amend this Agreement at any time, in whole or in part, without the consent of any other Partner, to enable the Partnership to comply with the requirements of the “Safe Harbor” Election within the meaning of the Proposed Revenue Procedure of Notice 2005-43, 2005-24 IRB 1, Proposed Treasury Regulation section 1.83-3(e)(1) or Proposed Treasury Regulation section 1.704-1(b)(4)(xii) at such time as such proposed Procedure and Regulations are effective and to make any such other related changes as may be required by pronouncements or Treasury Regulations issued by the Internal Revenue Service or Treasury Department after the date of this Agreement. An adjustment of Points shall not be considered an amendment to the extent effected in compliance with the provisions of Section 6.1 or Article 7 as in effect on the date hereof or as hereafter amended in compliance with the requirements of this Section 9.1(a).

(b) Notwithstanding the provisions of this Agreement, including Section 9.1(a), it is hereby acknowledged and agreed that the General Partner on its own behalf or on behalf of the Partnership without the approval of any Limited Partner or any other Person may enter into one or more side letters or similar agreements with one or more Limited Partners which have the effect of establishing rights under, or altering or supplementing the terms of this Agreement. The parties hereto agree that any terms contained in a side letter or similar agreement with one or more Partners shall govern with respect to such Partner or Partners notwithstanding the provisions of this Agreement. Any such side letters or similar agreements shall be binding upon the Partnership or the General Partner, as applicable, and the signatories thereto as if the terms were contained in this Agreement.

Section 9.2 Notices

Any notice required or permitted to be given under this Agreement shall be in writing. A notice to the General Partner shall be directed to the attention of John J. Suydam. A notice to a Limited Partner shall be directed to such Limited Partner’s last known residence as set forth in the books and records of the Partnership or its Affiliates (a Limited Partner’s “Home Address”). A notice shall be considered given when delivered to the addressee either by hand at such Partner’s Partnership office or electronically to the primary e-mail account supplied by the Partnership for

Partnership business communications, except that a notice to a Retired Partner or former Partner shall be considered given when delivered by hand by a recognized overnight courier together with mailing by regular mail to such Retired Partner or former Partner's Home Address.

Section 9.3 Agreement Binding Upon Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors by operation of law, but the rights and obligations of the Limited Partners hereunder shall not be assignable, transferable or delegable except as expressly provided herein, and any attempted assignment, transfer or delegation thereof that is not made in accordance with such express provisions shall be void and unenforceable.

Section 9.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands and each party hereto submits to the non-exclusive jurisdiction of the courts of the Cayman Islands. To the fullest extent permitted by applicable law, the General Partner and each Limited Partner hereby agree that any claim, action or proceeding by any Limited Partner seeking any relief whatsoever against any Indemnified Person based on, arising out of or in connection with, this Agreement or the Partnership's business or affairs shall be brought only in the courts of the Cayman Islands.

Section 9.5 Termination of Right of Action

Every right of action arising out of or in connection with this Agreement by or on behalf of any past, present or future Partner or the Partnership against any past, present or future Partner shall, to the fullest extent permitted by applicable law, irrespective of the place where the action may be brought and irrespective of the residence of any such Partner, cease and be barred by the expiration of three years from the date of the act or omission in respect of which such right of action arises.

Section 9.6 Confidentiality

(a) Each Limited Partner acknowledges and agrees that the information contained in the books and records of the Partnership concerning the Points assigned with respect to any other Limited Partner (including any Retired Partner) is confidential, and, to the fullest extent permitted by applicable law, each Limited Partner waives, and covenants not to assert, any claim or entitlement whatsoever to gain access to any such information. The Limited Partners agree that the restrictions set forth in this Section 9.6(a) shall constitute reasonable standards under the Act regarding access to information.

(b) Each Limited Partner acknowledges and agrees not to, at any time, either during the term of such Limited Partner's participation in the Partnership or thereafter, disclose, use, publish or in any manner reveal, directly or indirectly, to any Person (other than on a confidential basis to such Limited Partner's legal and tax advisors who have a need to know such information) the contents of this Agreement or any Confidential Information, except (i) with the prior written consent of the General Partner, (ii) to the extent that any such information is in the public domain other than as a result of the Limited Partner's breach of any of his obligations, or (iii) where required to be disclosed by court order, subpoena or other government process; provided that, to the fullest extent permitted by law, the Limited Partner shall promptly notify the General Partner upon becoming aware of any such disclosure requirement and shall cooperate with any effort by the General Partner to prevent or limit such disclosure.

(c) Notwithstanding any of the provisions of this Section 9.6, each Limited Partner may disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of an investment in the Partnership and all materials of any kind (including tax opinions or other tax analyses) that are provided to the Limited Partner relating to such tax treatment. For this purpose, "tax treatment" is the purported or claimed United States federal income tax treatment of a transaction and "tax structure" is limited to any fact that may be relevant to understanding the purported or claimed United States federal income tax treatment of a transaction. For this purpose, the names of the Partnership, the Partners, their affiliates, the names of their partners, members or equity holders and the representatives, agents and tax advisors of any of the foregoing are not items of tax structure.

Section 9.7 Not for Benefit of Creditors

The provisions of this Agreement are intended only for the regulation of relations among Partners and between Partners and former or prospective Partners and the Partnership. Subject to the rights of Covered Persons provided by Section 5.7, this Agreement is not intended for the benefit of any Person who is not a Partner, and no rights are intended to be granted to any other Person who is not a Partner under this Agreement.

Section 9.8 Consents

Any and all consents, agreements or approvals provided for or permitted by this Agreement shall be in writing and a signed copy thereof shall be filed and kept with the books of the Partnership.

Section 9.9 Reports

As soon as practicable after the end of each taxable year, the General Partner shall furnish to each Limited Partner (a) such information as may be required to enable each Limited Partner to properly report for United States federal and state income tax purposes such Partner's distributive share of each Partnership item of income, gain, loss, deduction or credit for such year, and (b) a statement of the total amount of Profit or Loss for such year and a reconciliation of any difference between (i) such Profit or Loss and (ii) the aggregate net profits or net losses allocated by AAA Associates to the Partnership for such year.

Section 9.10 Filings

The Partners hereby agree to take any measures necessary (or, if applicable, refrain from any action) to ensure that the Partnership is treated as a partnership for United States federal, state and local income tax purposes.

Section 9.11 Miscellaneous

(a) The captions and titles preceding the text of each Section hereof shall be disregarded in the construction of this Agreement.

(b) As used herein, masculine pronouns shall include the feminine and neuter, and the singular shall be deemed to include the plural.

(c) This Agreement may be executed in counterparts, each of which shall be deemed to be an original hereof.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

General Partner :

APOLLO ADVISORS VII (EH), L.P.

By: Apollo Advisors VII (EH-GP), Ltd.
its General Partner

By: /s/ John J. Suydam
Name: John J. Suydam
Title: Vice President

Limited Partner :

APOLLO PRINCIPAL HOLDINGS III, L.P.

By: Apollo Principal Holdings III GP, Ltd.
its General Partner

By: /s/ John J. Suydam
Name: John J. Suydam
Title: Vice President

Initial Limited Partner :

/s/ Patrick Head
Patrick Head

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
AA Direct GP, LLC	Delaware
A-A Mortgage Opportunities Corp.	Delaware
AAA Associates (Co-Invest VII GP), Ltd.	Cayman Islands
AAA Associates (Co-Invest VII), L.P.	Cayman Islands
AAA Associates, L.P.	Guernsey
AAA Guernsey Limited	Guernsey
AAA Holdings GP Limited	Guernsey
AAA Holdings, L.P.	Guernsey
AAA Life Re Carry, L.P.	Cayman Islands
AAA MIP Limited	Guernsey
AAM GP Ltd.	Cayman Islands
AAM Holdings, L.P.	Cayman Islands
AAME UK CM, LLC	Anguilla
ACC Advisors A/B, LLC	Delaware
ACC Advisors C, LLC	Delaware
ACC Advisors D, LLC	Delaware
ACC Management, LLC	Delaware
ACE Credit Advisors GP, LLC	Cayman Islands
ACE Credit Advisors, LP	Cayman Islands
ACE Credit Management, LLC	Delaware
ACF Europe Management, LLC	Delaware
Acra Re Ltd.	Bermuda
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 - E2 Legacy Management, LLC	Delaware
AGRE Asia Pacific Legacy Management, LLC	Delaware
AGRE Asia Pacific Management, LLC	Delaware
AGRE Asia Pacific Real Estate Advisors GP, Ltd.	Cayman Islands
AGRE Asia Pacific Real Estate Advisors, L.P.	Cayman Islands
AGRE CMBS GP II LLC	Delaware
AGRE CMBS GP LLC	Delaware
AGRE CMBS Management II LLC	Delaware

AGRE CMBS Management LLC	Delaware
AGRE Debt Fund I GP, Ltd.	Cayman Islands
AGRE Europe Co-Invest Advisors GP, LLC	Marshall Islands
AGRE Europe Co-Invest Advisors, L.P.	Marshall Islands
AGRE Europe Co-Invest Management GP, LLC	Marshall Islands
AGRE Europe Co-Invest Management, L.P.	Marshall Islands
AGRE Europe Legacy Management, LLC	Delaware
AGRE Europe Management, LLC	Delaware
AGRE GP Holdings, LLC	Delaware
AGRE 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 GP, LLC	Delaware
AGRE U.S. Real Estate Advisors, L.P.	Cayman Islands
AGRE U.S. Senior Living Advisors, L.P.	Cayman Islands
AGRE U.S. Senior Living Management, LLC	Delaware
AGRE-E Legacy Management, LLC	Delaware
AHL 2014 Investor GP, Ltd.	Cayman Islands
AIF III Management, LLC	Delaware
AIF IX Management, LLC	Delaware
AIF V Management, LLC	Delaware
AIF VI Management Pool Investors, L.P.	Delaware
AIF VI Management, LLC	Delaware
AIF VII Management, LLC	Delaware
AIF VIII Management, LLC	Delaware
AIM (P2) Anguilla, LLC	Anguilla
AIM Pool Investors, L.P.	Delaware
AION Co-Investors (D) Ltd	Mauritius
ALM Funding Ltd.	Cayman Islands
ALME Loan Funding II Designated Activity Company	Ireland
ALME Loan Funding III Designated Activity Company	Ireland
AMH Holdings (Cayman), L.P.	Cayman Islands
AMH Holdings GP, Ltd.	Cayman Islands
AMI (Holdings), LLC	Delaware
AMI (Luxembourg) S.a r.l.	Luxembourg
ANRP EPE GenPar, Ltd.	Cayman Islands
ANRP II GenPar, Ltd.	Cayman Islands
ANRP Talos GenPar, Ltd.	Cayman Islands
AP AOP VII Transfer Holdco, LLC	Delaware
AP ARX Co-Invest GP, LLC	Cayman Islands
AP Dakota Co-Invest GP, LLC	Delaware
AP Elbow Co-Invest GP, LLC	Cayman Islands
AP EPF III Helix Co-Invest GP, LLC	Cayman Islands
AP Inception Co-Invest GP, LLC	Delaware
AP Special Sits Lowell Holdings GP, LLC	Delaware
AP Transport LLC	Delaware
AP TSL Funding, LLC	Delaware
AP VIII Olympus VoteCo, LLC	Delaware

AP VIII Prime Security Services Management, LLC	Delaware
AP ZWP Holdings LLC	Delaware
AP-CB Servicer, LLC	Delaware
APH HFA Holdings GP, Ltd.	Cayman Islands
APH HFA Holdings, L.P.	Cayman Islands
APH Holdings (DC), L.P.	Cayman Islands
APH Holdings (FC), L.P.	Cayman Islands
APH Holdings, L.P.	Cayman Islands
APH I (Sub I), Ltd.	Cayman Islands
APH III (Sub I), Ltd.	Cayman Islands
APO (FC II), LLC	Anguilla
APO (FC III), LLC	Cayman Islands
APO (FC), LLC	Anguilla
APO Asset Co., LLC	Delaware
APO Corp (Holdings Parent), L.P.	Delaware
APO Corp Holdings (2P DC), Inc.	Delaware
APO Corp.	Delaware
APO MidCap B Holdings, LLC	Delaware
APO UK (FC), Limited	England and Wales
Apollo Accord Advisors GP II, LLC	Cayman Islands
Apollo Accord Advisors II, L.P.	Cayman Islands
Apollo Accord Advisors, LLC	Delaware
Apollo Accord Co-Investors (D), L.P.	Delaware
Apollo Accord Co-Investors II (D), L.P.	Delaware
Apollo Accord Management II, LLC	Delaware
Apollo Accord Management, LLC	Delaware
Apollo Achilles Co-Invest GP, LLC	Anguilla
Apollo Administration GP Ltd.	Cayman Islands
Apollo Advisors (Mauritius) Ltd.	Mauritius
Apollo Advisors (MHE), LLC	Delaware
Apollo Advisors Highlands Co-Invest GP, LLC	Delaware
Apollo Advisors IV, L.P.	Cayman Islands
Apollo Advisors IX (EH), L.P.	Cayman Islands
Apollo Advisors IX (EH), S.a r.l.	Luxembourg
Apollo Advisors IX (EH-GP), LLC	Cayman Islands
Apollo Advisors IX, L.P.	Cayman Islands
Apollo Advisors V (EH Cayman), L.P.	Cayman Islands
Apollo Advisors V (EH), LLC	Anguilla
Apollo Advisors V, L.P.	Cayman Islands
Apollo Advisors VI (APO DC), L.P.	Cayman Islands
Apollo Advisors VI (APO DC-GP), LLC	Delaware
Apollo Advisors VI (APO FC), L.P.	Cayman Islands
Apollo Advisors VI (APO FC-GP), LLC	Anguilla
Apollo Advisors VI (EH), L.P.	Cayman Islands
Apollo Advisors VI (EH-GP), Ltd.	Cayman Islands
Apollo Advisors VI, L.P.	Cayman Islands
Apollo Advisors VII (APO DC), L.P.	Cayman Islands
Apollo Advisors VII (APO DC-GP), LLC	Delaware
Apollo Advisors VII (APO FC), L.P.	Cayman Islands

Apollo Advisors VII (APO FC-GP), LLC	Anguilla
Apollo Advisors VII (EH), L.P.	Cayman Islands
Apollo Advisors VII (EH-GP), Ltd	Cayman Islands
Apollo Advisors VII, L.P.	Cayman Islands
Apollo Advisors VIII (APO DC), L.P.	Cayman Islands
Apollo Advisors VIII (APO DC-GP), LLC	Delaware
Apollo Advisors VIII (APO FC), L.P.	Cayman Islands
Apollo Advisors VIII (APO FC-GP), Ltd.	Cayman Islands
Apollo Advisors VIII (EH), L.P.	Cayman Islands
Apollo Advisors VIII (EH-GP), Ltd.	Cayman Islands
Apollo Advisors VIII, L.P.	Cayman Islands
Apollo AGER Co-Investors Management, LLC	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 (APO DC), L.P.	Delaware
Apollo AION Capital Partners (APO DC-GP), LLC	Delaware
Apollo AION Capital Partners GP, LLC	Delaware
Apollo AION Capital Partners, L.P.	Cayman Islands
Apollo AJB Management, LLC	Delaware
Apollo ALS Holdings II GP, LLC	Delaware
Apollo ALST GenPar, Ltd.	Cayman Islands
Apollo ALST Voteco, LLC	Delaware
Apollo Alteri Investments Advisors, L.P.	Cayman Islands
Apollo Alteri Investments Management, Ltd.	Cayman Islands
Apollo Alternative Assets GP Limited	Cayman Islands
Apollo Alternative Assets, L.P.	Cayman Islands
Apollo Alternative Credit Long Short Advisors LLC	Delaware
Apollo Alternative Credit Long Short Fund L.P.	Delaware
Apollo Alternative Credit Long Short Management LLC	Delaware
Apollo A-N Credit Advisors (APO FC Delaware), L.P.	Delaware
Apollo A-N Credit Advisors (APO FC-GP), LLC	Delaware
Apollo A-N Credit Co-Investors (FC-D), L.P.	Delaware
Apollo A-N Credit Management, LLC	Delaware
Apollo ANRP Advisors (APO DC), L.P.	Cayman Islands
Apollo ANRP Advisors (APO DC-GP), LLC	Delaware
Apollo ANRP Advisors (APO FC), L.P.	Cayman Islands
Apollo ANRP Advisors (APO FC-GP), LLC	Anguilla
Apollo ANRP Advisors (IH), L.P.	Cayman Islands
Apollo ANRP Advisors (IH-GP), LLC	Anguilla
Apollo ANRP Advisors II (APO DC), L.P.	Cayman Islands
Apollo ANRP Advisors II (APO DC-GP), LLC	Delaware
Apollo ANRP Advisors II (IH), L.P.	Cayman Islands
Apollo ANRP Advisors II (IH-GP), LLC	Cayman Islands
Apollo ANRP Advisors II, L.P.	Cayman Islands
Apollo ANRP Advisors III (P1 APO DC), L.P.	Cayman Islands
Apollo ANRP Advisors III (P1 APO DC-GP), LLC	Cayman Islands
Apollo ANRP Advisors III (P2), L.P.	Cayman Islands

Apollo ANRP Advisors III, L.P	Cayman Islands
Apollo ANRP Advisors, L.P.	Cayman Islands
Apollo ANRP Capital Management II, LLC	Delaware
Apollo ANRP Capital Management III, LLC	Cayman Islands
Apollo ANRP Capital Management, LLC	Delaware
Apollo ANRP Co-Investors (D), L.P.	Delaware
Apollo ANRP Co-Investors (DC-D), L.P.	Delaware
Apollo ANRP Co-Investors (FC-D), LP	Anguilla
Apollo ANRP Co-Investors (IH-D), LP	Anguilla
Apollo ANRP Co-Investors II (D), L.P.	Delaware
Apollo ANRP Co-Investors II (DC-D), L.P.	Delaware
Apollo ANRP Co-Investors II (IH-D), L.P.	Cayman Islands
Apollo ANRP Co-Investors III (D), L.P	Delaware
Apollo ANRP Co-Investors III (DC-D), L.P.	Delaware
Apollo ANRP Fund Administration, LLC	Delaware
Apollo ANRP Management III, 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.	Cayman Islands
Apollo Asia Capital Management, LLC	Delaware
Apollo Asia Hurstville Co-Investment Advisors L.P.	Cayman Islands
Apollo Asia Link Coinvestment Advisors, L.P.	Cayman Islands
Apollo Asia Management GP, LLC	Delaware
Apollo Asia Management, L.P.	Delaware
Apollo Asia Real Estate AAC Advisors, L.P.	Cayman Islands
Apollo Asia Real Estate Advisors (APO DC), L.P.	Delaware
Apollo Asia Real Estate Advisors (APO DC-GP), LLC	Delaware
Apollo Asia Real Estate Advisors GP, LLC	Delaware
Apollo Asia Real Estate Advisors, L.P.	Cayman Islands
Apollo Asia Real Estate Co-Investors (FC-D), Ltd.	Cayman Islands
Apollo Asia Real Estate Management, LLC	Delaware
Apollo Asia Sprint Co-Investment Advisors, L.P.	Cayman Islands
Apollo Asian Infrastructure Management, LLC	Delaware
Apollo ASPL Management, LLC	Delaware
Apollo Asset Management Europe LLP	England and Wales
Apollo Asset Management Europe PC LLP	England and Wales
Apollo Athene Strategic Partnership Advisors, LLC	Cayman Islands
Apollo Athlon GenPar, Ltd.	Cayman Islands
Apollo Athora Advisors GP, LLC	Delaware
Apollo Athora Advisors, L.P.	Cayman Islands
Apollo Atlas Advisors (APO FC), L.P.	Cayman Islands
Apollo Atlas Advisors (APO FC-GP), LLC	Cayman Islands
Apollo Atlas Management, LLC	Delaware
Apollo Belenos Management LLC	Delaware
Apollo BSL Management, LLC	Delaware

Apollo Capital Credit Management, LLC	Delaware
Apollo Capital Efficient Advisors, LLC	Delaware
Apollo Capital Efficient Co-Investors (D), L.P.	Delaware
Apollo Capital Management GP, LLC	Delaware
Apollo Capital Management IV, Inc.	Cayman Islands
Apollo Capital Management IX, LLC	Delaware
Apollo Capital Management V, Inc.	Cayman Islands
Apollo Capital Management VI, LLC	Delaware
Apollo Capital Management VII, LLC	Delaware
Apollo Capital Management VIII, LLC	Delaware
Apollo Capital Management, L.P.	Delaware
Apollo Centre Street Advisors (APO DC), L.P.	Delaware
Apollo Centre Street Advisors (APO DC-GP), LLC	Delaware
Apollo Centre Street Co-Investors (DC-D), L.P.	Delaware
Apollo Centre Street Management, LLC	Delaware
Apollo CERPI Management LLC	Delaware
Apollo CIP European SMAs & CLOs, L.P.	Cayman Islands
Apollo CIP GenPar, Ltd.	Cayman Islands
Apollo CIP Global SMAs (FC), L.P.	Cayman Islands
Apollo CIP Global SMAs, L.P.	Cayman Islands
Apollo CIP Hedge Funds (FC), L.P.	Cayman Islands
Apollo CIP Hedge Funds, L.P.	Cayman Islands
Apollo CIP Partner Pool, L.P.	Cayman Islands
Apollo CIP Professionals, L.P.	Delaware
Apollo CIP Structured Credit, L.P.	Cayman Islands
Apollo CIP US SMAs, L.P.	Cayman Islands
Apollo CKE GP, LLC	Delaware
Apollo COF I Capital Management, LLC	Delaware
Apollo COF II Capital Management, LLC	Delaware
Apollo COF Investor, LLC	Delaware
Apollo Co-Investment Capital Management, LLC	Delaware
Apollo Co-Investment Management, LLC	Delaware
Apollo Co-Investors IX (D), L.P.	Delaware
Apollo Co-Investors Manager, LLC	Delaware
Apollo Co-Investors VI (D), L.P.	Delaware
Apollo Co-Investors VI (DC-D), L.P.	Delaware
Apollo Co-Investors VI (EH-D), LP	Anguilla
Apollo Co-Investors VI (FC-D), LP	Anguilla
Apollo Co-Investors VII (D), L.P.	Delaware
Apollo Co-Investors VII (DC-D), L.P.	Delaware
Apollo Co-Investors VII (EH-D), LP	Anguilla
Apollo Co-Investors VII (FC-D), L.P.	Anguilla
Apollo Co-Investors VII (NR D), L.P.	Cayman Islands
Apollo Co-Investors VII (NR DC-D), L.P.	Cayman Islands
Apollo Co-Investors VII (NR EH-D), LP	Anguilla
Apollo Co-Investors VII (NR FC-D), LP	Anguilla
Apollo Co-Investors VIII (D), L.P.	Delaware
Apollo Co-Investors VIII (DC-D), L.P.	Delaware
Apollo Co-Investors VIII (EH-D), L.P.	Cayman Islands

Apollo Co-Investors VIII (FC-D), L.P.	Cayman Islands
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 Converse Co-Investors, LLC	Delaware
Apollo Converse Holdings GP, LLC	Delaware
Apollo Credit Advisors I, LLC	Delaware
Apollo Credit Advisors III, LLC	Delaware
Apollo Credit Income Co-Investors (D) LLC	Delaware
Apollo Credit Income Management LLC	Delaware
Apollo Credit Liquidity Advisors, L.P.	Delaware
Apollo Credit Liquidity Capital Management, LLC	Delaware
Apollo Credit Liquidity CM Executive Carry, L.P.	Cayman Islands
Apollo Credit Liquidity Investor, LLC	Delaware
Apollo Credit Liquidity Management GP, LLC	Delaware
Apollo Credit Liquidity Management, L.P.	Delaware
Apollo Credit Management (CLO), LLC	Delaware
Apollo Credit Management (European Senior Debt), LLC	Delaware
Apollo Credit Management (Senior Loans) II, LLC	Delaware
Apollo Credit Management (Senior Loans), LLC	Delaware
Apollo Credit Management International Limited	England and Wales
Apollo Credit Management, LLC	Delaware
Apollo Credit Opportunity Advisors I, L.P.	Cayman Islands
Apollo Credit Opportunity Advisors II, L.P.	Cayman Islands
Apollo Credit Opportunity Advisors III (APO FC) GP LLC	Delaware
Apollo Credit Opportunity Advisors III (APO FC) LP	Cayman Islands
Apollo Credit Opportunity Advisors III GP LLC	Delaware
Apollo Credit Opportunity Advisors III LP	Cayman Islands
Apollo Credit Opportunity CM Executive Carry I, L.P.	Cayman Islands
Apollo Credit Opportunity CM Executive Carry II, L.P.	Cayman Islands
Apollo Credit Opportunity Co-Investors III (D) LLC	Delaware
Apollo Credit Opportunity Co-Investors III (FC-D) LLC	Delaware
Apollo Credit Opportunity Management III LLC	Delaware
Apollo Credit Opportunity Management, LLC	Delaware
Apollo Credit Short Opportunities Co-Investors (D), LLC	Delaware
Apollo Credit Short Opportunities Management, LLC	Delaware
Apollo Delos Investments Advisors, S.a r.l.	Luxembourg
Apollo Delos Investments Management, LLC	Delaware
Apollo DSB Co-Invest GP, LLC	Delaware
Apollo Emerging Markets Debt Advisors LP	Cayman Islands
Apollo Emerging Markets Debt Advisors GP LLC	Delaware
Apollo Emerging Markets Debt Co-Investors (D) GP LLC	Delaware
Apollo Emerging Markets Debt Co-Investors (D) LP	Delaware
Apollo Emerging Markets Debt Management LLC	Delaware
Apollo Emerging Markets Fixed Income Strategies Advisors GP, LLC	Delaware
Apollo Emerging Markets Fixed Income Strategies Management, LLC	Delaware

Apollo Emerging Markets, LLC	Delaware
Apollo Energy Opportunity Advisors (APO DC) GP LLC	Delaware
Apollo Energy Opportunity Advisors (APO DC) LP	Cayman Islands
Apollo Energy Opportunity Advisors GP LLC	Delaware
Apollo Energy Opportunity Advisors LP	Cayman Islands
Apollo Energy Opportunity Co-Investors (D), LLC	Delaware
Apollo Energy Opportunity Co-Investors (DC-D) LLC	Delaware
Apollo Energy Opportunity Management, LLC	Delaware
Apollo Energy Yield Co-Investors (D) LLC	Delaware
Apollo Energy Yield Management LLC	Delaware
Apollo EPF Administration, Limited	Cayman Islands
Apollo EPF Advisors II (APO DC), L.P.	Cayman Islands
Apollo EPF Advisors II, L.P.	Cayman Islands
Apollo EPF Advisors III (APO DC), L.P.	Cayman Islands
Apollo EPF Advisors III, L.P.	Cayman Islands
Apollo EPF Advisors, L.P.	Cayman Islands
Apollo EPF Capital Management, Limited	Cayman Islands
Apollo EPF Co-Investors (B), L.P.	Cayman Islands
Apollo EPF Co-Investors II (D), L.P.	Cayman Islands
Apollo EPF Co-Investors II (Euro), L.P.	Cayman Islands
Apollo EPF Co-Investors III (D), L.P	Cayman Islands
Apollo EPF II Capital Management (APO DC-GP), LLC	Cayman Islands
Apollo EPF II Capital Management, LLC	Marshall Islands
Apollo EPF III (Lux Euro B GP) S.a r.l.	Luxembourg
Apollo EPF III Capital Management (APO DC-GP), LLC	Cayman Islands
Apollo EPF III Capital Management, LLC	Delaware
Apollo EPF Management GP, LLC	Delaware
Apollo EPF Management II GP, LLC	Delaware
Apollo EPF Management II, L.P.	Delaware
Apollo EPF Management III, LLC	Delaware
Apollo EPF Management, L.P.	Delaware
Apollo Europe Advisors III, L.P.	Cayman Islands
Apollo Europe Advisors, L.P.	Cayman Islands
Apollo Europe Capital Management III, LLC	Delaware
Apollo Europe Capital Management, Ltd.	Cayman Islands
Apollo Europe Co-Investors III (D), LLC	Delaware
Apollo Europe Management III, LLC	Delaware
Apollo Europe Management, L.P.	Delaware
Apollo European Credit Advisors GP, LLC	Delaware
Apollo European Credit Advisors, L.P.	Cayman Islands
Apollo European Credit Co-Investors, LLC	Delaware
Apollo European Credit Management GP, LLC	Delaware
Apollo European Credit Management, L.P.	Delaware
Apollo European Long Short Advisors GP, LLC	Delaware
Apollo European Long Short Management, LLC	Delaware
Apollo European Middle Market Private Debt Management, LLC	Delaware
Apollo European Senior Debt Advisors, LLC	Delaware
Apollo European Senior Debt Management, LLC	Delaware
Apollo European Strategic Advisors GP, LLC	Delaware

Apollo European Strategic Advisors, L.P.	Cayman Islands
Apollo European Strategic Co-Investors, LLC	Delaware
Apollo European Strategic Management GP, LLC	Delaware
Apollo European Strategic Management, L.P.	Delaware
Apollo Executive Carry VII (NR APO DC), L.P.	Cayman Islands
Apollo Executive Carry VII (NR APO FC), L.P.	Cayman Islands
Apollo Executive Carry VII (NR EH), L.P.	Cayman Islands
Apollo Executive Carry VII (NR), L.P.	Cayman Islands
Apollo Franklin Advisors (APO DC), L.P.	Delaware
Apollo Franklin Advisors (APO DC-GP), LLC	Delaware
Apollo Franklin Co-Investors (DC-D), L.P.	Delaware
Apollo Franklin Management, LLC	Delaware
Apollo Fund Administration IV, L.L.C.	Delaware
Apollo Fund Administration IX, LLC	Delaware
Apollo Fund Administration V, L.L.C.	Delaware
Apollo Fund Administration VI, LLC	Delaware
Apollo Fund Administration VII, LLC	Delaware
Apollo Fund Administration VIII, LLC	Delaware
Apollo Gaucho GenPar, Ltd.	Cayman Islands
Apollo Global Carry Pool Aggregator, L.P.	Cayman Islands
Apollo Global Carry Pool GP, LLC	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series A	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series I	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series I (DC)	Delaware
Apollo Global Carry Pool GP, LLC with respect to Series I (FC)	Delaware
Apollo Global Carry Pool Intermediate (DC), L.P.	Cayman Islands
Apollo Global Carry Pool Intermediate (FC), L.P.	Cayman Islands
Apollo Global Carry Pool Intermediate, L.P.	Cayman Islands
Apollo Global Funding, 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 HD Advisors GP, LLC	Cayman Islands
Apollo HD Advisors, L.P.	Cayman Islands
Apollo HD Management GP, LLC	Delaware
Apollo HD Management, L.P.	Delaware
Apollo Hercules Advisors GP, LLC	Delaware
Apollo Hercules Advisors, L.P.	Cayman Islands
Apollo Hercules AIV Advisors GP, LLC	Delaware
Apollo Hercules AIV Co-Investors (D), LLC	Delaware
Apollo Hercules Co-Investors (D), LLC	Delaware
Apollo Hercules Management, LLC	Delaware
Apollo HK TMS Investment Holdings GP, LLC	Delaware
Apollo HK TMS Investment Holdings Management, LLC	Delaware
Apollo HVF Co-Investors (D), L.P.	Delaware
Apollo HVF Co-Investors (DC-D), L.P.	Delaware
Apollo Hybrid Value Advisors (APO DC), L.P.	Cayman Islands
Apollo Hybrid Value Advisors (APO DC-GP), LLC	Delaware

Apollo Hybrid Value Advisors (APO FC), L.P.	Cayman Islands
Apollo Hybrid Value Advisors (APO FC-GP), LLC	Delaware
Apollo Hybrid Value Advisors, L.P.	Cayman Islands
Apollo Hybrid Value Capital Management, LLC	Delaware
Apollo Hybrid Value Management GP, LLC	Delaware
Apollo Hybrid Value Management, L.P.	Delaware
Apollo Hybrid Value Overseas Partners (Lux) GP, S.a r.l.	Luxembourg
Apollo Incubator Advisors, LLC	Delaware
Apollo Incubator Management, LLC	Delaware
Apollo India Credit Opportunity Management, LLC	Delaware
Apollo India Services LLP	India
Apollo Infra Equity Advisors (APO DC UT), L.P.	Cayman Islands
Apollo Infra Equity Advisors (APO DC), L.P.	Cayman Islands
Apollo Infra Equity Advisors (APO DC-GP), LLC	Delaware
Apollo Infra Equity Advisors (IH UT), L.P.	Cayman Islands
Apollo Infra Equity Advisors (IH), L.P.	Cayman Islands
Apollo Infra Equity Advisors (IH-GP), LLC	Delaware
Apollo Infra Equity Co-Investors (D), L.P.	Delaware
Apollo Infra Equity Co-Investors (IH-D), L.P.	Delaware
Apollo Infra Equity Management GP, LLC	Delaware
Apollo Infra Equity Management L.P.	Delaware
Apollo International Management (Canada) ULC	British Columbia
Apollo International Management (India), LLC	Delaware
Apollo International Management GP, LLC	Delaware
Apollo International Management, L.P.	Delaware
Apollo Investment Administration, LLC	Delaware
Apollo Investment Consulting Europe Ltd.	England and Wales
Apollo Investment Consulting LLC	Delaware
Apollo Investment Management Europe (Luxembourg) S.a r.l.	Luxembourg
Apollo Investment Management Europe LLP	England and Wales
Apollo Investment Management, L.P.	Delaware
Apollo IP Holdings, LLC	Delaware
Apollo IPF Advisors, LLC	Cayman Islands
Apollo IPF Real Estate Management, LLC	Delaware
Apollo Jupiter Resources Co-Invest GP, LLC	Delaware
Apollo Jupiter Resources Co-Invest GP, ULC	British Columbia
Apollo Kings Alley Credit Advisors (DC), L.P.	Delaware
Apollo Kings Alley Credit Advisors (DC-GP), LLC	Delaware
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 KP Management, LLC	Delaware
Apollo Laminates Agent, LLC	Delaware
Apollo Life Asset Ltd.	Cayman Islands
Apollo Lincoln Fixed Income Advisors (APO DC), L.P.	Delaware
Apollo Lincoln Fixed Income Advisors (APO DC-GP), LLC	Delaware
Apollo Lincoln Fixed Income Management, LLC	Delaware
Apollo Lincoln Private Credit Advisors (APO DC), L.P.	Delaware

Apollo Lincoln Private Credit Advisors (APO DC-GP), LLC	Delaware
Apollo Lincoln Private Credit Co-Investors (DC-D), L.P.	Delaware
Apollo Lincoln Private Credit Management, LLC	Delaware
Apollo Longevity, LLC	Delaware
Apollo Management (AOP) IX, LLC	Delaware
Apollo Management (AOP) VII, LLC	Delaware
Apollo Management (AOP) VIII, LLC	Delaware
Apollo Management (Germany) VI, LLC	Delaware
Apollo Management (UK) VI, LLC	Delaware
Apollo Management Advisors España, S.L.U.	Spain
Apollo Management Advisors GmbH	Germany
Apollo Management Asia Pacific Limited	Hong Kong
Apollo Management GP, LLC	Delaware
Apollo Management Holdings GP, LLC	Delaware
Apollo Management Holdings, L.P.	Delaware
Apollo Management Hong Kong Limited	Hong Kong
Apollo Management III, L.P.	Delaware
Apollo Management International LLP	England and Wales
Apollo Management IV, L.P.	Delaware
Apollo Management IX, L.P.	Delaware
Apollo Management Japan Limited	Hong Kong
Apollo Management Singapore Pte. Ltd.	Singapore
Apollo Management V, L.P.	Delaware
Apollo Management VI, L.P.	Delaware
Apollo Management VII, L.P.	Delaware
Apollo Management VIII, L.P.	Delaware
Apollo Management, L.P.	Delaware
Apollo Maritime Management, LLC	Delaware
Apollo MidCap B Intermediate Holdings, L.P.	Cayman Islands
Apollo MidCap FinCo Feeder GP LLC	Delaware
Apollo MidCap Holdings (Cayman) GP, Ltd.	Cayman Islands
Apollo MidCap Holdings (Cayman) II GP, Ltd.	Cayman Islands
Apollo MidCap Holdings (Cayman) II, L.P.	Cayman Islands
Apollo MidCap Holdings (Cayman), 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 Multi-Credit Fund GP (Lux) S.a r.l.	Luxembourg
Apollo NA Management II, LLC	Delaware
Apollo Natural Resources Partners (Lux) III GP, S.a r.l.	Luxembourg
Apollo Natural Resources Partners (Lux) III, SCSp	Luxembourg
Apollo ND Services, LLC	Delaware
Apollo Net Lease Co., LLC	Delaware
Apollo Oasis Advisors GP, LLC	Cayman Islands
Apollo Oasis Advisors, L.P.	Cayman Islands
Apollo Oasis Management, LLC	Delaware
Apollo Olympus Co-Invest GP, LLC	Delaware
Apollo Overseas Partners (Lux) IX GP, S.a r.l.	Luxembourg
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 I GP, LLC	Delaware
Apollo Principal Holdings I, L.P.	Cayman Islands
Apollo Principal Holdings II GP, LLC	Delaware
Apollo Principal Holdings II, L.P.	Cayman Islands
Apollo Principal Holdings III GP, Ltd.	Cayman Islands
Apollo Principal Holdings III, L.P.	Cayman Islands
Apollo Principal Holdings IV GP, Ltd.	Cayman Islands
Apollo Principal Holdings IV, L.P.	Cayman Islands
Apollo Principal Holdings IX GP, Ltd.	Cayman Islands
Apollo Principal Holdings IX, L.P.	Cayman Islands
Apollo Principal Holdings V GP, LLC	Delaware
Apollo Principal Holdings V, L.P.	Cayman Islands
Apollo Principal Holdings VI GP, LLC	Delaware
Apollo Principal Holdings VI, L.P.	Cayman Islands
Apollo Principal Holdings VII GP, Ltd.	Cayman Islands
Apollo Principal Holdings VII, L.P.	Cayman Islands
Apollo Principal Holdings VIII GP, Ltd.	Cayman Islands
Apollo Principal Holdings VIII, L.P.	Cayman Islands
Apollo Principal Holdings X GP, Ltd.	Cayman Islands
Apollo Principal Holdings X, L.P.	Cayman Islands
Apollo Principal Holdings XI, LLC	Anguilla
Apollo Principal Holdings XII GP, LLC	Cayman Islands
Apollo Principal Holdings XII, L.P.	Cayman Islands
Apollo Real Estate Europe (Lux) GP, S.a r.l.	Luxembourg
Apollo Resolution Servicing GP, LLC	Delaware
Apollo Resolution Servicing, L.P.	Delaware
Apollo Rose GP, L.P.	Cayman Islands
Apollo Rose II (I), L.P.	Cayman Islands
Apollo Royalties Management, LLC	Delaware
Apollo RRI Management LLC	Delaware
Apollo SA Management, LLC	Delaware
Apollo SB Advisors, LLC	Cayman Islands
Apollo Senior Loan Fund Co-Investors (D), L.P.	Delaware
Apollo SK Strategic Advisors GP, L.P.	Cayman Islands
Apollo SK Strategic Advisors, LLC	Anguilla
Apollo SK Strategic Co-Investors (DC-D), LLC	Marshall Islands
Apollo SK Strategic Management, LLC	Delaware
Apollo Socrates Co-Invest GP, LLC	Delaware
Apollo Socrates Global Co-Invest GP, LLC	Cayman Islands
Apollo SOMA Advisors, L.P.	Delaware
Apollo SOMA Capital Management, LLC	Delaware
Apollo Special Situations Advisors (APO DC), L.P.	Delaware
Apollo Special Situations Advisors (APO DC-GP), LLC	Delaware

Apollo Special Situations Advisors (IH), L.P.	Cayman Islands
Apollo Special Situations Advisors (IH-GP), Ltd.	Cayman Islands
Apollo Special Situations Advisors GP, LLC	Delaware
Apollo Special Situations Advisors, L.P.	Delaware
Apollo Special Situations Co-Investors (D), L.P.	Delaware
Apollo Special Situations Co-Investors (IH-D), L.P.	Cayman Islands
Apollo Special Situations Management, L.P.	Delaware
Apollo Special Situations Management, LLC	Delaware
Apollo SPN Advisors (APO DC), L.P.	Cayman Islands
Apollo SPN Advisors (APO FC), L.P.	Cayman Islands
Apollo SPN Advisors, L.P.	Cayman Islands
Apollo SPN Capital Management (APO DC-GP), LLC	Anguilla
Apollo SPN Capital Management (APO FC-GP), LLC	Anguilla
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 Advisors, LLC	Cayman Islands
Apollo ST Capital LLC	Delaware
Apollo ST CLO Holdings GP, LLC	Delaware
Apollo ST Credit Partners GP LLC	Delaware
Apollo ST Credit Strategies GP LLC	Delaware
Apollo ST Debt Advisors LLC	Delaware
Apollo ST Fund Management LLC	Delaware
Apollo ST Operating LP	Delaware
Apollo ST Structured Credit Recovery Partners II GP LLC	Delaware
Apollo Structured Credit Recovery Advisors III (APO DC) LLC	Cayman Islands
Apollo Structured Credit Recovery Advisors III LLC	Cayman Islands
Apollo Structured Credit Recovery Advisors IV LLC	Delaware
Apollo Structured Credit Recovery Co-Investors III (D), LLC	Delaware
Apollo Structured Credit Recovery Co-Investors IV (D) LLC	Delaware
Apollo Structured Credit Recovery Management III LLC	Delaware
Apollo Structured Credit Recovery Management IV LLC	Delaware
Apollo SVF Administration, LLC	Delaware
Apollo SVF Advisors, L.P.	Delaware
Apollo SVF Capital Management, LLC	Delaware
Apollo SVF Management GP, LLC	Delaware
Apollo SVF Management, L.P.	Delaware
Apollo Tactical Value SPN Advisors (APO DC), L.P.	Cayman Islands
Apollo Tactical Value SPN Capital Management (APO DC-GP), LLC	Anguilla
Apollo Tactical Value SPN Co-Investors (DC-D), L.P.	Anguilla
Apollo Tactical Value SPN Management, LLC	Delaware
Apollo Tail Convexity Advisors, LLC	Cayman Islands
Apollo Tail Convexity Management, LLC	Delaware
Apollo Talos GenPar, Ltd.	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 Total Return Advisors GP LLC	Delaware
Apollo Total Return Advisors LP	Cayman Islands
Apollo Total Return Co-Investors (D) GP LLC	Delaware
Apollo Total Return Co-Investors (D) LP	Delaware
Apollo Total Return Enhanced Advisors GP LLC	Delaware
Apollo Total Return Enhanced Advisors LP	Cayman Islands
Apollo Total Return Enhanced Management LLC	Delaware
Apollo Total Return ERISA Advisors GP LLC	Delaware
Apollo Total Return ERISA Advisors LP	Delaware
Apollo Total Return Management LLC	Delaware
Apollo Tower Credit Advisors (DC), L.P.	Cayman Islands
Apollo Tower Credit Advisors (DC-GP), LLC	Cayman Islands
Apollo Tower Credit Advisors, LLC	Delaware
Apollo Tower Credit Co-Investors (DE FC-D), L.P.	Delaware
Apollo Tower Credit Management, LLC	Delaware
Apollo TRF CM Management, LLC	Delaware
Apollo TRF MP Management, LLC	Delaware
Apollo U.S. Real Estate Advisors GP II, LLC	Delaware
Apollo U.S. Real Estate Advisors II, L.P.	Cayman Islands
Apollo Union Street Advisors, L.P.	Cayman Islands
Apollo Union Street Capital Management, LLC	Delaware
Apollo Union Street Co-Investors (D), L.P.	Delaware
Apollo Union Street Management, LLC	Delaware
Apollo Union Street SPV Advisors, LLC	Delaware
Apollo Union Street SPV Co-Investors (D), L.P.	Delaware
Apollo USRE Advisors II (HP Industrial II) LLC	Delaware
Apollo USREF Co-Investors II (D), LLC	Delaware
Apollo Value Administration, LLC	Delaware
Apollo Value Advisors, L.P.	Delaware
Apollo Value Capital Management, LLC	Delaware
Apollo Value Management GP, LLC	Delaware
Apollo Value Management, L.P.	Cayman Islands
Apollo Verwaltungs V GmbH	Germany
Apollo VII TXU Administration, LLC	Delaware
Apollo VIII GenPar, Ltd.	Cayman Islands
Apollo Zeus Strategic Advisors, L.P.	Cayman Islands
Apollo Zeus Strategic Advisors, LLC	Delaware
Apollo Zeus Strategic Co-Investors (DC-D), LLC	Delaware
Apollo Zeus Strategic Management, LLC	Delaware
Apollo Zohar Advisors LLC	Delaware
Apollo/Cavenham EMA Advisors II, L.P.	Cayman Islands
Apollo/Cavenham EMA Capital Management II, LLC	Cayman Islands
Apollo/Cavenham EMA Management II, LLC	Delaware
ARM Manager, LLC	Delaware
Athene Asset Management LLC	Delaware
Athene Investment Analytics LLC	Delaware
Athene Momentum Investment Advisors GP, LLC	Delaware
Athene Momentum Investment Advisors, L.P.	Delaware

Athene Mortgage Opportunities GP, LLC	Delaware
August Global Management, LLC	Florida
Avalon Acquisition, LLC	Cayman Islands
BlueWater SM LLC	Delaware
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 Asia Pacific GP Ltd.	Cayman Islands
CPI Capital Partners Europe GP Ltd.	Cayman Islands
CPI European Carried Interest, L.P.	Cayman Islands
CPI European Fund GP LLC	Delaware
CPI NA Fund GP LP	Cayman Islands
CPI NA GP LLC	Delaware
CPI NA WT Fund GP LP	Delaware
CTM Aircraft Investors GP, Ltd.	Cayman Islands
Cyclone Royalties, LLC	Delaware
Delaware Rose GP, L.L.C.	Delaware
EPE Acquisition Holdings, LLC	Delaware
EPE Debt Co-Investors GP, LLC	Delaware
EPF II Team Carry Plan (APO DC), L.P.	Cayman Islands
EPF II Team Carry Plan, L.P.	Marshall Islands
FCI Co-Investors IV (D), L.P.	Cayman Islands
Financial Credit I Capital Management, LLC	Delaware
Financial Credit II Capital Management, LLC	Delaware
Financial Credit III Capital Management, LLC	Delaware
Financial Credit Investment Advisors I, L.P.	Cayman Islands
Financial Credit Investment Advisors II, L.P.	Cayman Islands
Financial Credit Investment Advisors III, L.P.	Cayman Islands
Financial Credit Investment Advisors IV, L.P.	Cayman Islands
Financial Credit Investment I Manager, LLC	Delaware
Financial Credit Investment II Manager, LLC	Delaware
Financial Credit Investment III Manager, LLC	Delaware
Financial Credit Investment IV Manager, LLC	Delaware
Financial Credit IV Capital Management, LLC	Cayman Islands
Greenhouse Holdings, Ltd.	Cayman Islands
GSAM Apollo Holdings, LLC	Delaware
Gulf Stream Asset Management LLC	North Carolina
Harvest Holdings II (C), L.P.	Cayman Islands
Harvest Holdings II (V), L.P.	Cayman Islands
Harvest Holdings II GP, LLC	Cayman Islands
Harvest Holdings, LLC	Marshall Islands
Insight Solutions GP, LLC	Delaware
Karpos Investments II (C), L.P.	Cayman Islands
Karpos Investments II (V), L.P.	Cayman Islands

Karpos Investments, LLC	Marshall Islands
Lapithus EPF II Team Carry Plan (APO DC), L.P.	Cayman Islands
Lapithus EPF II Team Carry Plan, L.P.	Marshall Islands
LeverageSource Management, LLC	Delaware
London Prime Apartments Guernsey Limited	Guernsey
Lowell GP, LLC	Delaware
MMJV LLC	Cayman Islands
Prime Security Services GP, LLC	Delaware
Redding Ridge Advisors LLC	Delaware
RRH Asset Management CIV GP, LLC	Delaware
RWNIH-ALL Advisors, LLC	Delaware
Smart & Final Holdco LLC	Delaware
ST Holdings GP, LLC	Cayman Islands
ST Management Holdings, LLC	Cayman Islands
Stanhope Life Advisors, L.P.	Cayman Islands
Stone Tower Europe LLC	Delaware
VA Capital Management CIV GP, LLC	Delaware
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
Wolfcamp Co-Investors GP, 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 March 1, 2019, 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, 2018:

- 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
March 1, 2019

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, 2018 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: March 1, 2019

/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, 2018 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: March 1, 2019

/s/ Martin Kelly

Martin Kelly

Chief Financial Officer and Co-Chief Operating 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, 2018 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: March 1, 2019

/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, 2018 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: March 1, 2019

/s/ Martin Kelly
Martin Kelly
Chief Financial Officer and Co-Chief Operating 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.