

# **Apollo Commodities Management, L.P.**

## **FORM ADV**

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**This brochure provides information about the qualifications and business practices of Apollo Commodities Management, L.P. ("Apollo Commodities Management"). If you have any questions about the contents of this brochure ("Brochure"), please contact us at (212) 515-3200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.**

**Additional information about Apollo Commodities Management also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).**

Apollo Commodities Management is registered as an investment adviser with the SEC pursuant to the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Recipients of this Brochure should be aware that registration with the SEC does not in any way constitute an endorsement by the SEC of an investment adviser's skill or expertise. Further, registration does not imply or guarantee that a registered adviser has achieved a certain level of skill, competency, sophistication, expertise or training in providing advisory services to its clients.

## **ITEM 2**

### **Material Changes**

Apollo Commodities Management is required to identify and discuss material changes made to this Brochure since the last annual update. Accordingly, please note the following material changes:

In 2011, Apollo Natural Resources Partners, L.P. ("ANRP") began offering private placement interests. ANRP is managed by Apollo Commodities Management.

On October 24, 2011, Apollo Global Management, LLC and its subsidiaries ("Apollo") announced that they completed the acquisition of Gulf Stream Asset Management, LLC ("GSAM"). The sole member and principal owner of GSAM is Apollo Capital Management, L.P. ("Apollo Capital Management"), a registered investment adviser and an indirect subsidiary of Apollo Global Management, LLC. Apollo Commodities Management is also an indirect subsidiary of Apollo Global Management, LLC. GSAM provides investment advisory services to, and serves as collateral manager for, special purpose vehicles that issue collateralized loan obligations ("CLOs"). GSAM provides investment advice to CLOs regarding institutional leveraged loans, high yield debt, corporate debt, structured credit products, derivatives, private debt securities and other loans, credit or debt instruments ("Credit Instruments"). The CLOs seek to achieve their investment objectives by investing primarily in senior, secured loans made to companies whose debt is rated below investment grade ("Senior Loans") and investments with similar economic characteristics. GSAM provides investment advisory services to ten CLOs, including: (1) Gulf Stream Compass CLO 2002-1; (2) Gulf Stream Compass CLO 2003-1; (3) Gulf Stream Compass CLO 2004-1; (4) Gulf Stream Compass CLO 2005-1; (5) Gulf Stream Compass CLO 2005-II; (6) Gulf Stream Sextant CLO 2006-1; (7) Gulf Stream Rashinban CLO 2006-1; (8) Gulf Stream Sextant CLO 2007-1; (9) Gulf Stream Compass CLO 2007-1; and (10) Neptune Finance CCS.

On December 16, 2011 Apollo announced that it agreed to merge Stone Tower Capital LLC and its related management companies ("Stone Tower"), an alternative credit manager with approximately \$17 billion of assets under management, into Apollo's capital markets business. Stone Tower manages alternative credit assets across a variety of corporate credit funds through credit opportunity funds, 12 CLOs, structured credit funds and separately managed accounts. Stone Tower's investment expertise spans a variety of alternative asset classes and strategies including Senior Loans, high yield bonds, long/short credit, private debt solutions, CLO liabilities, CLO equity, residential mortgage-backed securities ("RMBS"), collateralized mortgage-backed securities ("CMBS") and other asset-backed securities ("ABS"). The transaction is expected to close in April 2012.

Apollo Capital Management provides investment advice to a number of investment vehicles that offered private placement interests beginning in 2011 including: (1) Apollo Centre Street Partnership, L.P. (indirectly, as the sole member of its investment manager, Apollo Centre Street Management, LLC); (2) Apollo European Credit Fund, L.P. (indirectly, as the sole member of the general partner of its manager, Apollo European Credit Management, L.P.); (3) Apollo European Strategic Investments (Holdings), L.P. (indirectly, as the sole member of the general partner of its investment manager, Apollo European Strategic Management, L.P.); (4) Apollo

SPN Investments I, L.P., Apollo SPN Investments II, L.P. and Apollo SPN Investments III, L.P. (indirectly, as the sole member of their investment manager, Apollo SPN Management, LLC) ; (5) Financial Credit Investment I, L.P. (indirectly, as the sole member of its investment manager, Financial Credit Investment I Manager, LLC); (6) Apollo European Principal Finance Fund II, L.P. (indirectly, as the sole member of the general partner of the investment manager, Apollo EPF Management II, L.P.); and (7) AION Capital Partners Limited (indirectly, as the sole member of the general partner of its investment manager, AION Capital Management Limited). AION Capital Partners Limited is a joint venture with ICICI Venture Funds Management Company Limited.

Apollo Centre Street Management, LLC, Apollo European Credit Management, L.P., Apollo European Strategic Management, L.P., Apollo SPN Management, LLC, Financial Credit Investment I Manager, LLC, Apollo EPF Management II, L.P. and AION Capital Management Limited are not separately registered with the SEC as investment advisers but are relying on Apollo Capital Management's registration under the Advisers Act and are each "relying advisers" pursuant to SEC staff guidance.

Apollo Global Real Estate Management, L.P. ("AGREM"), also an affiliate of Apollo Global Management and also registered with the SEC as an investment adviser, in 2011 became the sole member of: (1) AGRE-CRE Debt Manager, LLC, the investment manager of the AGRE Debt Fund I; (2) AGRE Europe Management, LLC, the investment manager to Apollo GSS Holdings Cayman, L.P.; and (3) AGRE Asia Pacific Management, LLC, the investment manager to AGRE Asia Pacific Real Estate Fund, L.P. In addition, AGRE CMBS Management II LLC provides discretionary investment advice to 2011 A4 Fund, L.P. starting in 2011.

AGRE-CRE Debt Manager, LLC, AGRE Europe Management, LLC, AGRE Asia Pacific Management, LLC and AGRE CMBS Management II LLC are not separately registered with the SEC as investment advisers but are relying on AGREM's investment adviser registration with the SEC.

Apollo Capital Management is the sole member of Apollo Longevity, LLC, which serves as the sub-adviser, and provides non-discretionary investment advice, to Athene Asset Management, LLC ("AAM") and RWN Management, LLC. Apollo Longevity, LLC is not separately registered as an investment adviser with the SEC, but is a relying adviser with respect to Apollo Capital Management's registration.

AAM is owned by Apollo Life Asset Limited and certain members of AAM's management. Apollo Life Asset Limited is, in turn wholly owned by Apollo Capital Management. AAM became the investment manager to Athene Annuity & Life Assurance Company and Investors Insurance Company, two companies acquired by Athene Holding Ltd. ("Athene Holding") during 2011.

The discussion above relates solely to material changes made to Apollo Commodities Management's Form ADV Part 2A, dated March 31, 2011.

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## ITEM 4

### Advisory Business

Apollo is a global alternative investment manager. Its primary business is to raise and invest private equity, capital markets and real estate funds as well as managed accounts, on behalf of pension and endowment funds, as well as other institutional and high net worth individual investors. Apollo has three primary business segments, including: (1) *Private Equity*, which primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments; (2) *Capital Markets*, which primarily invests in non-control debt and non-control equity investments, including distressed debt securities; and (3) *Real Estate*, which primarily invests in legacy commercial mortgage-backed securities, commercial first mortgage loans, mezzanine investments and other commercial real estate-related debt investments. Apollo also sponsors real estate funds that focus on opportunistic investments in distressed debt and equity recapitalization transactions.

Apollo Commodities Management is an indirect subsidiary of Apollo Global Management, LLC that was established to provide discretionary advisory services to investment vehicles sponsored by Apollo which are designed to invest in commodities or commodities-related investment opportunities. Apollo Commodities Management is structured as a series limited partnership and each series will act as the investment manager to different investment vehicles and/or accounts. Currently, Series I of Apollo Commodities Management acts as investment manager of ANRP. Apollo ANRP Advisors, L.P. ("ANRP Advisors"), and affiliate of Apollo Commodities Management, is the general partners of ANRP.

Each series of Apollo Commodities Management provides discretionary advisory services to certain pooled investment vehicles and/or managed accounts sponsored by Apollo. Each series and segregated portfolio of Apollo Commodities Management has legally segregated assets and liabilities from the other series and segregated portfolios managed by Apollo Commodities Management. ANRP and any co-investment vehicle, separately managed account, or other pooled investment vehicle advised by Apollo Commodities Management from time to time are collectively referred to herein as "Clients."

The advisory relationships between Apollo Commodities Management and Clients will generally be governed by separate investment management agreements. Such investment management agreements will address, among other things, the scope of advisory services provided by Apollo Commodities Management to such Clients and the fees paid by Clients to Apollo Commodities Management in consideration of such advisory services. The investment management agreements are generally negotiated between related parties and, as such, their terms, including the fees payable to the Apollo Commodities Management, may not be as favorable to ANRP or other Clients as if they had been negotiated with an unaffiliated, unrelated third party.

Apollo Commodities Management provides advisory services to Clients that seek to invest in commodities or commodities-related investment opportunities. In managing ANRP, Apollo Commodities Management seeks to capitalize on attractive private equity investment opportunities in the natural resources industry, principally in the metals and mining, energy and select other natural resources sectors. In this regard, Apollo Commodities Management, on behalf of ANRP, will pursue corporate carve-outs, distressed investment opportunities, asset

acquisition/build-up strategies, and other opportunistic transaction types that may arise over the life of ANRP.

Apollo Commodities Management expects ANRP to be comprised of portfolio opportunities within the metals and mining, energy and select other natural resources sectors that will be diversified by asset types, and investment structure, size, and strategy. Overall, Apollo Commodities Management, on behalf of ANRP, will seek to make investments that will be generally characterized by limited downside risk given Apollo's hedging and structuring capabilities

The descriptions set forth in this Brochure of specific advisory services that Apollo Commodities Management offers to ANRP, and investment strategies pursued and investments made by Apollo Commodities Management on behalf of ANRP, should not be understood to limit in any way Apollo Commodities Management's investment activities. Apollo Commodities Management may offer any advisory services, engage in any investment strategy, and make any investment, including those not described in this Brochure, that Apollo Commodities Management considers appropriate, subject to each Client's investment objectives and guidelines. The investment strategies that ANRP pursues are speculative and entail substantial risks. There can be no assurance that ANRP's or any Client's investment objectives will be met. Clients may also be solicited to invest in one or more private pooled investment vehicles managed by GSAM or another Apollo Fund.

Except in limited circumstances, Apollo Commodities Management has full discretionary authority with respect to the investment decisions of its Clients. However, its advice is provided in accordance with the investment objectives and guidelines set forth in each Client's offering memoranda, constituent documents and/or investment guidelines. Similarly, Apollo Commodities Management's investment decisions and advice, with respect to managed accounts (if any), will be in accordance with the investment objectives and guidelines in such Client's investment management agreement, as well as any other instructions provided by the Client to Apollo Commodities Management. Fees charged to managed accounts are individually negotiated and established pursuant to such account's investment management agreement. Clients may also be solicited to invest in one or more private pooled investment vehicles managed by Apollo Commodities Management or another Apollo Fund.

Apollo Commodities Management may enter into side letters with certain investors in the Clients, which impose further restrictions on investing in certain types of securities, countries, geographies or businesses with respect to such investors.

Apollo Commodities Management manages \$568,426,335 of Client assets on a discretionary basis and no Client assets on a non-discretionary basis as of December 31, 2011.

## **ITEM 5**

### **Fees and Compensation**

Apollo Commodities Management is entitled to receive from ANRP a management fee at a quarterly rate equal to a percentage of the net asset value of the capital account balance of each limited partner (without accrual of any unearned performance allocation) (the "Management

Fee”). Management Fees will be calculated and payable by ANRP quarterly in advance as of the beginning of each calendar quarter.

In consideration of ANRP Advisors' services to ANRP, it is entitled to receive a carried interest based on a percentage of profits realized from each ANRP investment or a performance allocation based on a percentage of periodic gains in the capital accounts of investors in such Clients (“Performance Fees”). Apollo Commodities Management may also be entitled to receive a performance fee from other Clients based on a similar calculation. Any Performance Fees payable to ANRP Advisors and any performance fees payable to Apollo Commodities Management will be affected consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder.

Clients generally bear all expenses related to their operations, including, by way of example, fees, costs and expenses directly related to the purchase and sale of their investments including, but not limited to, brokerage, trading and exchange fees, taxes, fees of auditors, actuaries, advisers, consultants, valuation experts and counsel, legal expenses (including legal expenses in connection with claims or disputes related to one or more actual or proposed investments), expenses of the advisory boards and annual meetings, insurance, litigation expenses, professional fees, interest expenses, research, review and evaluation of potential investments and negotiating the related transaction documents, travel in connection with the evaluation and negotiation of investments, operations services, valuation services, fund administration services, costs of preparing reports to investors and other financial reporting services, systems, including but not limited to, licenses, development and hosting, broken deal costs, administrative fees (including the expense of operational, secretarial, postage and legal services), custody expenses, service subscriptions utilized with respect to a Client’s investment program, including phone and internet charges, all other customary expenses related to the acquisition, ownership and maintenance of investments regardless of whether the person providing or performing the service or output giving rise to the expense is related to Apollo or a third party and any extraordinary expenses. Brokerage commissions and portfolio transactions are discussed in more detail in Item 12 below.

ANRP Advisors and/or Apollo Commodities Management have the unilateral discretion to waive or modify the application of certain provisions of the governing documents for each private fund with respect to an investor in such private fund (including those related to fees, Performance Fees, transparency, and withdrawals) without obtaining the consent of any other investor. The General Partner and Apollo Commodities Management generally waive all fees for Apollo principals and employees.

In addition, Apollo Commodities Management may engage, or cause the Clients to engage, placement agents to market and sell interests or shares in Clients to prospective investors. Apollo requires placement agents to have all appropriate licenses and registrations to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of the Financial Industry Regulatory Authority. Certain Apollo Funds may impose a sales charge on subscriptions, on a disclosed basis, in order to compensate unaffiliated third parties who assist in obtaining subscriptions to such vehicles. In these cases, the sales charge will be deducted from the subscription and will not be treated as part of the investor's capital contribution to the Client. Alternatively, Apollo Commodities Management may elect to reduce



its Management Fee to the extent any placement fees are borne by the Client as contemplated by the Client's governing documents.

Management Fees payable to Apollo Commodities Management are payable quarterly in advance.

Clients may invest in securities or other assets that Apollo Commodities Management determines to be illiquid and lack a readily accessible market. Such illiquid investments would typically be subject to the Management Fees described above and would be valued pursuant to Apollo Commodities Management's valuation policy and procedures unless specific valuation procedures are agreed upon between Apollo Commodities Management and a Client. For example, a Client's private equity and private equity like assets may be valued at fair value for financial statement reporting purposes and at historical costs unless the asset has suffered permanent impairment in value for purposes of calculating Management Fees and Performance Fees. Valuing assets at historical cost absent a permanent impairment of value results in more stable asset values over time and may result in Apollo Commodities Management receiving higher Management Fees than would otherwise be received if assets were valued at fair value, especially during periods when asset values are generally declining. In addition, valuing assets at historical cost may result in the general partner of a Client receiving a higher Performance Fee earlier than it would if assets are valued at fair value. If Client assets are valued at other than fair value, the Client's constituent documents will disclose the applicable valuation methodology.

## **ITEM 6**

### **Performance-Based Fees and Side-by-Side Management**

As discussed in Item 5, ANRP Advisors receives Performance Fees from ANRP. In addition, Apollo Commodities Management is generally entitled to receive Management Fees as compensation for advisory services provided to ANRP. Performance fees and management fees may vary among Clients.

The existence of such performance-based fees may create an incentive for Apollo Commodities Management to make more speculative investments on behalf of ANRP than it might otherwise make in the absence of such performance-based compensation.

In addition, the existence of Management Fees and Performance Fees may create a potential conflict of interest for Apollo Commodities Management in valuing investments. The calculation of the Management Fee and/or Performance Fee may create an incentive for Apollo Commodities Management to assign a higher value to assets or to delay a mark-down of assets because Apollo Commodities Management and ANRP Advisors may each be in a position to receive a higher respective Management Fee or Performance Fee based on asset valuation. For example, if the Management Fee payable to Apollo Commodities Management is based upon a percentage of the gross asset value of a Client, Apollo Commodities Management would be in a position to receive a higher Management Fee if it assigned a higher value to assets or delayed a mark-down of assets during the applicable billing period. In addition, since Performance Fees are based on net profits which are calculated based on the net asset value of ANRP's portfolio holdings, Apollo Commodities Management may be incentivized to assign a higher value to assets or delay a mark-down of assets in order to maximize the net profits of ANRP during the

applicable assessment period. Apollo has adopted written valuation procedures intended to mitigate potential conflicts of interest in respect of the valuation of assets that are not readily marketable or are difficult to value.

The Apollo Managers (as defined in Item 10) provide advisory services to Apollo Funds (as defined in Item 11) structured as private equity funds or hedge funds which pay a performance allocation that is based on a percentage share of the capital gains or capital appreciation of the assets of certain Apollo Funds or a carried interest based on a percentage share of the profits generated with respect to realized portfolio investments. In the event Apollo Commodities Management personnel simultaneously provide advisory services to Apollo Managers whose clients include Apollo Funds that pay higher performance-based fees than ANRP or other Clients, such personnel may be incentivized by such performance fees to dedicate additional time and resources to such Apollo Funds, which could have a detrimental effect on the performance results of Clients. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Apollo Fund and providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures.

Further, to the extent an investment opportunity is suitable for both Clients and an Apollo Fund that pays higher performance-based fees, Apollo would be incentivized to allocate attractive investment opportunities to such Apollo Fund because Apollo would receive a percentage of capital gains or capital appreciation of the investment.

ANRP Advisors accepts Performance Fees from ANRP and Apollo Commodities Management accepts Management Fees from ANRP. However, as described above, performance compensation and Management Fees may not be charged to all Clients. The variation of compensation structures among the Clients may create an incentive for Apollo Commodities Management to direct the best investment ideas to, or allocate certain trades or investments in favor of, ANRP or other Clients that pay or allocate performance compensation (or higher performance compensation) or management fees (or higher Management Fees).

Apollo is committed to allocating investment opportunities on a fair and equitable basis regardless of whether performance compensation is accepted from a Client and has established detailed policies and procedures to address the conflicts of interest described above, including, in part, the following:

(1) Apollo has established a number of allocations committees to determine, among other things, (i) the suitability and available capital of Clients with respect to available investment opportunities, (ii) the resolution of potential conflicts of interest that arise in connection with multiple Clients having interests (including not only an outright position in any issuer but any exposure to such issuer derived through any synthetic and/or derivative instrument) in multiple tranches of securities (or other interests of an issuer) or multiple Clients with interests in the same tranche of an issuer, and (iii) the resolution of allocation conflicts that span more than one Apollo business unit and allocations to separately managed accounts;

(2) The two primary factors on which order allocation decisions are based are each Client's available capital and net asset value. The following additional allocation factors may also be

taken into consideration: (i) the relative actual or potential exposure of any particular Client to the type of investment opportunity in terms of its existing investment portfolio; (ii) relative exposure of the Client to market trends; (iii) the investment objective of such Client; (iv) permitted leverage and available financing for the investment opportunity (including, without limitation, taking into account the levels/rates that would be required to obtain appropriate return); (v) likelihood of current income; (vi) size, liquidity and duration of the investment opportunity; (vii) seniority of loan and other capital structure criteria; (viii) with respect to an investment opportunity originated by a third party, the relationships of a particular Client (or the portfolio manager) to such third party; (ix) tax reasons; (x) regulatory reasons; (xi) supply or demand for an investment opportunity at a given price level; (xii) a Client's risk or investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage, liability duration or weighted average life, asset class type or other similar risk metrics); (xiii) whether the investment opportunity is a follow-on investment; (xiv) if the vehicle is in the process of fundraising, or is open to redemptions, notions of net asset value and available capital may be subjectively adjusted to account for anticipated inflows or redemptions; and (xv) such other criteria as are reasonably related to reasonable allocation of a particular investment opportunity to one or more Clients (*e.g.*, in the case of a Client ramp-up period or when incubating a particular investment strategy or product); and

(3) An allocations committee may, in determining the allocation of an investment opportunity with respect to a mandate, take into consideration that: (i) multiple Clients have investment objectives that overlap to greater and lesser degrees; (ii) the applicable legal documents of each Client disclaim to greater or lesser degrees the obligation to offer such Client any investment opportunities that fall within its investment objectives; (iii) Apollo endeavors to not systematically disadvantage any Client; (iv) the investment objectives of a particular Client may change over time; (v) the ultimate character of an investment opportunity (*i.e.*, its risk/reward profile) may not become clear until a great deal of diligence and analysis has been completed by the portfolio manager pursuing such investment; (v) investment opportunities that are outcomes of heavily negotiated transactions are capable of being structured in a variety of ways, each of which presents its own particular risk/reward profile and (vi) a Client may have more than one mandate.

Please see Item 10 with respect to a limited exception to these allocation policies that may exist where AAM and other Apollo Managers (as defined below) invest in the same strategies for different Clients.

## **ITEM 7**

### **Types of Clients**

Apollo Commodities Management generally provides investment advice Clients, such as ANRP.

Conditions for investing in a Client, such as the minimum investment amount, will be stated in such Client's offering documents. If the general partner of a Client has discretion to reduce or waive the minimum investment amount, such discretion will be noted in the offering documents of the applicable Client. The minimum investment for limited partnership interests in ANRP is \$10 million.

Investors participating in Clients will be required to meet certain suitability and net worth qualifications, such as (i) an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (“Securities Act”), (ii) a “qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) or a (iii) a “knowledgeable employee” within the meaning of Rule 3c-5 of the Investment Company Act.

## **ITEM 8**

### **Methods of Analysis, Investment Strategies, and Risk of Loss**

The following is a summary of the investment strategies and methods of analysis employed by Apollo Commodities Management on behalf of ANRP. This summary should not be interpreted to limit in any way Apollo’s investment activities. Apollo may offer any advisory services, provide advice with respect to any investment strategies and make any investments, including those that may not be described in this Brochure, that Apollo considers appropriate, subject to each Client’s investment objectives and guidelines. Specific descriptions of such strategies and methods are included in each Client’s private placement memorandum, subscription agreement, or other constituent documents. There can be no assurance that the investment objectives of any Client will be achieved.

#### Methods of Analysis

Apollo Commodities Management performs significant research into each prospective investment and disposition. Such research generally includes, among other things, a review of the company’s financial statements, comparisons with similar public and private companies, and relevant industry data (such as information on customers and suppliers). In conducting such research, Apollo Commodities Management may consult the following sources of information: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases, and any other material it deems relevant. Apollo Commodities Management may engage the services of experts and consultants to supplement its research.

Participation in ANRP or other Clients is only suitable for investors who have knowledge and expertise in financial and business matters and are capable of evaluating the merits and risks of an investment. The acquisition of limited partnership interests in ANRP and the investments made by ANRP are highly speculative and may involve the risk of total loss of an investor’s capital commitment.

#### Investment Strategies

ANRP's investment strategy is to generate long-term capital appreciation through privately negotiated investments in: (i) control or influential minority equity and equity equivalent positions; and (ii) debt or other securities providing equity-like returns, but with a focus on businesses that either produce physical commodity assets, are closely associated with, or whose performance is likely to be positively correlated to, a commodity or sectors of the broader natural

resources industry. In addition, ANRP may seek to invest in businesses that produce physical commodity assets, such as oil production businesses.

ANRP's strategy with respect to capturing opportunities in the natural resources sector is to build a balanced portfolio of assets at compelling valuations and then focus on creating value post-acquisition through such means as growing reserves, enhancing production, maximizing and stabilizing cash flows and profits, and pursuing accretive asset acquisitions.

The strategies involve a high degree of uncertainty. The possibility of partial or total loss of capital will exist in connection with such strategies and investors should not invest unless they can readily bear the consequences of such loss.

Apollo Commodities Management on behalf of ANRP employs a systematic and disciplined approach with respect to sourcing, evaluating and executing on prospective investments.

### Risk of Loss

The investment strategies implemented by Apollo Commodities Management on behalf of Clients, including ANRP, involve significant risk of loss. The specific risks associated with Clients' investment strategies will be described in each Client's private placement memorandum, subscription agreement or other disclosure document.

The specific risks associated with ANRP are fully described in the ANRP private placement memorandum, subscription agreement, or risk disclosure statement. However, the following risks are generally applicable to ANRP:

**General Investment Risks.** All investments involve risks, including the risk that the entire amount invested may be lost. No guarantee or representation is made that ANRP's investment objective will be achieved. ANRP may utilize investment techniques, such as leverage and swaps, which can in certain circumstances increase the adverse impact to which ANRP's investment portfolio may be subject.

**No Operating History.** Although Apollo investment professionals have had extensive experience investing in the natural resources industry, ANRP is a newly formed entity with limited operating history upon which to evaluate its likely performance. Accordingly, there can be no assurance that ANRP will achieve its investment objectives. No assurance can be made that profits will be achieved or that substantial losses will not be incurred by ANRP.

**Lack of Limited Partner Control Over ANRP Policies.** The management, financing and disposition policies of ANRP are determined by ANRP Advisors. These policies may be changed from time to time at the discretion of ANRP Advisors without a vote of the partners of ANRP, although ANRP Advisors has no present intention to make any such changes. Any such changes could be detrimental to the value of ANRP. Limited partners will have no right to participate in the day-to-day operation of ANRP, including investment and disposition decisions and decisions regarding the operation of portfolio companies.

**Dependence on Personnel.** ANRP will depend on the diligence, skill and business relationships of the senior management of Apollo Commodities Management. Members of this senior management team may depart at any time. ANRP's success will also depend to a significant extent on access of Apollo Commodities Management to other investment professionals and partners of Apollo and information and investment opportunities generated by the Apollo professionals in their investment and portfolio management activities. The departure of any of the senior managers of Apollo Commodities Management or of a significant number of the investment professionals or partners of Apollo could therefore have a material adverse effect on ANRP's ability to achieve its investment objective.

**Competition for Investment Opportunities.** There is currently, and will likely continue to be, competition for investment opportunities by investment vehicles and others with investment objectives and strategies identical or similar to ANRP's investment objectives and strategies as well as by strategic investors, hedge funds and others. Participation in auction transactions will also increase the pressure on ANRP with respect to pricing of transactions. There can be no assurance that Apollo Commodities Management will be able to identify, or that ANRP will be able to consummate, investments which satisfy ANRP's rate of return objectives or realize upon their values or that ANRP will be able to invest fully its committed capital.

**Risk Associated with Unspecified Transactions.** There can be no assurance that ANRP will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described in the ANRP private placement memorandum. There can be no assurance that any limited partner will receive any distribution from ANRP. Investments in natural resources companies often require extensive due diligence activities and regulatory approvals prior to acquisition. ANRP will bear the expenses of transactions that are not consummated. While such expenses will be reimbursed out of the offset against certain fees payable to ANRP Advisors, Apollo Commodities Management, certain of their partners or their affiliates (and allocable to ANRP), there can be no assurance that sufficient management fees will be generated to offset all such fees. In addition, ANRP may enter into agreements to consummate transactions which involve payments, such as reverse break-up fees, by ANRP in certain circumstances if ANRP does not consummate the transaction. As a result, ANRP could incur a substantial cost with no opportunity for a return. Even if the investments of ANRP are consummated and successful, they may not produce a realized return to the partners for a number of years. Accordingly, an investment in ANRP should only be considered by persons who do not require current income and can afford a loss of their entire investment.

**No Reliance upon Prior Investment Results.** Information related to the past investment performance of other investment entities associated with Apollo provides no assurance of future success. Specifically, the decisions made by Apollo to invest in these prior investments were not made by the same group of investment professionals who will lead ANRP, nor were they approved by the same investment committee that will oversee ANRP. In addition, these investments were not necessarily made according to the same investment guidelines (in terms of size, strategy, industry, sector, geography and structure, among other criteria) as is contemplated for ANRP.

Track record information is not intended to suggest that ANRP would make the same or similar investments to Apollo's existing investment funds. Because of the differences in market conditions, the investment strategies employed by Apollo's existing funds and ANRP and the fact that ANRP will be led primarily by an advisory team that was not involved with the investment decisions related to the investments that comprise the track record, the track record information should be used only to assess Apollo's experience generally in making investments in the natural resources industry and should not be used to assess Apollo's ability successfully to implement ANRP's investment strategy.

**Distributions in Kind.** Although, under normal circumstances, ANRP intends to make distributions in cash, it is possible that under certain circumstances (including the liquidation of ANRP), distributions may be made in kind and could consist of securities for which there is no readily available public market.

**Increasing Size of Transactions.** Private equity opportunities often involve large-sized investments, which involve additional risks, including the involvement of multiple co-investors and may be more difficult to finance and exit.

**Third-Party Involvement.** ANRP is permitted to co-invest with third parties through joint ventures or other entities, including with private equity funds sponsored by others in so-called "club deals." The co-investment commitment to a portfolio company may be substantial. Such investments may involve risks not present in investments where third parties are not involved, including the possibility that a co-venturer of ANRP may experience financial, legal or regulatory difficulties, may at any time have economic or business interests or goals which are inconsistent with those of ANRP, may take a different view from Apollo's as to the appropriate strategy for an investment, or may be in a position to take action contrary to ANRP's investment objectives. In addition, ANRP may in certain circumstances be liable for the actions of its third-party co-venturers. In those circumstances where such third parties involve a management group, such third parties may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Some of the third parties or joint venture partners with whom ANRP may co-invest have pre-existing investments with Apollo and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with ANRP.

**Developments in Financial Markets.** The global financial markets have in the past few years gone through pervasive and fundamental disruptions. In light of such market turmoil and the overall weakening of the financial services industry, ANRP and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on ANRP's business and operations

**Bridge Financings.** From time to time, ANRP may lend to portfolio companies on a short-term, unsecured basis in anticipation of a future issuance of equity or long-term debt securities or other refinancing or syndication. Such bridge loans would typically be convertible into a more permanent, long-term security; however, for reasons not always in ANRP's control, such long-term securities issuance or other refinancing or syndication may not occur and such bridge loans may remain outstanding. In such event, the interest rate on

such loans may not adequately reflect the risk associated with the unsecured position taken by ANRP.

**Additional Capital.** ANRP's portfolio companies can be expected to require additional financing to satisfy their working capital requirements or acquisition strategies. The amount of additional financing needed will depend upon the maturity and objectives of the particular portfolio company. Each round of financing (whether from ANRP or other investors) is typically intended to provide a portfolio company with enough capital to reach the next major valuation milestone. If the funds provided are not sufficient, such portfolio company may have to raise additional capital at a price unfavorable to the existing investors, including ANRP. In addition, ANRP may make additional debt and equity investments or exercise warrants, options or convertible securities that were acquired in the initial investment in such portfolio company in order to preserve ANRP's proportionate ownership when a subsequent financing is planned or to protect ANRP's investment when such portfolio company's performance does not meet expectations. The availability of capital is generally a function of capital market conditions that are beyond the control of ANRP or any portfolio company. There can be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or that additional funds will be available from any source.

**Foreign Investments.** ANRP will be permitted to make investments in foreign countries (i.e., outside the U.S.), some of which may prove to be unstable. With any investment in a foreign country, there exists the risk of adverse political developments, including nationalization, confiscation without fair compensation, or war. Furthermore, any fluctuation in currency exchange rates will affect the value of investments in foreign securities or other assets and any restrictions imposed to prevent capital flight may make it difficult or impossible to exchange or repatriate foreign currency. In addition, laws and regulations of foreign countries and laws and regulations in the U.S. relating to transactions and resources involving foreign countries may impose restrictions that would not exist for investments in the U.S. and may require financing and structuring alternatives that differ significantly from those customarily used in the U.S. Foreign countries also may impose taxes on ANRP and/or the partners. Apollo Commodities Management will analyze risks in the applicable foreign countries before making such investments, but no assurance can be given that a change in political or economic climate, or particular legal or regulatory risks might not adversely affect an investment by ANRP.

**Risks of Investments in Less Developed Countries.** ANRP's investments may include investments in assets based in, or companies organized or having a principal place of business in, developing nations. These countries may have a short history as market economies and investments in assets or companies in such countries may entail a higher risk than with companies in more developed nations. The particular risks include changes in exchange control regulations, political and social instability, government expropriation, imposition of unanticipated taxes, illiquid markets and limited information, high transaction costs, limited government supervision of exchanges, brokers and companies, complex or undeveloped laws with respect to regulating commodities, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. In addition, ANRP's investment opportunities in certain natural resources of, and natural resources-related



companies in, developing countries may be restricted by legal limits on foreign investments in local assets or companies.

ANRP's ownership of portfolio companies located outside of a developed country may subject ANRP's investments to additional risks, which include possible adverse political and economic developments and the attendant risk of seizure or nationalization of foreign deposits. In addition, it may subject ANRP's investments to the possible adoption of governmental restrictions which might adversely affect payments from such portfolio company or restrict payments to investors located outside the country of such portfolio company, whether from currency blockage or otherwise.

**Foreign Currency Risks.** Although most of ANRP's investments will be U.S. dollar-denominated, ANRP investments that are denominated in a foreign currency (i.e., a currency other than U.S. dollars) are subject to the risk that the value of a particular currency will change in relation to one or more other currencies, including U.S. dollars, the currency in which the books of ANRP are kept and contributions and distributions generally will be made. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation and political developments. ANRP will incur costs in converting investment proceeds from one currency to another. Apollo Commodities Management may, but is under no obligation to, employ hedging techniques to minimize these risks, but there can be no assurance that such strategies will be effective. Non-U.S. investors should note that interests in ANRP are denominated in U.S. dollars. Investors subscribing for interests in ANRP in any country in which U.S. dollars are not the local currency should note that changes in the value of exchange between U.S. dollars and such currency may have an adverse effect on the value, price or income of the investment to such investor. There may be foreign exchange regulations applicable to investments in foreign currencies in certain jurisdictions.

**Use of Derivatives and Other Specialized Techniques.** Companies in the natural resources industry, particularly in the energy and power sectors, engage in derivatives transactions to insulate against changes in commodities prices. ANRP or its portfolio companies may engage in a variety of swaps and related derivative transactions including, without limitation, total return swaps on individual assets, interest rate swaps, credit derivative swaps, the use of forward contracts, purchase and sale of commodities or commodity futures, put and call options, floors, collars or other arrangements and other swap and derivative transactions. Swap contracts are not traded on exchanges and are not subject to the same type of government regulation as exchange markets. As a result, many of the protections afforded to participants on organized exchanges and in a regulated environment are not available in connection with these transactions. The swap markets are "principals' markets", in which performance with respect to a swap contract is the responsibility only of the counterparty to the contract, and not of any exchange or clearinghouse. As a result, ANRP would be subject to the risk of the inability or refusal to perform with respect to swap contracts on the part of the counterparties with which ANRP trades. There are no limitations on daily price movements in swap transactions. Speculative position limits are not applicable to swap transactions, although ANRP's swap counterparties may limit the size or duration of positions available to ANRP as a consequence of credit considerations. Participants in the swap markets are not

required to make continuous markets in the swap contracts they trade. Participants could refuse to quote prices for swap contracts or quote prices with an unusually wide spread between the price at which they are prepared to buy and the price at which they are prepared to sell. If an event of default or an additional termination event were to occur with respect to ANRP under an ISDA master agreement governing ANRP's swap transactions, the relevant swap counterparty and other swap counterparties may terminate all transactions with ANRP at significant losses to ANRP. (Similar considerations to the foregoing would apply with respect to swap transactions entered into by portfolio companies.) Derivative instruments may be difficult to value, may be illiquid and may be subject to wide swings in valuation caused by changes in the price of commodities or other underlying assets. Derivative instruments may trade principally on markets organized outside the U.S. markets for such instruments may be illiquid, highly volatile and subject to interruption. Suitable hedging instruments may not continue to be available at a reasonable cost.

The investment techniques related to derivative instruments are highly specialized and may be considered speculative. Such techniques often involve forecasts and complex judgments regarding relative price movements and other economic developments. The success or failure of these investment techniques may turn on small changes in exogenous factors not within the control of portfolio companies, Apollo Commodities Management, or ANRP. For all the foregoing reasons, the use of derivatives and related techniques can expose ANRP and its portfolio companies to significant risk of loss.

Trading in swaps and other derivative instruments offers scope for a high degree of synthetic leverage. Accordingly, the leverage offered by trading in derivative instruments may magnify the gains and losses experienced by ANRP. Thus, like other leveraged investments, a derivatives trade may result in losses in excess of the amount invested. Any increase in the amount of leverage applied will increase the risk of loss due to the amount of additional leverage applied.

Swap agreements tend to shift the investment exposure from one type of investment to another. Depending on how they are used, swap agreements may increase or decrease the overall volatility of ANRP. The most significant factor in the performance of swap agreements is the change in the specific factors that determine the amounts of payments due to and from ANRP or the relevant portfolio company. If a swap agreement calls for payments by ANRP or a portfolio company, ANRP or such portfolio company must be prepared to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of swap agreements with such counterparty can be expected to decline, potentially resulting in losses to ANRP.

**Regulatory Changes in Commodities Markets. Regulatory Changes in Commodities Markets.** On February 9, 2012, the U.S. Commodity Futures Trading Commission ("CFTC") adopted rule amendments which eliminate certain exemptions from registration as a commodity pool operator ("CPO") and a Commodity Trading Advisor ("CTA") currently available to managers of private funds. While these rule amendments provide for narrow exemptions from CPO and CTA registration, the amendment may require registration of certain entities that are currently eligible for exemptions from registration as CPOs and CTAs.

Prior to the amendments, ANRP Advisors and Apollo Commodities Management relied upon the exemptions with respect to the ANRP and other Clients. ANRP Advisors and Apollo Commodities Management may now be required to register with the CFTC as a CPO and/or CTA, or ANRP and other Clients may be required to refrain from trading in commodity interests, including any commodity for future delivery, security futures product, swap or commodity option.

Apollo Commodities Management is currently assessing whether or not it or any affiliates associated with ANRP may have to register with the CFTC as a CPO or CTA.

**Investments in Public Companies.** ANRP may invest in public companies or take private portfolio companies public. Investments in public companies may subject ANRP to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of ANRP to dispose of such securities at certain times (including due to the possession by Apollo of material non-public information), increased likelihood of shareholder litigation against such companies' board members, which may include Apollo personnel, regulatory action by the SEC and increased costs associated with each of the aforementioned risks.

**Risks Related to Real Estate Holdings.** ANRP may make investments involving real estate in connection with its investment objectives. Real property investments are subject to varying degrees of risk. The yields available from equity investments in real estate depend on the amount of income generated and expenses incurred. Moreover, certain significant expenditures associated with each equity investment in real estate (such as real estate taxes and maintenance costs) are generally not reduced when circumstances cause a reduction in income from the investment. If the investments of ANRP do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, ANRP's cash flow and ability to make distributions to the limited partners will be adversely affected. The revenues and value of any investment may be adversely affected by a number of factors, including the national economic, climate of the locus of the real property and increased operating costs (including real estate taxes and utilities and cost of compliance with government regulation, including zoning and tax laws).

**Environmental Matters.** Environmental laws, regulations and regulatory initiatives play a significant role in the natural resources industry and can have a substantial impact on investments in this industry. For example, global initiatives to minimize pollution have played a role in the increase in demand for natural gas and alternative energy sources, creating numerous new investment opportunities. Conversely, required expenditures for environmental compliance have adversely impacted investment returns in a number of sectors of the industry. The natural resources industry will continue to face considerable oversight from environmental regulatory authorities. ANRP may invest in portfolio companies that are subject to changing and increasingly stringent environmental and health and safety laws, regulations and permit requirements.

There can be no guarantee that all costs and risks regarding compliance with environmental laws and regulations can be identified. New and more stringent environmental and health and safety laws, regulations and permit requirements or stricter interpretations of current laws or regulations could impose substantial additional costs ANRP and its portfolio companies. Compliance with such current or future environmental requirements does not ensure that the operations of the portfolio companies will not cause injury to the environment or to people under all circumstances or that the portfolio companies will be not required to incur additional unforeseen environmental expenditures. Moreover, failure to comply with any such requirements could have a material adverse effect on a portfolio company and there can be no assurance that portfolio companies will at all times comply with all applicable environmental laws, regulations and permit requirements. Past practices or future operations of portfolio companies could also result in material personal injury or property damage claims.

Under certain circumstances, environmental authorities and other parties may seek to impose personal liability on the limited partners of a partnership (such as ANRP) subject to environmental liability. However, a limited partner in ANRP may reduce its risk of such personal liability by avoiding activities with respect to ANRP's portfolio investments other than a specifically contemplated by ANRP's partnership agreement.

**Board Participation/Conflicts of Interest.** It is expected that Apollo partners and principals will serve as directors of certain of the portfolio companies. In addition to any duties the Apollo partners and principals owe to ANRP, as directors of portfolio companies these Apollo partners and principals will also owe duties to the shareholders of the portfolio companies and persons other than ANRP. In general, such positions are often important to ANRP's investment strategy and may enhance the ability of ANRP Advisors and Apollo Commodities Management to manage ANRP's investments. However, such positions may have the effect of impairing the ability of ANRP to sell the related securities when, and upon the terms, Apollo Commodities Management may otherwise desire. In addition, such positions may place the Apollo partners and principals in a position where they must make a decision that is either not in the best interests of ANRP or not in the best interests of the shareholders of the portfolio company. Should an Apollo partner or principal make a decision that is not in the best interests of the shareholders of a portfolio company, such decision may subject ANRP Advisors, Apollo Commodities Management and ANRP to claims they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, ANRP will indemnify ANRP Advisors, Apollo Commodities Management and other indemnified persons from such claims.

**Control Person Liability.** ANRP is expected to have controlling interests in a number of its portfolio companies. The exercise of control over a company may impose additional risks of liability for environmental damage, product defects, pension and other fringe benefits, failure to supervise management, violation of laws and governmental regulations (including securities laws) and other types of liability for which the limited liability characteristic of business ownership may be ignored. If these liabilities were to arise, ANRP might suffer a significant loss. The exercise of control over a portfolio company could expose the assets of ANRP to claims by such portfolio company, its security holders and its creditors.

**Volatility of Natural Resources Prices.** The performance of certain investments of ANRP will be substantially dependent upon prevailing prices of certain natural resources, including oil and natural gas. Historically, the markets for natural resources, including oil and natural gas, have been volatile, and such markets are likely to continue to be volatile in the future. Prices for natural resources, including oil and natural gas, are subject to wide fluctuation in response to relatively minor changes in supply and demand, market uncertainty and a variety of additional factors that are beyond the control of ANRP. The factors include the level of consumer product demand, the refining capacity of oil purchasers, weather conditions, domestic and foreign governmental regulations, the price and availability of alternative fuels, political conditions in the Middle East, actions of the Organization of Petroleum Exporting Countries, the foreign supply of natural resources, the price of foreign imports and overall economic conditions.

**Government Regulation.** The natural resources industry is subject to substantial regulation by U.S. federal, state and local, and non- U.S., governmental bodies relating to taxation, operations and environmental and safety matters when compared to other areas of commerce. When making investment decisions, Apollo Commodities Management will need to consider a variety of regulations, both within and outside the U.S., including trade control and anti-bribery measures as well as regulations relating to so-called “conflict minerals.” New and existing regulations, increased taxation, changing regulatory schemes, increased governmental reporting or registration requirements, and the burdens of regulatory compliance all may have a material negative impact on the performance of ANRP’s investments. Furthermore, failure to comply with applicable regulations may result in significant liability for ANRP and its portfolio companies. These regulations have been subject to significant changes over the past decade, and there can be no assurance that any future changes, including financial regulation resulting from the most recent economic downturn, or changes in national energy, environmental or other policies, will not have an adverse impact on ANRP’s performance.

**Effects of Ongoing Changes in the Utility Industry.** ANRP may make certain investments in electric utility industries both in the U.S. and abroad. In many regions, including the U.S., the electric utility industry is experiencing increasing competitive pressures, primarily in wholesale markets, as a result of consumer demand, technological advances, greater availability of natural gas and other factors. In response, for example, the U.S. Federal Energy Regulatory Commission (“FERC”) has reaffirmed its final rule, Order No. 890, on open-access transmission regulatory framework and procure that transmission service is provided on a nondiscriminatory, just and reasonable basis, while providing for more effective regulation and transparency in the operation of the transmission grid. Similar actions are being taken or contemplated by regulators in other countries. A number of countries, including the U.S., are considering or implementing methods to introduce and promote retail competition. To the extent competitive pressures increase and the pricing and sale of electricity assume more characteristics of a commodity business, the economics of independent power generation projects into which ANRP may invest may come under increasing pressure. Deregulation is fueling not only the current trend toward consolidation among domestic utilities, but also the disaggregation of many vertically integrated utilities into separate generation, transmission and distribution businesses. As a result, additional significant competitors could become active in the independent power industry. In addition,

independent power producers may find it increasingly difficult to negotiate long-term power sales agreements with solvent utilities, which may affect the profitability and financial stability of independent power projects.

There can be no assurance that. (i) existing regulations applicable to electric utility companies will not be revised or reinterpreted; (ii) new laws and regulations will not be adopted or become applicable to electric utility companies; (iii) the technology and equipment selected by such companies to comply with current and future regulatory requirements will meet such requirements; (iv) such companies' business and financial conditions will not be materially and adversely affected by such future changes in, or reinterpretation of, laws and regulations (including the possible loss of exemptions from laws and regulations) or any failure to comply with such current and future laws and regulations; or (v) regulatory agencies or other third parties will not bring enforcement actions in which they disagree with regulatory decisions made by other regulatory agencies.

**Exploration and Development Risks.** ANRP may invest in businesses that engage in natural resources exploration and development, a speculative business involving a high degree of risk. For example, oil and gas drilling may involve unprofitable efforts, not only from dry holes, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. In addition, a portfolio company's exploration and development efforts may be slowed and additional costs may be incurred due to the unavailability of necessary equipment, such as drilling rigs. Acquiring, developing and exploring for natural resources involve many risks. These risks include encountering unexpected formations or pressures, premature declines of reservoirs or mines, blow-outs, equipment failures and other accidents, cratering, sour gas releases, uncontrollable flows of oil, natural gas or well fluids, adverse weather conditions, pollution, fires, spills and other environmental risks. Operations could result in liability for personal injuries, property damage, oil spills, discharge of hazardous materials, remediation and clean-up costs and other environmental damages, and in substantial fines and penalties from government regulators and such costs may not be fully covered by insurance. In addition, in making such investments, ANRP must rely on estimates of natural resources reserves. For example, the process of estimating oil and gas reserves is complex, requiring significant decisions and assumptions in the evaluation of available geological, geophysical, engineering and economic data for each reservoir. As a result, such estimates are inherently imprecise. Any significant variance in the assumptions could materially affect the estimated quantity and value of the reserves.

**Food and Agriculture.** The existence of desirable investment opportunities for ANRP in the food and agriculture sector is dependent on the currently anticipated growth in global population and a related increase in demand for food and agricultural products. Growth in population, per capita consumption and changes in diet cannot be predicted with any certainty. To the extent that the amount of land used in agricultural production does not increase as currently predicted, or production yields on land used are not required to increase at the rates anticipated in order to meet demand, the performance of ANRP could be materially adversely affected. In addition, asset valuations in the food and agriculture sector may be highly volatile, due to reasons such as commodity price volatility and the uncertainty of global climate change and demographic shifts over the life of ANRP. While such volatility

could work in ANRP's favor, it is possible that the performance of some or all of ANRP's investments in this sector may be materially adversely affected as a result.

**Risks Relating to Making and Holding Natural Resources Investments - Operating Risk.**

ANRP may invest in operating facilities. Operation of such facilities involves certain operational risks, which include: the possibility of performing below expected levels of output, availability or efficiency; interruptions in fuel or other necessary supplies; increases in the cost of fuel or other necessary supplies; pipeline disruptions; disruptions in the offtake of steam or electrical energy; power shutdowns; breakdown or failure of equipment or processes; accidental discharges of hazardous materials; labor disputes; changes in law; failure to obtain or maintain necessary governmental permits; or catastrophic events such as fires, earthquakes, lightning, explosions, hurricanes, tornados, floods or similar occurrences affecting a facility owned by ANRP or its purchasers, suppliers or transporters.

**Risks Relating to Making and Holding Natural Resources Investments - Development Risk.**

ANRP may invest in projects and facilities at an early stage of development, involving risks of failure to obtain or substantial delays in obtaining: (i) regulatory, environmental or other approvals or permits; (ii) financing; and (iii) suitable equipment supply, operating and offtake contracts. These projects involve additional uncertainties, including the possibility that the projects may not be completed, operating licenses may not be obtained, and permanent financing may be unavailable. Further, there is no assurance that these projects will be profitable or generate cash flow sufficient to service their debt or provide a return on or recovery of amounts invested therein.

**Risks Relating to Making and Holding Natural Resources Investments - Construction Risk.**

ANRP's investments may involve significant construction risk, including the risk of substantial delay or increase in cost due to a number of unforeseen factors, including: political opposition; regulatory and permitting delays; delays in procuring sites; equipment; labor disputes; lawsuits and other disputes; environmental issues; force majeure; or failure by one or more of the infrastructure investment participants to perform in a timely manner (or at all) its or their contractual, financial or other commitments. New facilities have no operating history and may employ recently developed or technologically complex equipment that may take time to operate at peak levels of output and efficiency. A material delay or increase in cost not absorbed by other participants in the transaction could significantly impair the financial viability of an infrastructure investment project and result in a material adverse effect on ANRP's investment therein.

**Public Utility Holding Company Act of 2005.** If ANRP were directly or indirectly to own, control or hold, with power to vote, 10% or more of the voting securities in a "public-utility company" or a "holding company" of a public-utility company (as those terms are defined in the U.S. Public Utility Holding Company Act of 2005, or "PUHCA"), ANRP would become a holding company subject to the jurisdiction of the FERC. If ANRP were to have the ability to exercise a "controlling influence" over the management of a public-utility company or a holding company of a public-utility company, regardless of the percentage of the outstanding voting securities or the amount or character of any passive or non-voting interest held by ANRP, ANRP may be deemed a holding company under PUHCA. ANRP would be required to notify the FERC of its status as a holding company under PUHCA. ANRP, as a

holding company, and any affiliate, associate company and subsidiary company (as those terms are defined in PUHCA), would be required to maintain and make available to FERC, such books, accounts, memoranda and other records of transactions as the FERC may deem relevant to electric or natural gas rates subject to the FERC's jurisdiction. However, if the public-utility company of which ANRP (i) directly or indirectly owns, controls or holds, with power to vote, 10% or more of the voting securities or (ii) has the ability to exercise a controlling influence, is a qualifying facility ("QF"), exempt wholesale generator ("EWG") or foreign utility company ("FUCO") as such terms are defined in PUHCA and ANRP is a holding company solely with regard to interests held in such QFs, EWGs, or FUCOs, ANRP will be exempt from the books and records and record-retention requirements of PUHCA.

**Regulatory Approvals and Related Portfolio Company Matters.** ANRP may invest in portfolio companies it believes have obtained all material U.S. federal, state, local or non-U.S. approvals required as of the date thereof to acquire and operate the facility. In addition, ANRP may require the consent or approval of applicable regulatory authorities in order to acquire or hold interests in particular portfolio companies. A portfolio company could be materially and adversely affected as a result of statutory regulatory changes or judicial or administrative interpretations of existing laws and regulations that impose more comprehensive or stringent requirements on such company. Moreover, additional regulatory approvals, including without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may become applicable in the future due to a change in laws and regulations, a change in the companies' customer(s) or for other reasons. There can be no assurance that ANRP or any portfolio company will be able (i) to obtain all required regulatory approvals that it does not yet have or that it may require in the future; (ii) to obtain any necessary modifications to existing regulatory approvals; or (iii) to maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of the facility or sales to third parties or could result in additional costs to a portfolio company. In connection with the regulatory approval, licensing or review processes for any portfolio company, disclosures and other undertakings may be required from or in respect of the existing or prospective owners of such portfolio company, potentially including ANRP or, in turn, the limited partners. Apollo Commodities Management will seek to avoid or mitigate any such processes for ANRP and the limited partners.

**Adequacy and Availability of Insurance; Catastrophic Events.** ANRP intends to use, or cause its portfolio companies to use, insurance and other risk management products (to the extent available on commercially reasonable terms) when appropriate in order to mitigate the potential loss resulting from catastrophic events and other risks customarily covered by insurance. However, this may not always be practicable or feasible. Moreover, it will not be possible to insure against all such risks, and such insurance proceeds as may be derived may be inadequate to completely or even partially cover a loss of revenues, an increase in operating and maintenance expenses and/or a replacement or rehabilitation of assets. In addition, certain losses of a catastrophic nature, such as those caused by wars, earthquakes, hurricanes, tornados, tsunamis, floods, terrorist attacks or other similar events, may be either uninsurable or insurable at such high rates as to adversely impact ANRP's profitability. In



general, losses related to terrorism are becoming harder and more expensive to insure against, and most insurers are excluding terrorism coverage from their all-risk policies. As a result, it is unlikely that any of ANRP's investments will be insured against damages attributable to acts of terrorism (or certain other losses of a catastrophic nature). If a major uninsured loss were to occur with respect to an investment, ANRP could lose both its capital invested in, and anticipated profits related to, such investment.

**Renewable Energy.** ANRP may make investments in renewable energy projects. The market for renewable energy is emerging and rapidly evolving, and its future success is uncertain. If renewable energy technology proves unsuitable for widespread commercial deployment or if the demand for renewable energy products fails to develop sufficiently (including as a result of changes in market conditions, such as a decrease in the price of fossil fuels), ANRP's investments in renewable energy projects may be adversely affected. While renewable energy projects currently enjoy wide support from U.S. state and local governments and regulatory agencies, there is no assurance that such support will continue in the future and any reduction or elimination of governmental support will have an adverse effect. Renewable energy projects rely on incentives that support the sale of energy generated from renewable sources, including state adopted Renewable Portfolio Standard programs, which vary among states, but generally require power suppliers to provide a minimum percentage or base amount of electricity from specified renewable energy sources for a given period of time.

**New Technologies and Products.** New technologies and products are frequently being developed with a view to counteracting or responding to global climate change, natural disasters, and food and water shortages. Such new technologies may provide opportunities for ANRP, but there can be no assurance that ANRP or its portfolio companies will be able to anticipate or capitalize on their introduction. In this regard, the development of any such new technologies and products could have a material adverse impact on the performance of ANRP's investments.

**Reliance on Portfolio Company Management.** The day-to-day operations of a portfolio company will be the responsibility of such portfolio company's management team. Although Apollo Commodities Management will be responsible for monitoring the performance of portfolio companies and will generally seek to cause ANRP invest in portfolio companies operated by capable management, there can be no assurance that an existing management team, or any successor team, will be able to successfully operate a portfolio company in accordance with Apollo Commodities Management's strategy for such company.

**Financial Fraud.** Instances of fraud and other deceptive practices committed by senior management of portfolio companies in which ANRP invests may undermine Apollo Commodities Management's due diligence efforts with respect to such companies and, if such fraud is discovered, negatively affect the valuation of ANRP's investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact ANRP's investment program.

**No Market for Interests in ANRP; Restrictions on Transfer; No Right of Withdrawal.**

Interests in ANRP will not be registered under the Securities Act or any other securities law and will not ordinarily be transferable. Further, ANRP will not be registered under the Investment Company Act. Consequently, limited partners will not be afforded certain protections provided to investors in registered investment companies. Interests in ANRP may not be transferred, pledged, or otherwise encumbered without the prior written consent of ANRP Advisors. Limited partners desiring to transfer interests in ANRP may be required to reimburse ANRP's expenses connected with such transfer. There is no market for interests in ANRP and none is expected to develop. Voluntary withdrawals from ANRP will not be permitted except in very limited circumstances, generally involving situations where retaining an interest in ANRP would violate certain laws or regulations. Therefore, each prospective investor must consider its investment to be illiquid and must be prepared to bear the risks of owning an interest in ANRP for an extended period of time.

**Recourse to ANRP Assets.** ANRP's assets, including all investments made by ANRP and any capital held by ANRP, are available to satisfy all liabilities and other obligations of ANRP, including indemnification of ANRP Advisors, Apollo Commodities Management and other indemnified persons as provided in ANRP's partnership agreement. If ANRP becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to ANRP's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

**Limitations on Actions.** The partnership agreement of ANRP limits the circumstances under which ANRP Advisors, Apollo Commodities Management and other indemnified persons can be held liable to ANRP or the limited partners. As a result, limited partners may have a more limited right of action in certain cases than they would in the absence of such a limitation. The relevant provisions of ANRP's partnership agreement are not intended to imply a release of an indemnified person from any legal obligations that are not waivable as a matter of applicable law. ANRP will be required to indemnify the indemnified persons and members of the Advisory Board (including the limited partner on whose behalf the Advisory Board member serves and such limited partner's affiliates) for liabilities incurred in connection with the affairs of ANRP. Such liabilities may be material. For example, in their capacity as directors of portfolio companies, certain indemnified persons may be subject to derivative or other similar claims brought by shareholders of such companies. The indemnification obligation of ANRP would be payable from the assets of ANRP, including the unfunded commitments of the limited partners. If the assets of ANRP are insufficient, ANRP Advisors may recall distributions previously made to the limited partners, subject to certain limitations set forth in ANRP's partnership agreement. In addition, Apollo Commodities Management is structured as a series limited partnership. As a result, the obligations of Apollo Commodities Management to ANRP and the limited partners are separate liabilities of Series I of Apollo Commodities Management and such liabilities are satisfied exclusively from the assets attributable to Series I of Apollo Commodities Management only and not to the assets of Apollo Commodities Management generally, any other series thereof, or any general partner of Apollo Commodities Management not associated with Series I. As a result, limited partners may have a more limited right of action in certain cases than they would in absence of such limitations.

**Limited Partner Defaults.** If a limited partner fails to pay when due installments of its commitment to ANRP, and the capital contributions made by non-defaulting limited partners and borrowings by ANRP are inadequate to cover the defaulted capital contribution, ANRP may be unable to pay its obligations when due. As a result, ANRP may be subjected to significant penalties that could materially adversely affect the returns to the limited partners (including non-defaulting limited partners). If a limited partner defaults, it may be subject to various remedies as provided in ANRP's partnership agreement, including, without limitation, a forfeiture of its interest in ANRP.

**Liability for Return of Distributions.** Subject to limitations set forth in ANRP's partnership agreement, each limited partner will be required to return distributions made to such limited partner for the purpose of meeting such limited partner's *pro rata* share of any indemnification obligations of ANRP.

**Dilution from Subsequent Closings.** Limited partners subscribing for interests in ANRP at subsequent closings will participate in existing investments of ANRP, diluting the interest of existing limited partners therein. Although such limited partners will contribute their *pro rata* share of previously made ANRP investments, generally valuing investments at original cost plus an additional amount (equal to the prime rate plus 2%), unless there has been a material change or significant event relating to the portfolio company that would, in the opinion of ANRP Advisors, render it more appropriate to ascribe a different valuation, there can be no assurance that this payment will reflect the fair value of ANRP's existing investments at the time such additional limited partners subscribe for interests in ANRP.

**Reinvestment.** Proceeds distributed during the commitment period by ANRP in the first 18 months following the consummation of an investment not exceeding the aggregate of (i) the cost basis of investments disposed of, and (ii) the management fees and other expenses attributable to that investment, will be restored to unfunded commitments and therefore be subject to recall for reinvestment. In addition, ANRP Advisors has the right to generally recall a distribution which constitutes a return of capital used to fund a bridge financing that was repaid, refinanced, or sold within one year. To the extent such recalled amounts are reinvested, a partner will remain subject to investment and other risks associated with such investments.

**Contingent Liabilities on Disposition of Investments.** In connection with the disposition of an investment in a portfolio company, ANRP 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. ANRP may also be required to indemnify the purchasers of such investment to the extent that any such representations are inaccurate or with respect to certain potential liabilities or other obligations. These arrangements may result in the incurrence of contingent liabilities for which ANRP Advisors may establish reserves or escrow accounts. In that regard, limited partners may be required to return amounts distributed to them to fund ANRP obligations, including indemnity obligations, subject to certain limitations set forth in ANRP's partnership agreement. Furthermore, under the Delaware Revised Uniform Limited Partnership Act, each limited partner that receives a distribution in violation of such act will, under certain circumstances, be obligated to recontribute such distribution to ANRP; and similar

obligations may be imposed by the laws of other jurisdictions in which parallel funds and/or alternative investment vehicles may be formed.

**Investments Longer than Term.** ANRP may make investments which may not be advantageously disposed of prior to the date ANRP is dissolved, either by expiration of ANRP's term or otherwise. Although Apollo Commodities Management expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution and ANRP Advisors has a limited ability to extend the term of ANRP, ANRP may have to sell, distribute, or otherwise dispose of investments at a disadvantageous time as a result of dissolution. In addition, although upon the dissolution of ANRP, ANRP Advisors (or the relevant liquidator) will be required to use its reasonable best efforts to reduce to cash and cash equivalents such assets of ANRP as ANRP Advisors or such liquidator shall deem it advisable to sell, subject to obtaining fair value for such assets and any tax or other legal considerations, there can be no assurances with respect to the time frame in which the winding-up and the final distribution of proceeds to the limited partners will occur.

**Disclosure of Confidential Fund and Investor Information.** The limited partners are expected to include entities that are subject to state public records or similar laws that may compel public disclosure of confidential information regarding ANRP, its investments and its investors. There can be no assurance that such information will not be disclosed either publicly or to regulators, or otherwise. To the extent that ANRP Advisors determines in good faith that, as a result of such public records or similar laws, a limited partner or any of its affiliates or agents may be required to disclose information relating to ANRP, its affiliates and/or any portfolio company (other than information ANRP Advisors has previously agreed in writing that the limited partner may disclose), ANRP Advisors may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such limited partner (other than certain basic capital account information). Confidential fund information may also become subject to public disclosure or regulatory disclosure due to the relationship between ANRP and a public entity, such as Apollo Global Management, LLC. In addition, in order to comply with regulations and policies to which ANRP, ANRP Advisors, Apollo Commodities Management, portfolio companies, or service providers (including financial institutions) are or may become subject, or to satisfy regulatory or other requirements in connection with transactions, ANRP, ANRP Advisors or Apollo Commodities Management may be required to disclose information about the limited partners, including their identities.

**Tax Considerations.** Certain risks and other information related to tax matters are discussed in ANRP's private placement memorandum, which prospective investors in ANRP are strongly urged to review carefully. Prospective investors are urged to consult their own tax advisers with respect to their own tax situation and the effects of an investment in ANRP. ANRP may have investors who are both taxable and tax-exempt and who are both U.S. and non-U.S. taxpayers. Therefore, it may not be possible to structure investments in a manner that suits the tax needs of each investor in ANRP and there can be no assurance that the structure of ANRP or any investments by ANRP will be tax efficient for any particular investor. There can be no assurance that ANRP will distribute sufficient cash to cover the full tax liabilities of a particular limited partner's pro rata share of the taxable income of

ANRP. In general, tax laws, rules and procedures are extremely complex and are subject to change, which in some cases may have retroactive effect.

ANRP may take positions with respect to certain tax issues that depend on legal and other interpretive conclusions. Should any such positions be successfully challenged by the U.S. Internal Revenue Service ("IRS") or other relevant taxing authorities, a limited partner might be found to have a different tax liability for a year than that reported on its U.S. federal income tax return.

In addition, an audit of ANRP may result in an audit of the returns of some or all of the limited partners, which examination could result in adjustments to the tax consequences initially reported by ANRP. If such adjustments were to result in an increase in a limited partner's U.S. federal income tax liability for any year, such limited partner could also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of ANRP's tax return will be borne by ANRP. The cost of any audit of a Limited Partner's tax return will be borne solely by such limited partner.

**Considerations for Tax-Exempt Investors and Non-U.S. Investors.** An investment in ANRP is expected generate unrelated business taxable income ("UBIT") and may have other adverse tax consequences for certain pension funds, Keogh plans, individual retirement accounts ("IRAs"), tax-exempt institutions and other tax-exempt investors. In addition, the tax treatment applicable to non-U.S. investors that invest in ANRP may vary depending upon the particular circumstances of each investor, including that ANRP is expected to make investments that will cause non-U.S. investors to be treated as engaged in a U.S. trade or business and incur effectively connected income ("ECI"). In both cases, structures may be used to limit the impact of the foregoing.

**Taxation in Foreign Jurisdictions.** ANRP or the limited partners could be subject to tax in non-U.S. jurisdictions in which ANRP invests. In addition, income from investments in portfolio companies held by ANRP could be reduced by withholding taxes or other taxes imposed by non-U.S. jurisdictions in which ANRP invests and there can be no assurance that U.S. tax credits may be claimed with respect to such non-U.S. taxes incurred.

**Phantom Income.** ANRP may invest in certain securities, such as original issue discount obligations or preferred stock with redemption or repayment premiums, or in the equity of certain types of foreign corporations, such as a "controlled foreign corporation" or "passive foreign investment company," or in operating partnerships, that could cause ANRP, and consequently the U.S. limited partners, to recognize taxable income without receiving any cash. Thus, taxable income allocated to a U.S. limited partner may exceed cash distributions, if any, made to such U.S. limited partner, in which case such U.S. limited partner would have to satisfy tax liabilities arising from an investment in ANRP from such U.S. limited partner's own funds.

The following risks are generally applicable to all Apollo Commodities Management Clients, including ANRP:

**No Assurance of Investment Returns.** Apollo Commodities Management cannot give Clients assurance that investments will generate returns or that returns will be commensurate with the risks of investing in the type of companies and transactions that fall within such Clients' individual investment objectives.

**Possible Lack of Diversification.** Each Client may concentrate their portfolio investments by investing all of its assets in only a few issuers, industries or countries. By investing in a limited number of portfolio investments, the aggregate returns realized by a Client may be substantially affected by the unfavorable performance of a small number of such portfolio investments.

**Business and Market Risks.** Investments in portfolio companies may involve a high degree of business and financial risk, which could result in substantial loss to a Client. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. In addition, Apollo Commodities Management's strategy for a portfolio company may involve an acquisition program, restructuring and/or operational improvements, all of which entail a high degree of uncertainty. The possibility of partial or total loss of capital will exist.

**General Market Risks.** Recent legal and regulatory changes, and additional legal and regulatory changes that could occur during a Client's applicable term, may adversely impact Clients. The regulation of the US and non-US securities, futures markets and investment funds has undergone substantial change in recent years and such change may continue. The effect of such new regulations on Clients, while impossible to predict, could be substantial and adverse and may, directly or indirectly, subject Clients to increased capital requirements, fees and expenses, as well as limits on the types of investors they may solicit. The full effect of that and future legislation cannot yet be known.

Laws and regulations, particularly those involving taxation, investment and trade, applicable to the activities of a Client can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the Client's interests. It is impossible to predict what, if any, changes in regulation applicable to Clients or Apollo Commodities Management, the markets in which they trade and invest or the counterparties with which they do business may be instituted in the future. Clients and/or Apollo Commodities Management may be or may become subject to unduly burdensome and restrictive regulation.

In recent years, due to events in the financial markets, the financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny in the United States and in other jurisdictions. Such scrutiny and accompanying regulatory changes may increase the exposure of Clients to potential liabilities and to legal, compliance and other related costs

and may have an adverse effect on private funds generally, and in particular, on the ability of Clients to achieve their investment objectives. The private fund industry may continue to be adversely affected by the recent developments in the financial markets in the US and abroad going forward, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader global economy could have an adverse effect on the business of Clients, operations and performance.

The entire market or particular instruments traded on a market may decline even if earnings or other factors improve inasmuch as the prices of such instruments are subject to numerous economic, political, psychological and other factors that have little or no correlation to the performance of a particular company. A Client may elect to hedge against market movements or the credit or other risks of any particular portfolio investment, whether by means of a derivative or other financial product or instrument. To the extent that Clients engage in certain hedging transactions, there can be no assurances that such hedging will insulate such Client from risks, and hedging techniques, whether via a derivative or other product or instrument, may give rise to certain costs and additional risks, including a risk of the total loss of any amounts invested in hedging instruments.

**Regulation and Enforcement; Litigation.** Apollo Commodities Management and its Clients are subject to regulation by laws at local and national levels and in multiple jurisdictions, including foreign countries. Specific and general regulations addressing capital markets, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio investments, the profitability of investments, and the costs of operation. Additional regulation could also increase the risk of third-party litigation.

On July 21, 2010 the President signed into law major financial services reform legislation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The Dodd-Frank Act, among other things grants regulatory authorities such as the CFTC and the SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives markets. These revised and expanded powers may result in rulemaking, supervisory or enforcement actions that could adversely affect Clients or investments made by Clients.

In November 2010, the European Parliament approved a new Directive aimed at introducing a harmonized regulatory framework for managers of alternative investment funds (the “Directive”). The Directive provides for the introduction of a regulatory and supervisory framework applicable to managers of alternative investment funds as well as of the alternative investment funds themselves. According to the preamble of the Directive, the Directive aims to address a number of risks that have been identified in relation to the activities of the managers of alternative investment funds. The Directive aims at addressing these risks by subjecting the managers of alternative investment funds to certain regulations. The Directive is due to take effect in 2013, and the impact of the implementation of the Directive cannot currently be fully assessed. To the extent that

Apollo Commodities Management is required to comply with the Directive, it may be subject to additional costs, as well as operational and administrative constraints, which could have the effect of reducing potential returns to investors.

Regulation generally, as well as regulation more specifically addressed to the private equity industry, including tax laws and regulation, whether in the U.S. or abroad, could increase the cost of acquiring, holding or divesting portfolio companies, the profitability of enterprises and the costs of operating. Additional regulation could also increase the risk of third-party litigation. The transactional nature of the business of its current and potential Clients exposes Apollo Commodities Management to the risks of third-party litigation. Apollo has, historically, been subject to such litigation.

**Lack of Liquidity of Investments.** The investments made by the Clients are typically illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. The Client's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Client. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly traded companies may also be subject to legal or contractual restrictions on resale, including the possibility Apollo Commodities Management will be in possession of material non-public information about the company. In addition, the ability to exit an investment through the public markets will depend on market conditions.

**Leverage.** Clients will typically leverage investments with debt financing at the portfolio company level, although leverage may also be applied at the level of the Client. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss through increasing the Client's exposure to capital and interest rate risk and higher current expenses. Although Apollo Commodities Management will seek to use leverage in a manner it believes is appropriate under the circumstances, the leveraged capital structure of certain portfolio company investments will increase the exposure of such portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio company which may impair such portfolio company's ability to finance its future operations and capital needs and result in restrictive financial and operating covenants. As a result, certain portfolio companies' flexibility to respond to changing business and economic conditions may be limited. If, for any of these reasons, a portfolio company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or make regular dividend payments, the value of the Client's investment in such portfolio company could be significantly reduced or even eliminated. Similarly, with respect to leverage at the level of the Client, if the assets of the Client are not sufficient to pay the principal of, and interest on, the debt when due, the Client could sustain a total loss of its investments. The ability of portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public



high yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

**Effect of Change in Credit Markets.** Certain of Apollo's past investments have benefited from favorable borrowing conditions in the debt markets, which historically have been cyclical. Such favorable conditions in certain instances enabled Apollo to make substantial distributions from portfolio companies of other Apollo Funds. The capital and credit markets have been experiencing extreme volatility and disruption in the past few years. In some cases, the markets have exerted downward pressure on stock prices and credit capacity for certain issuers. A decrease in the availability of financing (or an increase in the interest cost) for leveraged transactions, whether as a result of the recent volatility and disruption, or otherwise, could impair, potentially materially, the Client's ability to consummate these transactions and to make leveraged distributions in respect of the portfolio companies acquired by the Client similar to those made by other investment entities associated with Apollo in the past.

**Investments in Distressed Securities and Restructurings.** Clients may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may cause such a company to become subject to bankruptcy proceedings. Such investments could, in certain circumstances, subject Clients to certain additional potential liabilities that may exceed the value of the Client's original investment therein. For example, under certain circumstances, a lender who 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 addition, under certain circumstances, payments to Clients and distributions by Clients to limited partners 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. Furthermore, investments in restructurings may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability, and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

**Toehold Investments.** Clients may accumulate minority positions in the outstanding voting stock, or securities convertible into the voting stock, of potential portfolio companies. While Apollo Commodities Management will seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions, or private placements, Apollo Commodities Management may be unable to accumulate a sufficiently large position in a target company to execute its strategy. In such circumstances, the Client may dispose of its position in the target company within a short time of acquiring it. There can be no assurance that the price at which the Client can sell such stock will not have declined since the time of acquisition. This may be exacerbated by the fact that stock of the companies that the Client may target may be

thinly traded and that the Client's position may nevertheless have been substantial and its disposal may depress the market price for such stock.

**Hedging Policies/Risks.** In connection with certain investments, a Client may, or may cause a portfolio company to, employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange rates and commodities prices. While such transactions may reduce certain risks, such transactions themselves may entail certain other risks. Thus, while a Client may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices, currency exchange rates or commodities prices may result in a poorer overall performance for Clients that enter into such hedging transactions.

**Non-Controlling Investments.** Clients may hold a non-controlling interest in certain portfolio companies and, therefore, may have a limited ability to protect their positions in such portfolio companies. Although, where practicable and appropriate, Clients will generally seek shareholder rights to protect their interests.

**Uncertainty of Financial Projections.** As part of its due diligence of a potential investment, Apollo Commodities Management or a Client investing in securities or interests in a company generally may do so on the basis of the company's financial projections. 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. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and the performance of any investment in such company.

## **ITEM 9**

### **Disciplinary Information**

There are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

## **ITEM 10**

### **Other Financial Industry Activities and Affiliations**

Apollo Commodities Management and its management personnel are affiliated with other investment advisers and a broker-dealer that are registered with the SEC.

Apollo Global Securities, LLC ("AGS"), an affiliate of Apollo, is registered with the SEC as a broker-dealer. Certain management persons of Apollo Commodities Management that are involved in providing portfolio management services to Clients on behalf of Apollo Commodities Management will also be involved in the business and operations of AGS. Such management persons may face conflicts of interest in dedicating time and resources to Clients, which may have a detrimental effect on Client performance. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the

best interests of each Apollo Client and providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures.

Apollo Commodities Management has developed a relationship with AGS, as set forth below.

### AGS

AGS registered as a broker-dealer with the SEC on April 1, 2011. AGS (i) serves as placement agent for Apollo Funds and may receive fees from such Apollo Funds for selling interests in those funds; (ii) negotiates the debt and equity investments made by portfolio companies owned or controlled by Apollo Funds or the securities offerings by portfolio companies and receives fees from those companies for such services; (iii) negotiates mergers of portfolio companies, acquisitions and dispositions of portfolio companies by Apollo Funds, or the sale of portfolio companies by Apollo Funds and receives fees from portfolio companies or Apollo Funds for providing such services; (iv) serves as underwriter for portfolio company debt or equity offerings and receives fees from portfolio companies for providing such services; and (v) negotiates the terms of co-investment opportunities for investors in Apollo Funds alongside portfolio investments made by Apollo Funds, places Clients and investors in co-investment vehicles, and may receive fees in connection with such services.

Because the fees that the Apollo Funds and their portfolio companies pay to AGS may not be negotiated at arms length, it is possible that Apollo Funds and portfolio companies may pay higher fees to AGS than they would pay to unaffiliated broker-dealers. In addition, as a result of AGS's affiliation with Apollo Commodities Management, Apollo Commodities Management may have an incentive to engage AGS instead of unaffiliated broker-dealers. Apollo Commodities Management may elect to reduce the Management Fee it charges to the Apollo Funds by an amount up to the fees received by AGS.

### AP Alternative Assets, L.P.

Apollo Commodities Management is affiliated with AP Alternative Assets, L.P., a limited partnership registered under the laws of Guernsey ("AAA"), whose common units are traded on Eurolist by Euronext, the regulated market of Euronext Amsterdam N.V. under the symbol "AAA". AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P. ("AAA Investments"). AAA Investments generally effectuates the following types of investments:

- Private equity investments consisting mainly of co-investments alongside the Apollo Investment Fund VI, L.P., its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, "AIF VI") and certain Apollo Investment Fund VII, L.P. investments (collectively with its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles, "AIF VII"). AAA Investments has co-investment arrangements with AIF VI and AIF VII.
- Investments in certain Apollo Funds sponsored or managed by the Apollo Capital Markets Managers (as defined below).

- Opportunistic investments which are comprised of investments in Apollo Life Re Ltd. and GA Data Holdings Ltd. Athene Holding is an Apollo-sponsored vehicle that owns directly or indirectly the equity of Athene Life Re Ltd., a Bermuda-based reinsurance company focused on the life reinsurance sector, Athene Annuity & Life Assurance Company (formerly Liberty Life Insurance Company) and a recently acquired Delaware-domiciled (formerly South Carolina domiciled) stock life insurance company. GA Data Holdings Ltd. is a real estate joint venture established to acquire and redevelop a data center located in the United Kingdom.

Affiliates of Apollo Commodities Management receive a quarterly management fee from AAA Investments, payable in arrears, in an amount equal to a percentage of adjusted assets. AAA Investments will not be directly charged management fees when it invests in an Apollo Fund, as the Apollo Managers (as defined below) will receive management fees directly from the Apollo Funds in which AAA Investments invests.

Each direct investment made by AAA Investments will be subject to carried interest, which will generally entitle affiliates of Apollo Commodities Management to realize a portion of the profits generated by the investment (generally, a percentage of net realized gains or a percentage of the annual increase in net asset value, depending on the type of investment).

Apollo Commodities Management's affiliation with AAA and AAA Investments is subject to the conflicts of interest set forth below in this Item 10.

Additionally, as part of Apollo's integrated platform, certain management persons of Apollo Commodities Management may also provide services to other pooled investment vehicles or investment companies sponsored by Apollo. By way of example, certain management persons of Apollo Commodities Management that are involved in providing portfolio management services to ANRP may have direct incentive compensation arrangements with such other Apollo Funds that pay incentive fees to their general partners. Such management persons may be incentivized to (i) dedicate additional time and resources to such Apollo Funds with which such persons have a direct incentive compensation arrangement, and (ii) allocate attractive investment opportunities to such Apollo Funds instead of ANRP, each of which may have a detrimental effect on the performance of ANRP. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Apollo Client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures and by establishing the investment allocation procedures described above.

#### Affiliated Apollo Managers

Apollo Commodities Management is affiliated with the Apollo Private Equity Managers as set forth in (1) through (8) below (collectively, the "Apollo Private Equity Managers"); the Apollo Capital Markets Managers as set forth in (9) through (33) below (the "Apollo Capital Markets Managers") and the Apollo Real Estate Managers set forth in (34) through (47) below (the "Apollo Real Estate Managers") and together with the Apollo Private Equity Managers, the Apollo Capital Markets Managers, and Apollo Commodities Management, the "Apollo Managers").

The Apollo Private Equity Managers are:

- (1) Apollo Management, L.P. ("Apollo Management"): Apollo Management, is a Delaware limited partnership that is an SEC registered investment adviser and controls the investment managers set forth in (2) through (8) below.
- (2) Apollo Management III, L.P.: Apollo Management III, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund III, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively "AIF III"). AIF III is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (3) Apollo Management IV, L.P.: Apollo Management IV, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund IV, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, "AIF IV"). AIF IV is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (4) Apollo Management V, L.P.: Apollo Management V, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund V, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, "AIF V"). AIF V is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (5) Apollo Management VI, L.P.: Apollo Management VI, L.P. is a Delaware limited partnership that acts as the investment manager of AIF VI. AIF VI is a private investment fund whose principal investors are public and private pensions and other financial institutions.
- (6) Apollo Management VII, L.P.: Apollo Management VII, L.P. is a Delaware limited partnership that acts as the investment manager of AIF VII (together with AIF III, AIF IV, AIF V, and AIF VI, the "Apollo Private Equity Funds"). AIF VII is an investment fund whose principal investors are public and private pensions and other financial institutions.
- (7) LeverageSource Management, LLC: Leverage Source Management, LLC is a Delaware limited liability company that acts as investment manager to LeverageSource V S.a.r.l. (Lux).
- (8) Apollo Management (Mauritius - PE) Ltd.: Apollo Management (Mauritius - PE) Ltd. is a Mauritius limited company that is a sub-adviser to Apollo Management VII, L.P. It also acts as investment manager to Apollo India Private Equity (Mauritius) Ltd., a Mauritius limited company that serves as a sub-account to AIF VII;

The Apollo Private Equity Funds generally seek to make investments in (i) control or influential minority equity and equity equivalent positions, and (ii) debt or other securities providing equity-like returns across the capital structure of companies, including distressed debt investments. Investments are sought across a range of industries and markets. The Apollo Private Equity Funds also may invest in securities across the capital structure including senior secured bank debt, second lien, high yield debt, trade and credit derivatives, and bank loans. In addition, the

Apollo Private Equity Funds, either directly or indirectly through a special purpose vehicle may engage in total return swaps, which allow the Apollo Private Equity Funds to derive the economic benefit of owning an asset without retaining legal ownership of such asset. Finally, in connection with certain investments, the Apollo Private Equity Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates.

As supervised persons of Apollo Management, the Apollo Private Equity Managers (other than Apollo Management) intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of the Apollo Private Equity Managers and any other persons acting on their behalf are and shall be subject to the supervision and control of Apollo Management. The Apollo Private Equity Managers that are not separately registered with the SEC as investment advisers are relying on Apollo Management's registration under the Advisers Act, are each "relying advisers" pursuant to SEC staff guidance, and are not registering themselves.

The Apollo Capital Markets Managers are:

(9) Apollo SVF Management, L.P.: Apollo SVF Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Strategic Value Master Fund, L.P., a private securities investment fund (together with its two feeder funds, Apollo Strategic Value Fund, L.P., and Apollo Strategic Value Offshore, Ltd., "SVF"). Apollo SVF Management, L.P. also acts as investment manager to: Apollo Special Opportunities Managed Account, L.P. ("SOMA"), a private securities investment fund to a certain single investor managed account pursuant to specifically negotiated investment limitations; Lyxor/Apollo Distressed Fund Ltd. ("Lyxor"), an investment company organized under Companies (Jersey) law; and Permal Apollo Value Investment Fund, Ltd. ("Permal"), a business company with limited liability formed under the laws of the British Virgin Islands. SVF, SOMA, Lyxor and Permal primarily invest in the securities of leveraged companies in North America and Europe through distressed investments, value driven investments and special opportunities.

(10) Apollo Investment Management, L.P.: Apollo Investment Management, L.P. is a Delaware limited partnership that is registered as an investment adviser with the SEC. It acts as the investment manager to Apollo Investment Corporation ("AIC"). AIC is a closed-end, non-diversified investment company that has filed an election to be treated as a business development company under the Investment Company Act. AIC primarily invests in mezzanine debt, and other debt and equity securities of companies located in the United States.

(11) Apollo Asia Management, L.P.: Apollo Asia Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Asia Opportunity Master Fund, L.P., a private securities investment fund (together with its two feeder funds, Apollo Asia Opportunity Fund, L.P. and Apollo Asia Opportunity Offshore Fund, Ltd., and its wholly-owned subsidiary Apollo Asia Opportunity Master Fund Trading Ltd., the "Asia Fund"). Apollo Management Singapore Pte Ltd., a Singapore company, acts as a sub-adviser to Apollo Asia Management, L.P. The Asia Fund primarily invests in strategic and event-driven investment opportunities through investments in the debt and equity securities of middle market and large companies located in Asia.

(12) Apollo Europe Management, L.P.: Apollo Europe Management, L.P. is a Delaware limited partnership that acts as investment manager to AP Investment Europe Limited, a Guernsey limited company and Apollo Investment Europe II, L.P. (together, “AIE”). AIE primarily invests in mezzanine debt, other debt and equity of European companies.

(13) Apollo EPF Management, L.P.: Apollo EPF Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo European Principal Finance Fund, L.P., a Cayman Islands exempted limited partnership, and to its feeder fund Apollo European Principal Finance Fund (Feeder), L.P. (together, “EPF”). EPF invests principally in European non-performing loans.

(14) Apollo EPF Management II, L.P.: Apollo EPF Management II, L.P. is a Delaware limited partnership that acts as investment manager to Apollo European Principal Finance Fund II, L.P., a Cayman Islands exempted partnership, and to its feeder funds or other parallel funds that may be established (together, “EPF II”).

(15) Apollo Credit Liquidity Management, L.P.: Apollo Credit Liquidity Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Credit Liquidity Fund, L.P., (“CLF”), a private securities investment fund. CLF invests primarily in senior secured debt and a broad range of other subordinated debt and debt related investments.

(16) Apollo/Artus Management, LLC: Apollo/Artus Management, LLC is a Delaware limited liability company. It acts as the public-side investment adviser to the private securities investment funds Artus Loan Fund 2007-I, Ltd. and Artus Loan Fund 2007-I, LLC, (collectively, the “Artus Loan Funds”). The Artus Loan Funds primarily invest in U.S. dollar-denominated commercial loans.

(17) Apollo Credit Opportunity Management, LLC: Apollo Credit Opportunity Management, LLC is a Delaware limited liability company. It acts as investment manager to Apollo Credit Opportunity Fund I, L.P. and Apollo Credit Opportunity Fund II, L.P. (collectively, the “Credit Opportunity Funds”). The Credit Opportunity Funds primarily invest in senior secured debt instruments including bank loans and bonds, public and private debt, such as debtor-in-possession financings, bridge financings and other debt-related securities portfolios.

(18) Apollo Management International LLP: Apollo Management International LLP is an English limited liability partnership, which serves as a non-discretionary sub-adviser to certain Apollo Capital Markets Managers, Apollo Private Equity Managers, and Apollo Real Estate Managers. Apollo Management International LLP is regulated by the United Kingdom Financial Services Authority (“FSA”).

(19) Apollo Credit Management (Senior Loans), LLC: Apollo Credit Management (Senior Loans), LLC is a Delaware limited liability company. It acts as investment manager to Apollo/Palmetto Loan Portfolio, L.P., Apollo Credit Senior Loan Fund, L.P., and Apollo/JH Loan Portfolio, L.P. (collectively, the “Loan Portfolio Funds”). Each Loan Portfolio Fund will be comprised of a diversified portfolio generally consisting of performing senior secured floating rate loans and non-first lien fixed income investments and other income generating fixed income investments, including, but not limited to, senior secured bonds.

(20) Apollo Credit Management, LLC: Apollo Credit Management, LLC is a Delaware limited liability company that is registered with the SEC as an investment adviser. It acts as investment manager to Apollo Senior Floating Rate Fund Inc., a Maryland corporation that is registered with the SEC as a closed-end, non-diversified investment company under the Investment Company Act.

(21) AAM: AAM is a Delaware limited liability company that acts as investment manager to certain insurance and reinsurance company subsidiaries of Athene Holding, certain reinsurance accounts related to such subsidiaries and certain unrelated third party insurance companies. AAM, either directly or through the use of subadvisers, including certain Apollo Managers, invests primarily in fixed income and alternative investments.

(22) Apollo Credit Management (CLO), LLC: Apollo Credit Management (CLO), LLC is a Delaware limited liability company that serves as collateral manager to certain Apollo-sponsored special purpose vehicles formed to acquire subordinated notes, collateralized loan obligation assets, and posted collateral.

(23) Apollo Value Management, L.P.: Apollo Value Management, L.P. is a Delaware limited partnership that is registered with the SEC as an investment adviser. It acts as the investment manager to Apollo Value Investment Master Fund, L.P. (together with its two feeder funds, Apollo Value Investment Fund, L.P. and Apollo Value Investment Offshore Fund, Ltd., the “Value Fund”). The Value Fund primarily invests in the securities of leveraged companies in North America and Europe through distressed investments, value-driven investments and special opportunities.

(24) Financial Credit Investment I Manager, LLC: Financial Credit Investment I Manager, LLC is a Delaware limited liability company (“FCI”) that serves as investment manager for Financial Credit Investment I, L.P., a Cayman Islands limited partnership that invests in portfolios of life insurance policies that insure the lives of natural persons.

(25) Apollo Longevity, LLC: Apollo Longevity, LLC is a Delaware limited liability company that serves as sub-adviser, and provides non-discretionary investment advice, to AAM and RWN Management, LLC.

(26) ARM Manager, LLC: ARM Manager, LLC is a Delaware limited liability company that serves as the manager and adviser to Apollo Residential Mortgage, Inc., a residential real estate finance company formed primarily to invest in, finance and manage mortgage-backed securities, residential mortgage loans and other residential mortgage assets in the United States. Apollo Residential Mortgage, Inc. is listed on the New York Stock Exchange under the symbol “AMTG.”

(27) Apollo Centre Street Management, LLC: Apollo Centre Street Management, LLC, a Delaware limited liability company that serves as the investment manager for Apollo Centre Street Partnership, L.P., a Delaware limited partnership formed for a strategic partnership with a state pension fund.

(28) Apollo European Credit Management, L.P.: Apollo European Credit Management, L.P. is a Delaware limited partnership that serves as the investment manager for Apollo European



Credit Fund, L.P., a Delaware limited partnership that invests in a variety of fixed income investment opportunities in Europe.

(29) Apollo European Strategic Management, L.P.: Apollo European Strategic Management, L.P. is a Delaware limited partnership that serves as the investment manager for Apollo European Strategic Investments (Holdings), L.P., a Cayman Islands limited partnership formed for a strategic partnership with a sovereign wealth fund.

(30) Apollo SPN Management, LLC: Apollo SPN Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo SPN Investments I, L.P., Apollo SPN Investments II, L.P. and Apollo SPN Investments III, L.P., Cayman Islands limited partnerships formed for a strategic partnership with a state pension fund.

(31) GSAM: GSAM is a limited liability company organized under the laws of the state of North Carolina. GSAM is registered with the SEC as an investment adviser and provides discretionary investment advisory services to, and serves as collateral manager for, special purpose vehicles that issue CLOs. GSAM provides investment advice to the CLOs regarding institutional leveraged loans, high yield debt, corporate debt, structured credit products, derivatives, private debt securities and other loans, credit or debt instruments.

(32) AION Capital Management Limited: AION Capital Management Limited is a private Mauritius company limited by shares that serves as the investment manager to Apollo Capital Partners Limited. AION Capital Management Limited is a wholly owned subsidiary of Apollo India Credit Opportunity Management, LLC, which is a limited liability company incorporated under the laws of Delaware. Apollo India Credit Opportunity Management, LLC is 100% owned by Apollo Capital Management.

(33) Apollo Capital Management: Apollo Capital Management is a Delaware limited partnership that is registered with the SEC as an investment adviser. It controls the Apollo Capital Markets Managers listed in (9) - (32) above. In addition, Apollo Capital Management has been engaged by AAM to serve as sub-manager to one or more accounts to be designated by certain affiliated and unaffiliated third party insurance companies.

As supervised persons of Apollo Capital Management, the Apollo Capital Markets Managers intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of the Apollo Capital Markets Managers and other persons acting on their behalf are and shall be subject to the supervision and control of Apollo Capital Management. The Apollo Capital Markets Managers that are not separately registered with the SEC as investment advisers are relying on Apollo Capital Management's registration under the Advisers Act, are each "relying advisers" pursuant to SEC staff guidance, and are not registering themselves.

The Apollo Real Estate Managers are:

(34) AGREM: AGREM is a Delaware limited partnership that is registered with the SEC as an investment adviser. It controls the investment managers set forth in (35) - (47) below. In addition, AGREM has been engaged by AAM to serve as sub-manager to one or more accounts as may be designated by certain affiliated and unaffiliated third party insurance companies.

(35) ACREFI Management, LLC (“ACREFI”): ACREFI is a Delaware limited liability company that serves as the investment manager to Apollo Commercial Real Estate Finance, Inc. (the “ARI”), a real estate finance company that has elected to qualify and be taxed as a real estate investment trust for United States federal income tax purposes. ARI was formed primarily to originate, invest in, acquire, and manage senior performing commercial real estate mortgage loans (loans on which the borrower is in substantial compliance with the terms of the loan agreement), commercial mortgage-backed securities, commercial real estate corporate debt and loans, and other commercial real estate-related debt investments in the United States.

(36) AGRE CMBS Management LLC (“CMBS Management”): CMBS Management is a Delaware limited liability company. It serves as investment manager to a managed account that was formed to target investments in commercial mortgage-backed securities eligible for funding under the Federal Reserve’s Term Asset-Backed Securities Loan Facility. CMBS Management may also serve as investment manager to additional managed accounts in the future.

(37) AGRE CMBS Management II LLC (“CMBS Management II”): CMBS Management II is a Delaware limited liability company. It serves as investment manager to, and provides non-discretionary investment advice to, the 2011 A4 Fund, L.P. (formerly AGRE CMBS Fund II L.P.), a Delaware limited partnership formed to target investments in certain eligible collateralized mortgage backed securities and/or short-term fixed-income investments.

(38) AGRE-CRE Debt Manager, LLC (“AGRE-CRE”): AGRE-CRE is a Delaware limited liability company that serves as investment manager to, and provides non-discretionary advice to, AGRE Debt Fund I, L.P. (Cayman). AGRE Debt Fund I, L.P. (Cayman) invests in commercial real estate property specific subordinate debt.

(39) AGRE NA Legacy Management, LLC (“AGRE NA Legacy”): AGRE NA Legacy is a Delaware limited liability company. It serves as investment manager to CPI Capital Partners North America LP, CPI Capital Partners North America Offshore LP, CPI Capital Partners North America Offshore (Cayman), L.P., CPI Capital Partners North America Offshore (WT), LP, and CPI NA Co-Invest LP, a collection of parallel funds. The funds pursue opportunistic real estate and real estate-related investments throughout North America.

(40) AGRE NA Management, LLC (“AGRE NA”): AGRE NA is a Delaware limited liability company. It acts as investment manager to AGRE U.S. Real Estate Fund, L.P., which pursues investment opportunities to recapitalize, restructure and acquire real estate assets, portfolios and companies primarily in the United States.

(41) AGRE Asia Pacific Legacy Management, LLC (“AGRE Asia Legacy”): AGRE Asia Legacy is a Delaware limited liability company. It serves as investment manager to CPI Capital Partners Asia Pacific, L.P. CPI Capital Partners Asia Pacific, L.P. is a closed-end fund, which pursues opportunistic real estate and real estate-related investments throughout the Asia Pacific region.

(42) AGRE Asia Pacific Management, LLC (“AGRE Asia”): AGRE Asia is a Delaware limited liability company. It serves as investment manager to AGRE Asia Pacific Real Estate Fund, L.P., which pursues opportunistic real estate and real estate-related investments to recapitalize,

restructure and acquire real estate assets, portfolios, operating platforms and companies throughout the Asia Pacific region.

(43) AGRE Europe Legacy Management, LLC (“AGRE Europe Legacy”): AGRE Europe Legacy is a Delaware limited liability company. It serves as investment manager to CPI Capital Partners Europe, L.P. and CPI Capital Partners Europe (NFR), L.P. CPI Capital Partners Europe, L.P. and CPI Capital Partners Europe (NFR), L.P. are parallel funds which pursue opportunistic real estate and real estate-related transactions in France.

(44) AGRE Europe Management, LLC (“AGRE Europe”): AGRE Europe is a Delaware limited liability company. It serves as the investment manager to Apollo GSS Holdings (Cayman), L.P., a Cayman Islands limited partnership.

(45) AGRE-E Legacy Management, LLC (“AGRE-E”): AGRE-E is a Delaware limited liability company. It serves as sub-advisor to certain real estate investment mandates for which Citigroup Alternative Investments LLC serves as general partner, co-general partner, manager, advisor and/or administrator. AGRE-E also serves as asset manager of a portfolio, wholly-owned by Citigroup Alternative Investments LLC, consisting of real estate and real estate-related assets and certain shareholder, membership and limited partner interests in real estate investment vehicles.

(46) AGRE-E2 Legacy Management, LLC (“AGRE-E2”): AGRE-E2 is a Delaware limited liability company. AGRE-E2 also serves as asset manager of a portfolio, wholly-owned by Citigroup Alternative Investments LLC, consisting of real estate and real estate-related assets and certain shareholder, membership and limited partner interests in real estate investment vehicles.

(47) CPI CEE Management LLC (“CPI CEE”): CPI CEE is a Delaware limited liability company. It serves as managing shareholder to CPI CEE Limited, CPI CEE Co-Invest Ltd., CPI CEE Co-Invest 2 Ltd, and CPI CEE Co-Invest 3 Ltd, a collection of parallel funds. The funds invest in Atrium European Real Estate Limited, a leading real estate investor/developer in Central and Eastern Europe and the Commonwealth of Independent States, focused on retail properties.

As supervised persons of AGREM, ACREFI, CMBS Management, CMBS Management II, AGRE-CRE, AGRE NA Legacy, AGRE NA, AGRE Asia Legacy, AGRE Asia, AGRE Europe Legacy, AGRE Europe, AGRE-E, AGRE-E2 and CPI CEE intend to conduct their activities in accordance with the Advisers Act, and the rules thereunder. Any employees of such Apollo Real Estate Managers, and any other persons acting on their behalf, are and shall be subject to the supervision and control of AGREM. ACREFI, CMBS Management, CMBS Management II, AGRE-CRE, AGRE NA Legacy, AGRE NA, AGRE Asia Legacy, AGRE Asia, AGRE Europe Legacy, AGRE Europe, AGRE-E, AGRE-E2 and CPI CEE are relying on AGREM’s registration under the Advisers Act and are not registering themselves.

Certain inherent conflicts of interest arise from the fact that Apollo Commodities Management is affiliated with other Apollo Managers that provide investment management services to other Apollo Funds that also may have overlapping investment objectives. Also, the portfolio

strategies employed by Apollo Commodities Management for Clients could conflict with the strategies employed by Apollo Managers for other Apollo Funds, and may affect the prices and availability of the securities and other assets in which Clients invest. Participation in specific investment opportunities may be appropriate for both Clients and other Apollo Funds. In such cases, participation in investment opportunities will be allocated pursuant to Apollo's allocation policy and procedures, as further discussed in Item 6. Allocations of certain investments among Clients and certain other Apollo Funds may be made on an other than equal basis.

The existence of a carried interest may create an incentive for Apollo Commodities Management to make more speculative investments on behalf of Clients than it might otherwise make in the absence of such performance-based compensation. Further, Apollo Commodities Management is incentivized to allocate increased resources and more profitable investment opportunities to affiliated Apollo Funds that either bear carried interest or higher carried interest percentages, or to Apollo Funds whose current performance does not require them to reimburse investors for losses attributable to prior unprofitable investments before distributing carried interest to their general partners. Terms pertaining to carried interest could also give Apollo Commodities Management an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors.

Additional conflicts of interest may arise because Apollo partners and principals (including Apollo Commodities Management personnel) may serve as directors of the companies in which Apollo Funds invest. In addition to any fiduciary duties the Apollo partners and principals owe to the Apollo Funds, as directors of portfolio companies, these Apollo partners and principals owe fiduciary duties to the shareholders of the portfolio companies, which in many cases are the Apollo Funds, and to persons other than Clients. In general such director positions are often important to Clients' (and any other Apollo Funds with an investment focus on private equity) investment strategies and may have the effect of enhancing the ability of Apollo Commodities Management and its affiliates to manage investments. However, such positions may have the effect of impairing the ability of Apollo Commodities Management to sell the related securities when, and upon the terms, it may otherwise desire. In addition, such positions may place the Apollo partners and principals in a position where they must make a decision that is either not in the best interests of Clients or not in the best interests of the shareholders of the portfolio company. Should an Apollo partner or principal make a decision that is not in the best interest of the shareholders of a portfolio company, such decision may subject Apollo Commodities Management and the Clients to claims that they would not otherwise be subject to as an investor, including claims of breach of the duty of loyalty, securities claims and other director-related claims. In general, Clients will indemnify Apollo Commodities Management and its partners and principals from such claims. In addition, because of the potential conflicting fiduciary duties, Apollo Commodities Management may be restricted in choosing investments for Clients, which could negatively impact returns received by Clients.

Apollo Commodities Management and its personnel may have conflicts in allocating their time and services among Clients. Apollo Commodities Management personnel may provide services to other Apollo Funds and Apollo's other existing and potential business activities. Clients will not have an interest in such investments or other investment funds organized or sponsored by

Apollo. It is possible that the investments held by such other Apollo Funds may be competitors of the Clients.

A principal or employee of Apollo Commodities Management or the other Apollo Managers or a related person may, from time to time, serve as a director or acquire observer rights with respect to portfolio companies, the securities of which are purchased on behalf of the Clients. In the event Apollo Commodities Management, another Apollo Manager, or a related person: (i) obtains material non-public information in such capacity with respect to any such company or (ii) is subject to trading restrictions pursuant to the internal policies of such company, Apollo Commodities Management and the other Apollo Managers may be prohibited from engaging in transactions with respect to the securities or instruments of such company. Such a prohibition may have an adverse effect on Clients.

Apollo currently operates without ethical screens or information barriers that other firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks from Apollo's decision not to implement such screens, Apollo maintains a Code of Ethics, as described in Item 11 and provides training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures. In addition, Apollo's Chief Compliance Officer maintains a list of restricted securities as to which Apollo may have access to material non-public information and in which Apollo Funds are not permitted to trade. In the event that any employee of Apollo obtains such material non-public information, Apollo Commodities Management may be restricted in acquiring or disposing investments on behalf of Clients, which could impact the returns generated for Clients.

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 Apollo Commodities Management, or one of its 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 Apollo Commodities Management's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact Apollo Commodities Management's ability to perform its investment management services on behalf of Clients. In addition, while Apollo currently operates on an integrated basis without information barriers, Apollo could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, Apollo's ability to operate as an integrated platform could also be impaired, which would limit Apollo Commodities Management's access to Apollo personnel and impair its ability to manage Clients' investments in the manner it currently manages investments.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Apollo Commodities Management, its affiliates, and their personnel. Apollo Commodities Management will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. Apollo Commodities Management's affiliates may invest, on behalf of themselves, in securities and other instruments that would be appropriate for,

are held by, or may fall within the investment guidelines of Clients. Apollo Commodities Management's affiliates may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for Clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for Clients. Potential conflicts also may arise due to the fact that Apollo Commodities Management's affiliates may have investments in some Clients but not in others or may have different levels of investments in the various Clients, and that each of the Clients may pay different levels of fees.

Apollo, together with the Apollo Funds, engages in a broad range of business activities and invests in portfolio companies whose operations may be substantially similar to and/or competitive with the portfolio companies in which Clients have invested. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of a Clients' portfolio companies, and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Apollo will seek to resolve conflicts in a manner that Apollo determines in its sole discretion to be fair and equitable.

In addition, Apollo Commodities Management or another Apollo Manager may give advice or take action with respect to the investments of Clients that may not be given or taken with respect to other Apollo Funds with similar investment programs, objectives, and strategies. Accordingly, Apollo Funds with similar strategies may not hold the same securities or instruments or achieve the same performance. Other Apollo Managers also may advise Apollo Funds with conflicting investment objectives or strategies to Clients. These activities also may adversely affect the prices and availability of other securities or instruments held by or potentially considered for Clients.

Apollo Commodities Management and its affiliates may also have ongoing relationships with companies whose securities have been acquired by, or are being considered for investment by, Clients. From time to time, Apollo Commodities Management may acquire securities or other financial instruments of an issuer for Clients which are senior or junior securities or financial instruments of the same issuer that are held by, or acquired for, an Apollo Fund (e.g., an Apollo Fund may acquire senior debt while Clients may acquire subordinated debt). For example, in the event such issuer enters bankruptcy, the Apollo Fund holding securities which are senior in bankruptcy preference may have the right to aggressively pursue the issuer's assets to fully satisfy the issuer's indebtedness to such fund, and as a fiduciary, the applicable Apollo Manager would have an obligation to pursue such remedy on behalf of the Apollo Fund. As a result, if Clients were holding assets of the same issuer which are more junior in the capital structure, they may not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and may suffer a loss. The Apollo Managers recognize that conflicts may arise under such circumstances and will endeavor to treat all Apollo Funds fairly and equitably. To that end, the Apollo Managers have adopted procedures that are designed to enable the Apollo Managers to address such conflicts and to ensure that the Apollo Funds are treated fairly and equitably. No Client may acquire securities or other interests of a class that is senior or junior to a class of securities of an issuer already held by another Client unless the disclosure and

governing documents for each of the affected Clients contemplate such an investment practice and contain appropriate risk and conflict disclosures.

### AAM

AAM is affiliated with Apollo Commodities Management and controlled by Apollo. Certain members of AAM's management, including its Chief Executive Officer, have equity ownership interests in both AAM and Athene Holding and may also be officers of Athene Holding and/or its subsidiaries (together, the "Athene Group"). AAM acts as investment manager to certain insurance and reinsurance company subsidiaries of Athene Holding, certain reinsurance accounts related to such subsidiaries and certain unrelated third party insurance companies. AAM, either directly or through the use of subadvisers, including certain Apollo Capital Management Managers and Apollo Managers, invests primarily in fixed income and alternative investments.

Pursuant to the terms of an investment management agreement, AAM currently charges subsidiaries of Athene Holding monthly management fees that are based on a percentage of assets under management ("Athene Management Fee"). The Athene Management Fee is generally payable to AAM monthly or quarterly in arrears. Athene Holding has also agreed to reimburse AAM for any financial losses incurred to the extent that any such reimbursed amounts, together with all Athene Management Fees paid by Athene Holding directly or indirectly, do not exceed certain thresholds. In addition to the Athene Management Fee, AAM allocates certain AAM employee expenses to Athene Holding or its subsidiaries for services provided by such employees and investment management services, such as risk management, corporate governance, executive management, marketing and information technology services. From time to time, subsidiaries of Athene Holding may agree to amend the Athene Management Agreement, which may include paying AAM higher management fees and/or entering into similar arrangements with other Apollo Managers. Moreover, as further described below, Apollo may be able to cause Athene Holding to agree to raise AAM's fees with respect to Athene Holding and/or its subsidiaries. Such amendments or similar arrangements would be subject to the Conflicts Test (as described below).

In addition to the Athene Management Fee, AAM generally has the authority to hire sub-advisers and to agree to the fees and other remuneration payable to such sub-advisers (subject to the Conflicts Test). In connection therewith, AAM has hired certain Apollo Managers to act as sub-advisers for certain asset classes and may hire additional Apollo Managers in the future with respect to other asset classes (subject to the Conflicts Test). In connection with such services, certain Apollo Managers receive sub-advisory fees payable by the Athene Group.

AAM may also provide discretionary investment advisory services to certain third party insurance companies that are not affiliated with Apollo. Fees charged by AAM to such unaffiliated insurance companies are individually negotiated and established pursuant to each company's investment management agreement. Such companies may or may not agree to allow AAM to appoint sub-advisers and/or may not agree to pay for the additional fees and/or expenses of such sub-advisers. To the extent that Clients do not permit AAM to use sub-advisers and/or to pay the fees and expenses of any such sub-adviser, AAM may manage the Client's account without the use of sub-advisers, including Apollo affiliated investment advisers. As a result,

such Client's asset allocation and performance may differ materially from Client's that agree to pay the fees and expenses of such sub-advisers.

Members of the Athene Group have invested in, and in the future may also invest in alternative investments including Apollo Funds. Examples of existing investments in Apollo Fund investments include: two leveraged commercial mortgage backed securities vehicles; a life-settlements fund; a European senior debt fund; a vehicle focusing on Asian micro-loans; a vehicle formed to acquire prime London real-estate; and the equity tranches of two collateralized loan obligation issuers. Apollo will be entitled to receive various forms of consideration with respect to each fund, including management fees, portfolio fees, closing fees, carried interest and/or employment expense reimbursement.

Affiliates of Apollo may also advise members of the Athene Group on certain proposed financial transactions, acquisitions, and other matters related to their strategic interests and will receive fees as consideration for such services pursuant to the terms of a transaction services agreement ("Services Agreement"). Pursuant to such Services Agreement, members of the Athene Group have agreed jointly and severally to pay a quarterly fee based on a percentage of the capital and surplus of Athene Holding (exclusive of certain reimbursements for out-of-pocket expenses) plus a percentage of the aggregate consideration for value paid or provided by Athene Holding and/or its subsidiaries in connection with the closing of any merger, acquisition or similar transaction. In addition, affiliates of Apollo may be entitled to receive a closing fee from Athene Holding equal to a percentage of the amount set forth in each capital call notice delivered to investors under the subscription agreements for certain shareholders of Athene Holding. Upon a qualified initial public offering or a sale, Athene Holding shall jointly pay affiliates of Apollo a lump-sum amount equal to the net present value of any remaining quarterly advisory fees owed from the date of such qualified initial public offering or sale, as applicable, until the expiration of the term of the Services Agreement.

Due to the voting structure of Athene Holding and because certain employees of Apollo control a vehicle that holds the non-economic, voting shares of Athene Holding and that possesses one hundred percent (100%) of the voting control over Athene Holding, including control of its Board of Directors, the potential exists for Apollo to cause members of the Athene Group to enter into transactions that may benefit Apollo (including AAM) at the possible detriment to Athene Holding's shareholders. In order to mitigate any potential conflicts of interest that may arise, the Third Amended and Restated Shareholders Agreement of Athene Holding (the "Shareholders Agreement") requires the creation of a conflicts committee ("Conflicts Committee"). The purpose of the Conflicts Committee is to provide consent, if appropriate, to certain conflicts of interest regarding transactions involving Athene Holding and/or its subsidiaries and Apollo and its affiliates, including AAM. The Conflicts Committee consists of the Chief Executive Officer of Athene Holding and AAM, the Chief Executive Officer of Athene Life Re Ltd., a subsidiary of Athene Holding, an independent director and two directors designated by investors controlled by Apollo. The two members of the Conflict Committee designated by Apollo represent the interests of two Athene Holding institutional investors. Nevertheless, Apollo's ability to designate Conflict Committee members may significantly influence the Conflicts Committee with respect to Athene Holding businesses that may compete directly with or do business with Apollo businesses.



Not all potential Apollo conflicts are subject to the approval of the Conflicts Committee (for example, non-material transactions or transactions that are less likely to be on terms that are less advantageous to the Athene Group than can be obtained through arms-length negotiations are not required to be reviewed by the Conflicts Committee). However, the Amended and Restated By-Laws of Athene Holding require that entering into new (or amending existing) transactions between Apollo (and its subsidiaries) and Athene Holding (and its subsidiaries) be, at the time such transaction is approved, (i) fair and reasonable, taking into account the totality of the relationship between the parties involved (including other transactions that may be or have been particularly favorable or advantageous to the Athene Group), or (ii) on an arms-length basis, or (iii) approved by the disinterested directors of Athene Holding, or (iv) approved by the holders of a majority of the issued and outstanding Class A common shareholders of Athene Holding, or (v) approved by the Conflicts Committee (the “Conflicts Test”). Additionally, Athene Holding must maintain a log of all contracts, agreements and arrangements that its board of directors, acting in its sole discretion, deems to involve a potential conflict of interest with Apollo, and shareholders may review such log from time to time upon reasonable request.

Because certain Apollo Funds and portfolio companies have similar investment programs and/or engage in similar business objectives and strategies as Athene Holding, Apollo may identify opportunities that are appropriate and fall within the investment or business objectives of Athene Holding as well as the Apollo Funds and portfolio companies.

To the extent that the Apollo Funds may pay higher fees and/or carried interest to Apollo, Apollo may be incentivized to allocate investment opportunities to such Apollo Funds. With respect to the categories of investments which are managed by Apollo, Apollo will make such investments in accordance with Apollo’s allocation policies as then in effect from time to time, which allocation policies are intended to satisfy Apollo’s fiduciary duties to all of its Clients under the Advisers Act.

Apollo Funds may engage in cross trades (as defined below) with the Athene Group. In addition, AAM may effect cross trades between its Clients from time to time, including between different members of the Athene Group, between a member of the Athene Group and an unaffiliated third party client, between unaffiliated third party clients and/or between AAM’s Clients and Apollo Clients. The potential conflicts of interest associated with such cross trades are addressed in Item 11.

From time to time, there may be different investment teams for AAM and Apollo respectively investing in the same strategies for different Clients. Where Apollo Managers source investment opportunities, allocations of such investment opportunities are made across all suitable Clients. However, where Athene investment teams, including employees of AAM, source a particular investment opportunity, AAM and Apollo investment teams function independent of each other and do not share investment opportunities. As a result, in certain situations Clients may compete for the same investment opportunities, potentially disadvantaging the competing Clients. These situations deviate from the general allocation policies described in Item 6.

In addition, certain Apollo Funds may own the same securities and other financial instruments that AAM has selected for its Clients. The Apollo Funds may acquire such securities at different times and/or different prices than Athene Holding and its subsidiaries or other AAM Clients and may acquire different classes of securities of the same issuer (e.g., an Apollo Fund owns subordinated debt and an AAM Client owns senior debt in an issuer). Apollo and its affiliates may also make investments that are contrary to the investments made by Athene Holding and its subsidiaries and/or other AAM Clients (e.g., Apollo may take a short position in a security in which Athene Holding or such other AAM Client holds a long position). This may give rise to conflicts of interest regarding the management strategy taken toward such securities held by Athene Holding or such other AAM Clients and the Apollo Funds.

Similarly, certain AAM Clients may acquire the same securities and financial instruments at different times and/or different prices and may acquire different classes of securities of the same issuer. Certain AAM Clients may also make investments that are contrary to the investments made by other AAM Clients. This may also create conflicts of interest regarding the management strategy taken toward such securities held by such AAM Clients.

#### Other Related Persons

Related persons of Apollo Commodities Management serve as sponsors or syndicators of limited partnerships. Apollo, and certain affiliates of Apollo, serve as general partners of Apollo Funds and are regularly engaged in the business of sponsoring pooled investment vehicles and separately managed accounts. Conflicts of interest associated therewith are discussed above in this Item 10.

Since participation in specific investment opportunities may be appropriate, at times, for Clients and for other Apollo Funds, Apollo has established policies and procedures for allocating investment opportunities among Clients and the Apollo Funds. The procedures have been adopted to ensure that Clients and each Apollo Fund is treated in a manner that, over time, is fair and equitable and to take into account the fact that Clients and Apollo Funds tend to have broad investment mandates that may overlap. Please see Item 6 for a more detailed description of Apollo's policies for allocating investment opportunities.

### **ITEM 11**

#### **Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

##### Code of Ethics

Apollo and the Apollo Managers, including Apollo Commodities Management, have adopted a Code of Ethics (the “Code”) designed to ensure compliance with Rule 204A-1 under the Advisers Act. The Code applies to all partners, principals, directors, officers, employees and supervised persons of Apollo (each a “Covered Person”). Apollo Commodities Management and the other Apollo Managers strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust. Accordingly, the Code incorporates the following general principles that all Covered Persons are expected to uphold:

- (i) Covered Persons must at all times place the interests of the Apollo Funds first;

- (ii) all personal securities transactions must be conducted in a manner consistent with the Code and any actual or potential conflicts of interest or any abuse of a Covered Person's position of trust and responsibility must be avoided;
- (iii) Covered Persons must not take inappropriate advantage of their positions;
- (iv) information concerning the identity of securities and financial circumstances of the Apollo Funds, including investors in Apollo Funds, must be kept confidential; and
- (v) independence in the investment decision-making process must be maintained at all times.

Finally, Covered Persons are required to comply with applicable federal securities laws at all times.

#### Personal Trading Restrictions.

The Code requires that Covered Persons' personal investment activities comply with all applicable laws and regulations. In addition, Covered Persons are required to obtain prior approval for all securities transactions, other than those involving: US Government and municipal securities; exchange-traded funds and closed-end funds; mutual funds (i.e. open ended investment companies); variable annuities; and transactions in fully-managed accounts where Covered Persons or other Relevant Persons (as defined below) significantly contribute. Covered Persons are prohibited from purchasing securities in initial public offerings.

The Code provides that approval will generally not be granted for securities of companies on Apollo's Restricted List. Further, approval will generally not be granted for proposed securities transactions in securities of companies with a market capitalization for the outstanding equity on the date of trade of more than \$100 million and less than \$20 billion. This "market-capitalization band" may be changed from time to time.

#### Personal Securities Holdings and Transaction Reports.

Subject to limited exceptions, each Covered Person must periodically submit to the Compliance Officer a report of the holdings in the accounts in which the following persons have a direct or indirect beneficial ownership interest or over which the following persons exercise any investment control, influence or discretion: (i) the Covered Person, (ii) any member of the Covered Person's immediate family who resides with the Covered Person or to whose support the Covered Person significantly contributes, which may include the Covered Person's spouse, children, stepchildren, grandchildren, parents, grandparents, stepparents, siblings, persons with whom a Covered Person has an adoptive or in-law relationship or (iii) any other person who may reside with a Covered Person or to whose support a Covered Person significantly contributes. (Each individual identified in clauses (ii) and (iii) a, "Relevant Person")

The holdings reports must contain, at a minimum: (i) the title and type of security, and, as applicable, the exchange ticker symbol or CUSIP number, number of shares and principal amount of each reportable security in which the Relevant Persons have any direct or indirect beneficial ownership, (ii) the name of any broker, dealer or bank with which the Relevant Persons maintain an account in which any securities are held for the Relevant Person's direct or

indirect benefit, (iii) if securities are held other than with a broker, dealer or bank, the location of the securities, and (iv) the date that the Covered Person submits the report to the Compliance Officer.

Each Covered Person must also send to the broker-dealer(s) or financial institution(s) carrying each account a letter authorizing and directing that it forward duplicate monthly statements, as well as any other information or documents as Apollo Commodities Management's Compliance Officer may request, directly to Apollo Commodities Management.

The Code requires each Covered Person to prepare or certify, on at least an annual basis, reports of securities holdings and transactions. Covered Persons may submit monthly account statements instead of providing the above described holdings report.

#### Material, Non-Public Information.

The Code includes policies and procedures concerning "inside information" (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. Covered Persons are required to certify to their compliance with the Code, including the Insider Trading Policies, on a periodic basis. The Insider Trading Policies prohibit Apollo Commodities Management and Covered Persons from trading for Clients or themselves, or recommending trading, in securities of a company while in possession of material, non-public information ("Inside Information") about the company, and from disclosing such information to any person not entitled to receive it.

By reason of their various activities, Apollo Managers may have access to Inside Information and, as a result, be restricted from effecting transactions in certain investments that might otherwise have been initiated. For example, there may be certain cases where the Apollo Managers or their personnel receive Inside Information due to their various activities on behalf of Apollo Funds, which could result in either limited liquidity or in Apollo Commodities Management or its personnel being prohibited from using such information for the benefit of the Apollo Funds. The Apollo Managers seek to minimize those cases whenever possible, consistent with applicable law and the Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

#### Other Provisions of the Code.

Covered Persons are subject to additional standards of conduct relating to the use of funds and property, conflicts of interest and opportunities belonging to the Apollo Funds, managing investments of related parties, and general standards of conduct including the conduct expected when dealing with Apollo Funds and the investors in Apollo Funds. In addition, Covered Persons are subject to Apollo's Anti-Money Laundering procedures. Covered Persons are required to certify periodically that they have complied with the terms of the Code. Violations of the Code are subject to the imposition of sanctions, up to and including termination.

A copy of the Code will be provided to any Client or prospective Client upon request.

Apollo Commodities Management and its personnel do not purchase any securities for their own accounts from, or sell any securities for their own accounts to, Apollo Funds. However, from

time to time, subject to applicable Client investment guidelines and restrictions, Apollo Commodities Management may direct one Client to sell securities to another Client through an internal cross transaction. These “cross transactions” also may occur with other Apollo Funds. Cross trades may be executed with the assistance of a broker-dealer or as an “internal cross” where the Clients’ custodian(s) is instructed to book the transaction at a price determined in accordance with Apollo’s valuation policies. No fees will be charged to Clients in connection with the completion of a cross trade. Cross trades may be viewed as principal transactions due to the ownership interest in the Client by Apollo Commodities Management and its personnel.

Cross transactions and principal transactions may give rise to conflicts of interest between Clients. For example, one Client could be advantaged to the detriment of another Client in the event that the securities being exchanged are not priced in a manner that reflects their fair value. In addition, Apollo Commodities Management could use its investment authority to transfer unappealing securities from one Client to another Client.

To the extent that any such cross transaction may be viewed as a principal transaction due to the ownership interest in the Client by Apollo Commodities Management and its personnel, Apollo Commodities Management will comply with the requirements of Section 206(3) of the Advisers Act and its internal policies and procedures. Specifically, Apollo Commodities Management’s investment professionals must provide notice to, and obtain the approval of, the Chief Compliance Office or designee and a member of the legal department, prior to executing a principal trade or cross trade. When reviewing a proposed principal trade or cross trade, the Chief Compliance Officer or designee shall confirm, among other things: (i) that such trade is allowed by the applicable Client’s investment guidelines, (ii) that Apollo Commodities Management’s valuation procedures were followed when pricing the transaction, including obtaining a third-party valuation when appropriate, and (iii) in the case of principal trades, that notice of the specific trade was provided to the Client and written consent from the Client was obtained.

Apollo Commodities Management does not co-invest in any of Clients or the funds or any separate accounts managed by the Apollo Managers (collectively, the “Apollo Funds”). However, Apollo’s principals, officers and employees and certain of Apollo’s affiliates may have direct and indirect investments of their own capital in the Apollo Funds through, for example, employee co-investment vehicles, direct investments, deferred compensation agreements, and carried interest. Additionally, Apollo Commodities Management may become an investor in a Client as a result of management fee waiver programs.

Apollo Commodities Management has put in place Personal Trading Policies and Procedures, as set forth in the Code of Ethics and as discussed more fully above in this Item 11, designed, among other things, to address the conflicts of interest that arise in connection with personal trading.

Apollo Commodities Management’s Clients may have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one fund. If it is not possible to satisfy in full the investment interest of multiple Apollo Funds in an investment opportunity, then Apollo will determine each fund’s participation in one of the

following ways: (i) pro rata allocation or (ii) allocation according to Apollo's allocation policies and procedures which are described more fully in Item 6 and Item 10 above.

Apollo Commodities Management's Clients may have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one Client. If it is not possible to satisfy in full the investment interest of multiple Clients in an investment opportunity, then Apollo Commodities Management will determine each Client's participation in one of the following ways: (i) pro rata allocation or (ii) allocation according to Apollo Commodities Management's allocation policies and procedures which are described more fully in Item 6 and Item 10 above.

## **ITEM 12**

### **Brokerage Practices**

To the extent portfolio transactions are executed by brokers, such brokers will be selected by Apollo Commodities Management in its absolute discretion. In placing portfolio transactions, Apollo Commodities Management must use reasonable diligence to ascertain the "best" market price for all securities bought/ sold in that market so that the price to the Apollo Funds is as favorable as possible under prevailing market conditions. The determinative factor is whether the transaction represents the best qualitative execution for the investor/ fund and not whether the lowest possible commission cost is obtained. Apollo Commodities Management considers the full range of quality of the broker's service in selecting brokers to meet best execution obligations and may not pay the lowest commission rates available. Apollo Commodities Management generally takes the following factors into account to select brokers for portfolio transactions: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any), (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution, (iii) the financial strength, integrity and stability of the broker, (iv) the broker firm's risk in positioning a block of securities, (v) the quality, comprehensiveness and frequency of available research services considered to be of value, and (vi) the competitiveness of commission rates in comparison with other brokers satisfying Apollo Commodities Management's other selection criteria. Apollo Commodities Management is not required to weigh any of these factors equally.

The constituent documents of certain Apollo Funds and Clients may authorize the use of "soft dollars." The term "soft dollars" refers to the receipt by Apollo Managers of products and services provided by brokers without any cash payment by Apollo Managers, based on the volume of revenues generated from brokerage commissions for transactions executed for the Apollo Funds. The Apollo Managers may in the ordinary course use "soft dollars" to obtain research products and services. Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), provides a "safe harbor" to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of their investment decision-making responsibilities. Although certain Apollo Managers have the discretion to use "soft dollars" to obtain services and products that would not be within the safe harbor afforded by Section 28(e) of the Exchange Act and for which it would otherwise be

required to pay in cash, they have no plans to do so, and will notify the Apollo Funds of any change to that policy.

Consistent with Section 28(e) of the Exchange Act, research products or services obtained with soft dollars generated by one or more Clients may be used by Apollo Commodities Management or another Apollo Manager to service one or more other Clients, including Clients that may not have paid for the benefits. Apollo Managers may not allocate soft dollar benefits to Clients in proportion to the soft dollar credits each Client generates. Apollo Managers do not seek to allocate soft dollar benefits to Clients in proportion to the soft dollar credits each Client generates.

Where a product or service obtained with soft dollars provides both research and non-research assistance, Apollo Managers will make a good faith allocation of the cost which may be paid for with soft dollars. In making good faith allocations of costs between administrative benefits and research and brokerage services, a conflict of interest may exist because the allocation of beneficial services may benefit Apollo Managers in addition to Apollo Clients. Apollo Managers currently have no formal arrangements with broker-dealers with respect to soft dollars, but may receive unsolicited research from broker-dealers that execute Client trades.

If an Apollo Manager determines that the purchase or sale of the same security is in the best interest of more than one Apollo Fund, the Apollo Manager may, but is not obligated to, aggregate orders in order to reduce transaction costs to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating Apollo Fund (which may include Clients) will receive the average price with transaction costs allocated *pro rata* based on the size of each Client's participation in the order (or allocation in the event of a partial fill) as determined by the Apollo Manager. In the event of a partial fill, allocations generally will be made *pro rata* based on the initial order, but may be modified on a basis that the Apollo Manager deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. This may result in allocations of certain investments on other than a *pari passu* basis.

### **ITEM 13**

#### **Review of Accounts**

Apollo Commodities Management engages in ongoing monitoring of Client investments. In addition, Apollo Commodities Management conducts thorough, periodic reviews of Client accounts in order to assess trends that may impact an individual investment's ability to generate cash, profitability, asset values, financing needs, potential liability and ability to service any debts.

The Investment Practices Committee of Apollo (the "IPC") meets on a quarterly basis to review portfolio management and investment processes and related documents evidencing compliance with written policies and procedures for ANRP along with all Apollo Funds. Generally, the IPC provides oversight of issues relating to the investment and trading of ANRP and the Apollo Funds, such as allocations and best execution. The IPC ensures certain management reports and certifications are reviewed by members of Apollo's Compliance, Finance, Operations and Legal Departments.

ANRP generally delivers newsletters to investors on a periodic basis. The newsletters summarize the performance of ANRP, market outlook, an attribution report, an exposure report, and a statement of net asset value. ANRP also generally delivers audited financial statements on an annual basis, within 120 days of ANRP's fiscal year end.

#### **ITEM 14**

##### **Client Referrals and Other Compensation**

Apollo Commodities Management does not compensate any person who is not a supervised person, including solicitors or placement agents, for Client referrals. However, Apollo Commodities Management may enter into arrangements with, and compensate, solicitors for investor referrals to ANRP. These solicitation arrangements will be fully disclosed to affected investors and will generally be consistent with the requirements of Rule 206(4)-3 under the Advisers Act, which applies to Clients. Generally, the terms of such arrangements will vary but call for Apollo Commodities Management to pay the solicitor a fee equal to a percentage of capital contributions, management fees, incentive fees, incentive allocations or a combination of such contributions or fees borne by each investor introduced to an Apollo Fund by the solicitor..

#### **ITEM 15**

##### **Custody**

Apollo Commodities Management generally is deemed to have custody of Client funds and securities because it has the authority to obtain Client funds or securities, for example because: (1) it has affiliated entities that act as (i) the general partner of a Client formed as a limited partnership or (ii) the managing member of a Client formed as a limited liability company; or (2) it has the authority to withdraw Client funds from an account or withdraw Client fees. Qualified custodians send Client account statements to Apollo Commodities Management.

Apollo Commodities Management is subject to, and complies with, Rule 206(4)-2 under the Advisers Act (the "Custody Rule"). With respect to the ANRP and Clients, Apollo Commodities Management is deemed to have complied with the Custody Rule because each Apollo Fund is audited at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and each Client distributes its audited financial statements to all investors no later than 120 days after the end of each Client's fiscal year.

#### **ITEM 16**

##### **Investment Discretion**

Apollo Commodities Management has full discretionary authority to determine the type, amount and price of securities or investments to be bought and sold on behalf of Clients, including the selection of, and commissions paid to brokers. Apollo Commodities Management's discretionary authority to invest ANRP's assets will be subject to the terms of the investment management agreement and the investment policies, goals and limitations set forth in the Fund's offering documents.



The offering documents of Clients will generally place limitations on Apollo Commodities Management regarding its management of Clients, such limitations may include: (i) the number of portfolio investments that Clients may acquire; (ii) the size of portfolio investments; (iii) the amount of leverage that Clients may use to acquire portfolio investments; and (iv) the percentage of portfolio investments acquired by Clients that are organized and operated primarily outside of the United States. Limited partners in Clients may also negotiate with the general partner of the applicable Clients in side letter agreements for more specific limitations applicable to the limited partner, such as prohibited investments in specified countries.

## **ITEM 17**

### **Voting Client Securities**

Apollo Commodities Management has been delegated the authority to vote proxies on behalf of Clients. Apollo Commodities Management may have conflicts of interest where it has a substantial business relationship with a company and the failure to vote in favor of company management could harm Apollo Commodities Management's relationship with management. Conflicts may also arise in the event a senior executive of a company and a principal of Apollo has a significant personal relationship that could affect how the adviser would vote on a matter relating to the company.

Apollo Commodities Management has adopted and implemented policies and procedures which it believes are reasonably designed to ensure that it votes proxies in the best interests of Clients. For example, if an Apollo representative sits on the board of directors of a company that is the subject of a proxy, the Chief Compliance Officer or designee will undertake a review prior to any vote by the proxy recipient to determine whether a material conflict of interest exists between Apollo Commodities Management and the interests of Clients or between Apollo Commodities Management and Clients and the company shareholders. In the event that a material conflict of interest is identified, the Chief Compliance Officer or designee will take such steps as he or she deems necessary in order to determine how to vote the proxy in the best interests of Clients, including, but not limited to, consulting with the legal department, outside counsel, a proxy consultant or the investment professionals responsible for the relevant portfolio company. In each instance, when exercising its voting discretion, Apollo Commodities Management will seek to avoid any direct or indirect conflict of interest between Clients and its voting decision.

A copy of the proxy voting policy is available to Clients upon request. Further, upon request, Clients will be provided with a record of how proxies have been voted.

## **ITEM 18**

### **Financial Information**

This Item 18 is not applicable. Apollo Commodities Management is not required to include a balance sheet for its most recent fiscal year, is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past ten years.

**ITEM 19**  
**Requirements for State-Registered Advisers**

This Item 19 is not applicable.