
Apollo Management, L.P.

FORM ADV PART 2A

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Business Address

9 West 57th Street, Suite 4300
New York, New York 10019

Website: www.apollolp.com

Contact Information

Cindy Z. Michel, Esq.
Chief Compliance Officer
Phone: (212) 515-3200
Fax: (646) 607-0539
9 West 57th Street, Suite 4300
New York, New York 10019
cmichel@apollolp.com

This brochure (“Brochure”) provides information about the qualifications and business practices of Apollo Management, L.P. (“Apollo Management”). If you have any questions about the contents of this 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 Management is also available on the SEC’s website at www.adviserinfo.sec.gov.

Apollo 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 Management routinely makes changes throughout its Brochure in an effort to improve and clarify the descriptions of its and its affiliates' business practices and compliance policies and procedures or in response to evolving industry and firm practices.

Set forth below are those changes that Apollo Management believes reflect material changes since its last annual update of this Brochure filed on March 30, 2016.

- Item 5 – Fees and Compensation: Updated information and disclosure regarding fees, specifically the treatment of fees received from a management consulting agreement upon a change of control of a portfolio company.
- Item 9 – Disciplinary Information: On August 23, 2016, without admitting or denying any wrongdoing, certain advisory affiliates of Apollo Management consented to the entry of an order to cease and desist from committing or causing any violations and future violations of Section 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder.
- Item 10 – Other Financial Industry Activities and Affiliations: Apollo Commodities Management, L.P. has withdrawn from registration as an SEC registered investment adviser, effective March 31, 2017. The investment managers to the funds, single investor funds and separately managed accounts that fall within Apollo's commodities business segment will continue to provide advisory services and will be added as registered investment advisers relying on Apollo Management, L.P.'s investment adviser registration with the SEC pursuant to the SEC's Division of Investment Management staff guidance issued in a no-action letter dated January 18, 2012 (the "ABA No-Action Letter").

ITEM 3

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ITEM 4

Advisory Business

Apollo Global Management, LLC, a Delaware limited liability company, (“AGM”), and together with its affiliates, “Apollo”) is a global alternative investment manager that is publicly listed on the New York Stock Exchange under the symbol “APO.” Founded in 1990, Apollo is led by its managing partners, Leon Black, Joshua Harris, and Marc Rowan, who have worked together for more than 30 years. Apollo’s primary business is to raise, invest and manage private equity, credit, and real estate funds, as well as single investor funds (“SIFs”) and managed accounts, on behalf of pension, endowment, and sovereign wealth funds, and other institutional and high net worth individual investors. Apollo has three primary business segments: (1) *Private Equity*, which primarily invests in control equity and related debt instruments, convertible securities, and distressed debt investments; (2) *Credit*, which primarily invests in non-control corporate and structured debt instruments including performing, stressed, and distressed investments across the capital structure; and (3) *Real Estate*, which primarily invests in real estate equity for the acquisition and recapitalization of real estate assets, portfolios, platforms and operating companies, and real estate debt including first mortgage and mezzanine loans, preferred equity, and commercial mortgage backed securities.

Apollo Management is an indirect subsidiary of Apollo that manages Apollo’s private equity business and controls the private equity managers (collectively, with Apollo Management, the “Apollo Private Equity Managers”) to the funds, parallel funds, alternative investment vehicles, feeder funds, and any special purpose vehicles (collectively referred to as “Apollo Private Equity Funds”) that fall within Apollo’s private equity segment. The Apollo Private Equity Managers also serve as investment managers to various co-investment vehicles structured to facilitate investments by affiliated and third party co-investors alongside Apollo Private Equity Funds (“Co-Investment Vehicles”). The Apollo Private Equity Funds and Co-Investment Vehicles are collectively referred to as “Clients.”

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, senior secured bank debt, second lien debt, high-yield debt, trade debt and bank loans. Investments are sought across a range of industries and markets, including the natural resources industry. In addition, the Apollo Private Equity Managers, either directly or indirectly through one or more special purpose vehicles, cause their Clients to engage in financing arrangements such as total return swaps and repurchase agreements, which allow certain Apollo Private Equity Funds to derive economic and other benefits of owning one or more assets without retaining legal ownership of such assets. Finally, in connection with certain investments, the Apollo Private Equity Funds employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, currency exchange rates, and commodities. The Apollo Private Equity Managers are registered with the SEC as investment advisers relying on Apollo Management’s investment adviser registration pursuant to the ABA No-Action Letter.

As described in Item 10, the Apollo Private Equity Managers are affiliated with the managers of Apollo’s credit and real estate business segments (collectively, with Apollo Private Equity Managers, the “Apollo Managers”). The Apollo Managers serve as the investment managers to

several funds, SIFs and managed accounts (collectively referred to as “Apollo Funds”). The Apollo Managers intend to conduct their activities in accordance with the Advisers Act. Employees of the Apollo Managers and any other persons acting on their behalf are subject to the supervision and control of Apollo Management or its affiliates, as applicable.

Investment Advisory Relationship

The advisory relationship between each Client and the relevant Apollo Private Equity Manager is governed by their respective investment management agreement (each, a “Management Agreement”). Management Agreements are generally negotiated among related parties and, as such, their terms, including the fees payable to the Apollo Private Equity Managers, may not be as favorable to the Clients as if they had been negotiated with an unaffiliated, unrelated third party. However, note that certain limited partners or shareholders negotiate terms (including Management Fees payable to the Apollo Private Equity Managers and carried interest payable to applicable general partners) through the negotiation of the limited partnership agreement, side letters or similar documents.

Without prior consultation with Clients, the Apollo Private Equity Managers will provide investment management services to additional private pooled investment vehicles that are offered to investors on a private placement basis. In connection with providing investment management services, the Apollo Private Equity Managers are appointed as investment advisers with discretionary trading authorization for the investment vehicles. Investors may also be solicited to invest in one or more Apollo Funds.

The Apollo Private Equity Managers have full discretionary authority with respect to the investment decisions of their Clients; however, their advice is provided in accordance with the investment objectives and guidelines set forth in each Client’s governing documents.

The investments of the Apollo Private Equity Funds are subject to certain diversification and geographic limitations as set forth in the governing documents of the Apollo Private Equity Funds. Further, the respective general partners enter into side letters with certain limited partners of the Apollo Private Equity Funds that impose further restrictions on investing in certain types of securities, countries, geographies, or businesses with respect to such limited partners in order to meet certain legal, tax, regulatory, internal policy or other requirements or requests of such limited partner, subject to certain exceptions set forth in such governing documents.

Co-Investments

Subject to allocation considerations discussed in Item 6 below, the Apollo Private Equity Managers offer opportunities for co-investment. While the Apollo Private Equity Managers are under no obligation to offer co-investment opportunities, if offered, such co-investment opportunities are offered to (i) other Clients, (ii) investors in any Client (or any of such investor’s beneficial owners), (iii) management or employees of the relevant portfolio company, consultants and advisors with respect to such portfolio company or other persons associated with such portfolio company, (iv) joint venture partners or (v) other persons, including, without limitation, persons or entities whom the relevant Apollo Private Equity Manager or its affiliates believes will be of benefit to a Client or one or more portfolio companies or who provide a

strategic sourcing or similar benefit to Apollo, the Client, a portfolio company or one or more of their respective affiliates due to industry expertise, regulatory expertise, end user expertise or otherwise (including, without limitation, private equity funds sponsored by persons other than Apollo) (collectively, “Co-Investors”). In certain instances, the Apollo Private Equity Managers offer a co-investment opportunity to one or more of the categories of Co-Investors described above without offering such opportunity to the other categories.

The Apollo Private Equity Managers and their affiliates charge management fees (“Management Fees”) and other fees to, or receive carried interest from, such Co-Investors or Co-Investment Vehicles.

Apollo Private Equity Managers generally do not co-invest in any Apollo Private Equity Funds. In certain instances, Apollo Private Equity Managers make *de minimis* investments in Apollo Private Equity Funds. Additionally, certain affiliates of Apollo co-invest in Apollo Private Equity Funds. However, Apollo’s principals, officers, and employees and certain of Apollo’s affiliates have direct and indirect investments of their own capital in certain Apollo Private Equity Funds through, for example, employee Co-Investment Vehicles, direct investments, deferred compensation agreements, performance allocation, and carried interest.

Strategic Partnership

The Apollo Private Equity Managers or their affiliates have entered into strategic partnerships directly or indirectly with investors that commit, contribute, allocate or co-invest significant capital to a number of Apollo products, investment ideas and asset classes. These arrangements include Apollo granting certain preferential terms to such investors, including a waiver or reduction of management fees and/or a blended management fee, and carried interest rates that are lower than those applicable to, or in the Clients in which, such strategic partnership investors invest or entering into co-investment relationships with such investors. In addition, investors in strategic partnerships may be represented on an advisory board of a Client.

The preferential terms provided to strategic partnership investors are generally not subject to “most favored nation” provisions in the applicable Client’s governing documents. For example, when a strategic partnership invests in a Client on the same general terms as other investors in that Client, but receives a lower blended management fee or carried interest rate because of the relationship of the strategic partnership investor to Apollo as a whole, the lower blended fees (and any other preferential terms received by the strategic partnership investor) will not be subject to the Client’s “most favored nation” provisions. Potential conflicts of interest involving members of Client’s advisory boards are discussed in Item 10.

The information provided above about the investment advisory services provided by the Apollo Private Equity Managers is qualified in its entirety by reference to the relevant Client governing documents.

As of December 31, 2016, Apollo Management manages \$46,166,270,460.24 in Client assets on a discretionary basis and no Client assets on a non-discretionary basis.

ITEM 5

Fees and Compensation

Management Fees

The Apollo Private Equity Managers and their affiliates receive Management Fees from Clients. The specific payment terms and other conditions of the Management Fees available to the Apollo Private Equity Managers are set forth in the applicable governing documents. Generally, the Management Fee is calculated as follows: (i) during the commitment period (e.g., the period during which the general partner calls capital from limited partners for portfolio investments) the Management Fee is calculated as a percentage of aggregate capital commitments of fee-bearing investors; (ii) after the expiration of the commitment period, the Management Fee is calculated as a percentage of the adjusted cost of all unrealized investments attributable to fee-bearing investors; and (iii) over the entire life of the Client and not just after the expiration of the commitment period, the Management Fee is calculated as a percentage of the adjusted cost of all unrealized investments attributable to fee-bearing investors. Management Fees are generally paid to the Apollo Private Equity Managers by deducting such fees from the applicable Client account or directly billing the Client.

Apollo Investment Fund IV, L.P. ("AIF IV") no longer pays Management Fees to Apollo Management IV, L.P. and Apollo Investment Fund V, L.P. ("AIF V") no longer pays Management Fees to Apollo Management V, L.P. AIF V, Apollo Investment Fund VI, L.P. ("AIF VI"), Apollo Investment Fund VII, L.P. ("AIF VII"), Apollo Investment Fund VIII, L.P. ("AIF VIII"), Apollo Natural Resources Partners, L.P. ("ANRP"), and Apollo Natural Resources Partners II, L.P. ("ANRP II") and Apollo Special Situations Fund, L.P. ("Special Situations") are assessed an annual Management Fee which is payable either six months in advance or quarterly in advance of the period for which the Management Fee is charged.

The Management Agreements of the Apollo Private Equity Funds are terminated upon the winding-up of the Apollo Private Equity Fund or in the event a specified percentage of limited partners vote to: (i) remove the general partner after a "cause" event as described in the limited partnership agreement of the applicable Apollo Private Equity Fund, or (ii) dissolve the Apollo Private Equity Fund. Prepaid Management Fees will not be returned to the Clients in the event of termination of the Management Agreement.

Carried Interest

In addition, an affiliate of an Apollo Private Equity Manager serving as a general partner of each Apollo Private Equity Fund is entitled to receive a carried interest allocation from the Apollo Private Equity Fund for which it serves as general partner. The carried interest distribution will generally be an amount equal to a percentage of the profits from each portfolio investment made by such Apollo Private Equity Fund after the return of allocable invested capital (including allocable Management Fees, organizational expenses, and operating expenses) and a preferred return to limited partners. All carried interest distributions payable to the general partners of the Apollo Private Equity Funds will be consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder. As described more fully below, an Apollo Private Equity Manager or affiliate receives fees as consideration for other services it provides.

The specific payment terms and other conditions of carried interest are set forth in the relevant governing documents.

Apollo Private Equity Funds

Management Fees, and other fees paid by the Apollo Private Equity Funds to the Apollo Private Equity Managers, are not generally negotiated with the Client but certain limited partners or shareholders negotiate terms (including Management Fees payable to the Apollo Private Equity Managers and carried interest payable to applicable general partners) through the negotiation of the limited partnership agreement, side letters or similar documents. Similarly, carried interest allocated to the general partners of the Apollo Private Equity Funds is not generally negotiated with the Client but certain limited partners or shareholders negotiate terms (including Management Fees payable to the Apollo Private Equity Managers and carried interest payable to applicable general partners) through the negotiation of the limited partnership agreement, side letters, or similar documents. In certain limited circumstances, however, the Apollo Private Equity Managers negotiate such fees with strategic partnerships, limited partners, and shareholders. With respect to private investment funds that the Apollo Private Equity Managers raise in the future, certain limited partners or shareholders negotiate terms (including Management Fees payable to the Apollo Private Equity Managers and carried interest payable to applicable general partners) through the negotiation of the limited partnership agreement, side letters or similar documents.

The limited partnership agreements of the Apollo Private Equity Funds generally provide that the general partner allocate capital from the capital accounts of limited partners to pay Management Fees and carried interest to the applicable Apollo Private Equity Manager and/or the general partner of the fund. The general partners of the Apollo Private Equity Funds generally elect to apply distributable proceeds from the sale of an investment to pay Management Fees.

The applicable general partner and/or applicable Apollo Private Equity Manager generally have the unilateral discretion to waive or modify the application of certain provisions of the governing documents for an Apollo Private Equity Fund with respect to an investor (including those related to fees, performance allocations, transparency, and withdrawals) without obtaining the consent of any other investor. The applicable general partner and Apollo Private Equity Manager generally do not receive all Management Fees and performance-based compensation from feeder funds formed for the benefit of Apollo principals and employees of the Apollo Private Equity Managers and their affiliates, as well as family members.

Expenses Charged to Clients

Organizational Expenses. Subject to its governing documents, each Client pays or otherwise bears all fees, costs, expenses, and other liabilities incurred in connection with the formation and organization of, or sale of interests in such Client, its general partner or similar person and/or investment manager, including commissions, costs, and all out-of-pocket legal, accounting, filing, capital raising, printing, electronic database, travel (which may include expenses for the use of private aircraft, first class, or business class travel), accommodations, meals, and other similar fees, costs, and expenses (collectively, the “Organizational Expenses”). Certain Client governing documents include a limit on the amount of Organizational Expenses that are to be

borne by the Client. In addition, Organizational Expenses associated with a Co-Investment Vehicle organized in connection with a particular portfolio investment are borne by such portfolio investment, and therefore, indirectly by investors in such portfolio investment, including, without limitation, the applicable Client and such Co-Investment Vehicle.

Operating Expenses. Subject to its governing documents, each Client pays or otherwise bears all of the direct and indirect fees, costs, expenses, liabilities, and obligations resulting from or arising in connection with its operations (collectively, the “Operating Expenses”). In certain circumstances and subject to the applicable governing documents, Operating Expenses are paid by the portfolio company of a Client. The Operating Expenses of a particular Client are set forth in its governing documents and/or through side letters and may include, without limitation, the following fees, costs, and expenses related to or arising from:

- (i) the discovery, evaluation, investigation, development, acquisition, or consummation, ownership, maintenance, monitoring, hedging, or disposition of portfolio investments, which includes:
 - brokerage commissions;
 - clearing and settlement charges;
 - private placement fees;
 - syndication fees;
 - solicitation fees;
 - arranger fees;
 - sales commissions;
 - pricing and valuation fees including appraisal fees;
 - underwriting commissions and discounts;
 - investment banking fees;
 - advisory fees;
 - bank charges;
 - other investment costs and expenses related to closing, execution, and transaction costs; and
 - custodial, trustee, transfer agent, recordkeeping and other administrative fees;
- (ii) services rendered to or in connection with financing provided to issuers of securities (such as arranger, brokerage, placement, syndication, solicitation or underwriting, agency, origination, sourcing, structuring, collateral management, or other fees, discounts, spreads, commissions, and concessions) paid (1) to (x) service providers affiliated with AGM, certain Clients and/or their portfolio companies who provide services to Clients or their portfolio companies or investments (each, an “Affiliated Service Provider”) or (y) another person with respect to services rendered by such Affiliated Service Provider, or (2) by any portfolio company or issuer of any securities that constitute a portfolio investment in respect of which a Client does not have control;
- (iii) any investments and/or securities that are managed by either the general partner or manager of such Client or any of their respective affiliates (including an investment

- in another Client) that are acquired by such Client including Management Fees, Operating Expenses, carried interest earned by any such person or that are otherwise borne by such investments and/or securities;
- (iv) any credit facility, guarantee, letter of credit or similar credit support, or one or more other similar financing transactions involving any portfolio company, including interest arising out of such borrowings and indebtedness;
 - (v) the evaluation of potential portfolio companies (irrespective of whether any such investment is ultimately consummated), including broken-deal expenses and reverse breakup fees;
 - (vi) attending conferences in connection with the evaluation of potential portfolio companies or business sector opportunities, irrespective of whether any such transaction is ultimately consummated;
 - (vii) risk management assessments and analyses of such Client's assets;
 - (viii) any other expenses of investments that are not consummated, which may include certain advisory, transaction, closing, consulting, and other similar fees paid to the manager of such Client or such manager's affiliates and other persons;
 - (ix) any travel-related expenses (which includes travel expenses for the use of private aircraft, first class, or business class travel) related to or arising from the discovery, evaluation, investigation, development, acquisition, consummation, ownership, maintenance, monitoring, hedging, or disposition of portfolio companies, including potential portfolio companies;
 - (x) taxes and other governmental charges incurred or payable by such Client;
 - (xi) the services of actuaries, accountants, advisors, auditors, administrators, brokers (including prime brokers), counsel, custodians, valuation experts, and other service providers that provide services to such Client, and legal expenses incurred in connection with claims or disputes related to actual, unconsummated, or proposed portfolio companies;
 - (xii) the services of professionals (including Apollo Investment Consulting, LLC, an affiliate of Apollo, and other U.S. or non-U.S. entities utilized by affiliates of Apollo (collectively, "Apollo Consulting"), that facilitate strategic arrangements with, or engagements (including on an independent contractor or employment basis) of, industry executives, advisors, consultants, operating executives, subject matter experts, or other individuals or entities acting in a similar capacity) who provide services to such Client, portfolio companies or to issuers of securities. Such arrangements are negotiated on an arm's-length basis and the Apollo Private Equity Managers have sole discretion to determine whether a Client shall engage such services;

- (xiii) obtaining research, information service subscriptions, and other information for the benefit of such Client, as well as expenses incurred to operate and maintain systems used to obtain such research and other information (such as phone and internet charges);
- (xiv) developing, implementing, or maintaining computer software and technological systems for the benefit of such Client, its investors, or its portfolio companies (including potential portfolio companies);
- (xv) maintaining such Client and any of its subsidiary entities, including fees, costs and expenses incurred in the organization, operation, and restructuring of such subsidiary entities;
- (xvi) insurance allocated to such Client (including Apollo's group insurance policy, general partner's, directors' and officers' liability, or other similar insurance policies, errors and omissions insurance, financial institution bond insurance, and any other insurance for coverage of liabilities to any person that are incurred in connection with activities of such Client, litigation expenses (including expenses incurred in connection with the investigation, prosecution, defense, judgment, or settlement of litigation) and other extraordinary expenses (including fees, costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles ("GAAP"));
- (xvii) preparation of all reports to such Client's investors or advisory board (including all fees, costs, and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial, or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting, or fund administration reporting functions (including expenses associated with the preparation of financial statements, tax returns, and Internal Revenue Service Schedules K-1 or any successors thereto and the tax matters partner's representation of such Client or its investors);
- (xviii) any meetings of the Client, the Client's investor(s), the Client's advisory board, the Client's board of directors, committees or conflicts review agent (including expenses for airfare, accommodations, meals, events, entertainment, and other similar fees, costs, and expenses);
- (xix) such Client's indemnification obligations (including any fees, costs, and expenses incurred in connection with indemnifying covered persons consistent with such Client's governing documents and advancing fees, costs, and expenses incurred by such covered persons in defense or settlement of any claim that may be subject to a right of indemnification under such Client's governing documents);
- (xx) compliance with any applicable law, rule, or directive, including the European Union Alternative Investment Fund Manager Directive ("AIFMD") or any other regulatory requirement (including regulatory filings, "blue sky" filings, and related out-of-pocket or other expenses of such Client, its general partner or similar person, and/or

- investment adviser, including, but not limited to, Form PF filings and any compliance or filings related to such law, regulation, or directive) and expenses related to or in connection with any governmental inquiry, investigation, or proceeding involving such Client (including the amount of any judgments, settlements, or fines paid in connection therewith), which includes legal fees, costs, and expenses;
- (xxi) a default by a defaulting investor of such Client to the extent not paid by the defaulting investor;
 - (xxii) a sale, assignment, pledge, or transfer of an investor's interest in such Client or an investor's withdrawal, admission, or acquisition of interests as permitted under such Client's governing documents to the extent not paid by the investor and/or the applicable purchaser, assignee, pledgee, or transferee;
 - (xxiii) any amendments, modifications, revisions, or restatements to the governing documents of such Client, or its general partner or similar person, and/or investment adviser;
 - (xxiv) any distributions to investors;
 - (xxv) such Client's borrowings and indebtedness (including interest and the fees, costs, and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of such Client), secured by mortgage, pledge, or other lien on any assets of the Client or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio company or its acquisitions;
 - (xxvi) administration and operation of such Client, including the preparation and maintenance of the books and records of such Client (including internal costs that the manager of such Client incurs to produce such Client's official books and records, external costs in cases where the manager hires a third-party administrator to maintain such Client's official books and records, and any costs to the manager to oversee and manage such third-party administrator), and any special purpose vehicle, including fees and expenses incurred in the organization of special purpose vehicles;
 - (xxvii) the dissolution, winding-up, and termination of such Client;
 - (xxviii) such Client's feeder funds and subsidiary entities;
 - (xxix) negotiating and entering into and compliance with side letters or other agreements with particular investors in Clients and "most favored nations" election processes in connection therewith;
 - (xxx) such Client's investors that are feeder funds or conduit vehicles that are formed for the purpose of investing in the Client and not affiliates of the Apollo Private Equity Managers; and

- (xxxi) any fees, costs, or expenses related to co-investments (irrespective of whether such co-investments are ultimately consummated), such as broken deal expenses and reverse break-up or termination fees, that are not borne by actual or prospective Co-Investors.

The foregoing categories of fees, costs, expenses, and other liabilities are generally considered Operating Expenses, regardless of whether the person or entity providing the service giving rise to such fees, costs, expenses, or other liabilities is associated with the Client or is a third party. Any person associated with the Client is entitled to reimbursement from such Client or its portfolio company for any Operating Expenses paid and/or incurred by them on behalf of such Client. Apollo Private Equity Managers have discretion to seek reimbursement for Organizational Expenses and Operating Expenses and in certain circumstances choose not to seek reimbursement from certain Clients. If any service provider provides services to a Client on the property of an Apollo Private Equity Manager, such Client may also be responsible for any overhead, rent, or other fees, costs, and expenses charged by the Apollo Private Equity Managers in connection with the on-site arrangement.

The Apollo Private Equity Managers from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to the Apollo Private Equity Managers and their affiliates. For example, certain law firms retained by Apollo Management discount their legal fees for certain legal services, such as legal advice in connection with operational, compliance, and related matters. To the extent such law firms also provide legal services to Clients, such Clients also enjoy the benefit of such fee discount arrangements. Legal services rendered for investment transactions, however, are typically charged to the Apollo Private Equity Managers and their Clients without a discount or at a premium. Legal fees for unconsummated transactions are generally charged at a discount.

Not all Clients are subject to the same fees, costs, and expenses. For example, the Apollo Private Equity Managers enter into arrangements with, and compensate, unaffiliated third parties for investor referrals to the Apollo Private Equity Funds. 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. Generally, the terms of such arrangements vary and allow the Apollo Private Equity Manager to cause the applicable Apollo Private Equity Fund to pay the solicitor or placement agent a placement fee equal to a percentage of the Management Fee borne by each investor introduced to an Apollo Private Equity Fund by the solicitor or placement agent and reimburse such solicitor or placement agent for expenses incurred by either of them in connection with such arrangements. In these cases, and where contemplated by the applicable governing documents, the applicable Apollo Private Equity Manager reduces its Management Fee on a dollar-for-dollar basis to the extent any such placement agent fees and related costs and expenses are borne by the Client.

Allocation of Expenses. The Apollo Private Equity Managers and their affiliates from time to time incur fees, costs, and expenses on behalf of one or more Clients. To the extent such fees, costs, and expenses are incurred for the account or benefit of more than one Client, each Client bears an allocable portion of any such fees, costs and expenses (subject to the terms of each Client's applicable governing documents) in such manner as the Apollo Private Equity Manager in good faith determines. Apollo Private Equity Managers endeavor to allocate such fees, costs,

and expenses on a fair and reasonable basis over time. See also “Terms of Co-Investments” in Item 6. Notwithstanding the foregoing, the Apollo Private Equity Managers may in the future develop policies and procedures to address the allocation of expenses that differ from its current practice. Apollo’s Expense Allocation Steering Committee is responsible for the overall expense allocations and the related methodologies for Apollo and the Clients managed by the Apollo Private Equity Managers. For example, approximately 90% of the premiums with respect to Apollo’s group professional liability insurance policy are currently allocated among all Clients covered under such policy, while the remaining portion is borne by Apollo.

Apollo Consulting. As mentioned in “Operating Expenses” above, Clients bear the fees, costs, or expenses of certain services provided by Apollo Consulting. Clients for which Apollo Consulting provides services pay or otherwise bear Apollo Consulting’s fees, costs, and expenses incurred in connection with its engagement of consultants and any other Operating Expenses (including its overhead expenses). In addition, to the extent these consultants serve as a board member or in a similar capacity of a portfolio company, these consultants receive multiple sources of compensation, including from both a Client and directly from a Client’s portfolio company for specific services provided with respect to that company (e.g., fees received for serving as a director, trustee, or in a similar capacity of the company). Consultants are entitled to retain those sources of compensation and such compensation does not reduce the fees paid by a Client to Apollo Managers. Further, any determinations relating to Apollo Consulting or other consultants to be engaged by a Client or any portfolio company (or by the Apollo Private Equity Manager or its affiliate on behalf of such Client or portfolio company), will, in each case, be made by the Apollo Private Equity Managers in good faith.

Special Fees and Management Fee Offsets

The Apollo Private Equity Managers or their affiliates receive management consulting fees, investment banking fees, advisory fees, breakup fees, directors’ fees, closing fees, transaction fees related to the negotiation of the acquisition of a portfolio company, and similar fees (including interest, commitment or other fees received in connection with bridge financing fees) whether in cash or in kind, including options, warrants, and other non-cash consideration, in connection with certain Clients’ respective actual or contemplated investments (collectively, “Special Fees”).

Management consulting fees typically consist of recurring fees paid to an Apollo Private Equity Manager for providing consulting services to portfolio companies. Depending on the governing documents of a Client, management consulting fees generated in connection with a given investment may be applied (up to 100%) to reduce the Management Fees payable by the Client(s) that participated in that investment.

In the event of an initial public offering, change of control, or other disposition of the portfolio company, management consulting fees will continue to be paid so long as the applicable Client continues to hold an other than *de minimis* position in such portfolio investment and the Apollo Private Equity Managers continue to provide the consulting services.

However, where the Apollo Private Equity Managers hold a *de minimis* position or have divested themselves completely from the position and no longer provide consulting services to the

portfolio company, the Apollo Private Equity Managers will not receive early termination fees or accelerated management consulting fees without the approval of the Client's advisory board. In the absence of an advisory board, the investors, majority in interest of such investors or duly appointed representatives of the applicable Client provide such approval.

Special Fees not allocated to a participating Client, fee-paying Co-Investor or a Client without a management fee offset (such as a non-fee paying Co-Investor) will be retained by the applicable Apollo Private Equity Manager. Generally, Special Fees are first allocated pro rata among Clients participating in the portfolio investment giving rise to such Special Fees based on their respective proposed commitments to or shares of the capital provided for such portfolio investment (or if such portfolio investment is not made, that was expected to be provided). Once the Client has been allocated its pro rata portion of such Special Fees, such fees are further allocated pro rata among all of the investors in such Client based on their respective proposed commitments to or shares of the capital provided for such portfolio investment (or if such portfolio investment is not made, that was expected to be provided) and the amount so allocated to the management fee-bearing investors is applied to reduce the amount of management fees payable to the extent provided in the Clients governing documents.

If amounts to be applied to reduce the Management Fees paid by such management fee-bearing Clients in any fiscal quarter exceed the Management Fee payable for such fiscal quarter, such excess is typically credited against the Management Fee payable in the next fiscal quarter and each succeeding fiscal quarter thereafter until the entire amount of the excess has been credited. To the extent such excess is greater than the amount of Management Fees due for all future periods, such excess will generally be for the benefit of the Apollo Private Equity Manager or credited to investors depending on the Clients' governing documents.

Certain Clients' applicable governing documents do not contemplate the allocation of Special Fees as described above. Apollo Private Equity Managers may elect to give such Clients the benefit of an offset. In such case, certain Management Fee-bearing Clients and/or Co-Investors (or the Management Fee-bearing investors in a Client) will not be allocated more than their pro rata portion, as applicable.

The following fees paid to the affiliates of Apollo Private Equity Managers generally do not constitute Special Fees (and are, therefore, generally not applied to offset Management Fees):

- (i) Operating Expenses;
- (ii) Organizational Expenses;
- (iii) salary, fees, or other compensation of any nature paid by a portfolio company to any individual (or to such Client's investment adviser or one of its affiliates with respect to such individual) who acts as an officer of or in an active management role at such portfolio company (including industry executives, advisers, professionals, operating executives, subject matter experts, or other persons acting in a similar capacity engaged or employed by Apollo Consulting but excluding investment professionals employed by Apollo primarily engaged in the investment activities of Clients) any fees, costs, or expenses paid to Apollo Consulting itself;

- (iv) fees, costs and expenses, such as arranger, brokerage, placement, syndication, solicitation or underwriting, agency, origination, sourcing, structuring, collateral management, special purpose vehicle (including any special purpose vehicle of a portfolio investment), subsidiary management or administration, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, but not merger and acquisition transaction advisory services fees related to the negotiation of the acquisition of a portfolio investment paid to an Affiliated Service Provider or another person with respect to services rendered by an Affiliated Service Provider;
- (v) any fees, costs, and expenses for any and all services whatsoever (including transaction advisory services) paid or otherwise borne by any portfolio investment or issuer of any securities that constitute a debt investment or an investment with respect of which no Apollo affiliate exercises direct control with respect to the decision to engage the services giving rise to such fees, costs and expenses;
- (vi) amounts earned by or for the account of any other Clients (directly or indirectly) through an expenses offset mechanism;
- (vii) any fees, costs, expenses, or other amounts of compensation (including Management Fees, Operating Expenses, carried interest) earned by any person or otherwise borne with respect to investments and/or securities that are managed by such Client's investment manager or any of their respective affiliates (including an investment in another Client) that are acquired by the Client in the secondary market;
- (viii) fees, costs, expenses, or other amounts of compensation earned by any person or otherwise borne with respect to investments or transactions that are otherwise consented to or approved by such Client's advisory board; and
- (ix) fees costs and expenses determined in good faith by the Apollo Private Equity Managers to be similar in nature to any of the above mentioned ones.

ITEM 6

Performance-Based Fees and Side-by-Side Management

As discussed in Item 5 above, the Apollo Private Equity Managers and their affiliates often receive performance-based compensation (e.g., carried interest), Management Fees and other fees from Clients. Although there are certain exceptions, each affiliate of an Apollo Private Equity Manager that serves as a general partner of an Apollo Private Equity Fund is generally entitled to receive performance-based compensation from such Apollo Private Equity Fund.

The receipt of performance-based compensation from Clients creates an incentive for the Apollo Private Equity Managers to make more speculative investments on behalf of Clients than they might otherwise make in the absence of such performance-based compensation.

Similarly, the Apollo Private Equity Managers charge Management Fees to Clients that vary. Different Management Fees incentivize Apollo Private Equity Managers to dedicate increased resources and allocate more profitable investment opportunities or best investment ideas to

Clients who are charged Management Fees (or performance-based compensation arrangements) that are more profitable for the Apollo Private Equity Managers.

The Apollo Private Equity Managers have adopted and implemented Apollo's policies and procedures described below to mitigate conflicts of interest relating to the management of multiple Clients with varying fee arrangements.

Investment Allocations

Allocation Among Clients. The Apollo Private Equity Managers are committed to allocating investment opportunities among their Clients in a manner that, over time, is fair and equitable and have adopted policies and procedures to guide the determination of such allocations. Those policies and procedures seek to mitigate the potential that an Apollo Private Equity Manager will allocate investment opportunities to Clients in a self-interested manner.

The Apollo allocation policies and procedures have established:

- (i) the AGM allocations committee (the "AGM Allocations Committee") to, among other things: (a) determine the suitability of a potential investment opportunity for a particular Client, taking into consideration the factors discussed below; (b) review any opportunities involving potential third-party Co-Investors and any opportunities involving a multi-strategy managed account; (c) review the actions taken by sub-committees of the AGM Allocations Committee (the "Allocations Sub-Committees") and conflicts of interest that cannot be resolved by the Allocations Sub-Committees; and (d) review such conflicts that cannot be resolved by the portfolio managers, resolve potential conflicts of interest that arise where multiple Clients hold interests (including outright positions in issuers and exposure to such issuers derived through any synthetic and/or derivative instrument) in multiple tranches of securities of any issuer (or other interests of an issuer) or multiple Clients having interests in the same tranche of an issuer;
- (ii) the Allocations Sub-Committees to (a) review and approve proposed allocations of investment opportunities among Apollo business units; and (b) review the allocation of opportunities to Apollo Funds; and
- (iii) allocation guidelines on which such committees base their allocation decisions.

Generally, an investment opportunity will be allocated to a Client if the opportunity reasonably falls within such Client's mandate or is otherwise deemed suitable by the relevant portfolio manager, investment committee, AGM Allocations Committee, or the Allocations Sub-Committees. If an investment opportunity falls within the mandate of, or is otherwise deemed suitable for, two or more Clients, and it is not possible to fully satisfy the investment interest of all such Clients, the investment opportunity will generally be allocated pro rata based on the size of each Client's original investment interest generally based on each Client's available capital or net asset value.

However, many other factors influence order allocation decisions, including, without limitation:

- (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) the investment objective of such Client;
- (iii) cash availability, suitability, Client instructions, whether a purchase is being made for a specific Client, permitted leverage, and available financing for the investment opportunity (including, without limitation, taking into account the levels/rates that would be required to obtain an appropriate return);
- (iv) the likelihood of current income;
- (v) the size, liquidity, and duration of the investment opportunity;
- (vi) the seniority of loan and other capital structure criteria;
- (vii) with respect to an investment opportunity originated by a third party, the relationship of a particular Client (or the portfolio manager) to or with such third party;
- (viii) tax reasons;
- (ix) regulatory reasons;
- (x) supply or demand for an investment opportunity at a given price level;
- (xi) 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);
- (xii) whether a Client is able to commit to invest all capital required to consummate a particular investment opportunity;
- (xiii) whether the investment opportunity is a follow-on investment;
- (xiv) whether the vehicle is in the process of fundraising or is open to redemptions (in which case, notions of net asset value and available capital may be subjectively adjusted to account for anticipated inflows or redemptions);
- (xv) whether an Apollo Client's economic exposure has been swapped to or otherwise assumed by one or more other parties; and
- (xvi) such other criteria reasonably related to an 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 or the investment period or term of a Client).

In determining whether an investment opportunity falls within a Client's mandate, the relevant portfolio manager, investment committee, the AGM Allocations Committee or an Allocations Sub-Committee, as appropriate, will take into consideration that:

- (i) multiple Clients have overlapping investment objectives;
- (ii) the applicable legal documents of each Client disclaim, to greater or lesser degrees, the obligation to offer such Client investment opportunities that fall within its investment objective or mandate;
- (iii) Apollo Management 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 opportunity;
- (vi) 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
- (vii) a Client may have more than one mandate.

To the extent a Client's participation in an investment opportunity that is otherwise suitable for another Client would cause the investment to become subject to requirements and restrictions of AIFMD that could have an adverse impact on all participating investors, Apollo Private Equity Managers may determine to exclude a Client or the investors in such Client from participating in the investment opportunity.

There can be no assurance that the application of the foregoing allocation policies will result in the allocation of a specific investment opportunity to a Client or that a Client will participate in all investment opportunities falling within its investment objective. Such considerations may result in allocations of certain investments among Client accounts on other than a pro rata basis.

Allocation of Co-Investment Opportunities. The Apollo Private Equity Managers or their affiliates, in their discretion, offer opportunities to co-invest alongside one or more Clients to Co-Investor in light of, among other things, the considerations described above. Such co-investments are typically structured through Co-Investment Vehicles organized to facilitate such investments.

The Apollo Private Equity Managers and their affiliates allocate co-investment opportunities among Co-Investors in any manner they deem appropriate, taking into account those factors that they deem relevant under the circumstances, including, but not limited to:

- (i) whether a prospective Co-Investor has expressed an interest in participating in co-investment opportunities (e.g., by such investor's side letter);
- (ii) the character or nature of the co-investment opportunity (e.g., its size, structure, geographic location, relevant industry, tax characteristics, timing, and any contemplated minimum commitment threshold);
- (iii) the level of demand for participation in such co-investment opportunity;

- (iv) the ability of a prospective Co-Investor to analyze or consummate a potential co-investment opportunity on an expedited basis;
- (v) certainty of funding and whether a prospective Co-Investor has the financial resources to provide the requisite capital;
- (vi) the investing objectives and existing portfolio of the prospective Co-Investor;
- (vii) whether a prospective Co-Investor is a person whom the relevant Apollo Private Equity Manager believes will be of benefit to a Client or one or more portfolio companies or who may provide a strategic sourcing or similar benefit to Apollo, the Client, a portfolio company or one or more of their respective affiliates due to industry expertise, regulatory expertise, end user expertise or otherwise;
- (viii) the reporting, public relations, competitive, confidentiality or other issues that may also arise as a result of the co-investment;
- (ix) the legal, tax or regulatory constraints to which the proposed investment is expected to give rise; and
- (x) Apollo's own interests.

In any event, no person (including any limited partner, shareholder, or other investor of any Client) other than a Client should have any expectation of receiving a co-investment opportunity or will be owed any duty or obligation in connection therewith, and Clients (and their respective limited partners, shareholders, or other investors) should only have such expectations to the extent required by their governing documents.

Terms of Co-Investments. Co-investments will generally be made at substantially the same time as a Client's investment and on economic terms at the investment level substantially no more favorable to such Co-Investors than those on which the Client invests and any such co-investment generally will be sold or otherwise disposed of at substantially the same time as the Client's disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such Co-Investors than those on which the Client disposes of its interest in such investment. However, the Apollo Private Equity Managers may determine in good faith that other terms, proportions or timing are advisable due to legal, tax, regulatory or similar considerations or limitations, or advisable in order to facilitate a transaction. The Apollo Private Equity Managers may determine that these terms will not apply to investments by certain categories of Co-Investors, including management or employees of the relevant portfolio company, preexisting investors in such portfolio company or joint venture partners with respect to such portfolio company.

Compensation Associated with Co-Investments. The Apollo Private Equity Managers and/or any of their affiliates have discretion to: (i) receive performance-based compensation, Management Fees, or other similar fees from Co-Investors and (ii) collect customary fees in connection with actual or contemplated portfolio investments that are the subject of such co-investment arrangements. In addition, in connection with any such co-investment, the Apollo Private Equity Managers or any of their affiliates will retain the portion of the Special Fees allocable or

otherwise attributable to investments in portfolio investments by any such Co-Investors, whether or not such portfolio investments are consummated. The Apollo Private Equity Managers or their affiliates may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such performance-based compensation, Management Fees or other similar fees.

Expenses Associated with Co-Investments. With respect to consummated co-investments, Co-Investors will bear their pro rata share of fees, costs and expenses related to, among other things, the discovery, investigation, development, acquisition, consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments or the Co-Investment Vehicles through which they participate. With respect to a proposed co-investment that is not consummated, Co-Investors that are contractually committed to participate in such proposed co-investment and that agree to bear their share of any fees, costs or expenses that were incurred in connection with such proposed co-investment, including breakup fees or broken deal expenses, will bear their share of such expenses. However, in instances where Co-Investors have not yet contractually committed to a proposed co-investment or that do not agree to bear any such fees, costs or expenses, any such fees, costs and expenses shall be considered Operating Expenses and be borne by the Client to the extent the applicable governing documents of such Client permit such treatment or where disclosure of such treatment was made to the investors in such Client prior to their investment therein. To the extent such expenses cannot be borne by such Client, the applicable Apollo Private Equity Managers shall bear these expenses.

In the event that Co-Investors actually participate in a consummated co-investment through one or more Co-Investment Vehicles, they will generally bear their pro rata share of the aggregate Organizational Expenses of all such vehicles. In addition, Organizational Expenses associated with a Co-Investment Vehicle organized in connection with a particular portfolio investment are borne by such portfolio investment, and therefore, indirectly by investors in such portfolio investment, including, without limitation, the applicable Client and such Co-Investment Vehicle. Co-Investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements, where such Co-Investors include one or more members of a portfolio investment's management group. Finally, some of the Co-Investors with whom Clients co-invest may have pre-existing investments with Apollo. The terms of those pre-existing investments may differ from the terms upon which such persons may invest with Clients.

Over-Commitment. In order to facilitate the acquisition of a portfolio company, an Apollo Private Equity Manager or one or more of its affiliates may, on behalf of itself or one or more of its Clients, make or commit to make an investment in such company that exceeds the desired amount with a view to selling a portion of such investment to Co-Investors or other persons prior to or after the closing of the acquisition. In such event, Clients bear the risk that any or all of the excess portion of such investment that is not sold or sold on unattractive terms. As a consequence, the applicable Clients bear the entire portion of any break-up fee, termination fees or other fees, costs, and expenses related to such investment and hold a larger than expected investment in such portfolio company or realize lower than expected returns from such portion of such investment. The Apollo Private Equity Managers endeavor to address such risks by requiring such investments to be in the best interests of its Clients, regardless of whether any sell-down ultimately occurs. None of the Apollo Private Equity Managers or any of their

affiliates will be deemed to have violated any duty or other obligation to Clients or any of their respective investors by engaging in such investment and/or sell-down activities.

Investment Valuation and Realization

The existence of performance-based compensation and varying levels of Management Fees creates a potential conflict of interest in valuing investments and there will be situations in which the Apollo Private Equity Managers are potentially incentivized to influence or adjust the valuation of Client assets. For example, the Apollo Private Equity Managers could be incentivized to: (i) employ valuation methodologies that improve a Client's track record; (ii) minimize losses from investments that have experienced a permanent impairment that must be returned prior to an affiliate (i.e. a general partner) receiving a carried interest; or (iii) for certain Clients, employ valuation methodologies that give rise to a higher valuation in order to increase fees, such as in the case of a Management Fee that is calculated based on adjusted cost or as a percentage of the value of such Client's assets. The Apollo Private Equity Managers have adopted the following policies to address these potential conflicts.

Valuation of Client Assets. Certain assets owned by or managed for Clients are those for which there is no, or only a limited, liquid market, and the fair value of such assets is not readily determinable. There is no assurance that the value assigned to an investment at a certain time will accurately reflect the value that will be realized upon the eventual disposition of the investment.

Except as described below, Apollo Private Equity Managers intend to comply with GAAP and apply Accounting Standards Codification 820 ("ASC 820") and other relevant Financial Accounting Standards Board ("FASB") statements and guidance to the valuation of their Clients' assets and liabilities. Financial reporting that is compliant with GAAP is required to follow the requirements for valuation set forth in ASC 820, "Fair Value Measurements and Disclosures," which defines and establishes a framework for measuring fair value under GAAP and expands financial statement disclosure requirements relating to fair value measurements. In particular, the Apollo Private Equity Managers apply the ASC 820 requirement that the fair value of an asset must reflect any restrictions on the sale, transfer, or redemption of such asset—a requirement which results in the imposition of a discount when determining the fair values of assets that are subject to such restrictions. ASC 820 and other accounting rules applicable to investment funds and their assets are evolving, and additional FASB statements and guidance and additional provisions of GAAP that are adopted in the future may impose additional, or different, specific requirements as to the valuation of assets and liabilities for purposes of GAAP-compliant financial reporting. Such changes may adversely affect Clients. For example, to the extent that the rules governing the determination of the fair market value of assets change, such changes may increase the cost of fair market valuations or reduce the availability of third party determinations of fair market value.

Generally, GAAP is applied when such fair value determinations are made, except as otherwise set forth in a Client's applicable governing documents. For example, for certain Clients GAAP is not applied to the valuation of exchange-traded securities held (i) directly by Clients as portfolio companies or (ii) indirectly by Clients through special purpose vehicles or other entities not considered to be portfolio companies of such Clients. In those cases, the exchange-traded

securities may be valued for purposes of the calculation of the pro forma return ratio (as explained below) based on their average trading prices during the fifteen day period prior to and following the measurement date. Conversely, exchange-traded securities held by Clients indirectly through portfolio companies are valued in accordance with GAAP.

Where a Client is a private equity style fund, the Client's private equity-like assets may be valued at fair value or at an amount other than GAAP fair value (for example, historical cost) for financial statement reporting purposes unless the asset has suffered a permanent impairment in value for purposes of calculating fees and carried interest distributions. Valuing assets at other than GAAP valuations may result in the Apollo Private Equity Managers receiving higher (or lower) management fees than would otherwise be received if assets were valued at fair value. In addition, valuing assets at an amount other than fair value may result in the general partner of an Apollo Private Equity Fund receiving a higher (or lower) carried interest distribution or performance allocation than it would if assets are valued at fair value. If Client assets are valued at other than fair value, the Client's governing documents generally will disclose the applicable valuation methodology.

Notwithstanding the foregoing, the Apollo Private Equity Managers may determine in certain instances to assign to a particular asset a different value, determined pursuant to the applicable Client's governing documents, than the value assigned to such asset for financial reporting purposes. In particular, the Apollo Private Equity Managers do not necessarily apply GAAP when determining whether an asset's decline in value is to be treated as significant and permanent for the purposes of determining distributions (including distributions of carried interest) and Management Fees payable to or by its Clients or, as discussed further below, when valuing certain exchange-traded securities.

Accordingly, to the extent that GAAP requires any Client's assets or liabilities to be valued in a manner that differs from the terms of such Client's governing documents, such assets or liabilities will be valued: (i) in accordance with GAAP, solely for purposes of preparing the Client's GAAP-compliant audited financial statements; and (ii) in accordance with the applicable governing documents (without regard to any GAAP requirements relating to the determination of fair value) for all other purposes (including, without limitation, for purposes of determining distributions to and allocating gains and losses).

For certain Clients, the carried interest paid to such Client's general partner is subject to escrow in order to maintain a certain "pro forma return ratio." This ratio compares the amounts held in the escrow account, plus the fair value of all investments held by the Client, against unreturned capital contributions funded for investments, Management Fees, Operating Expenses, Organizational Expenses and placement fees.

Timing of Investment Realization. Distributions to the partners in the Apollo Private Equity Funds are generally calculated in a "deal-by-deal" waterfall and the general partner will not receive carried interest until the limited partners receive distributions equal to their share of write-downs not taken into account in prior distributions. This creates an incentive for the general partner and applicable Apollo Private Equity Manager to avoid writing down the value of assets that are not readily marketable or difficult to value, because the general partner will be in a position to receive a higher carried interest. In addition in the case where distributions-in-kind

are made to a Clients' investors, the general partner or applicable Apollo Private Equity Manager is incentivized to employ valuation methodologies that may give rise to a higher valuation of such assets. The Apollo Private Equity Managers have adopted Apollo's written valuation policies and procedures to address potential conflicts of interests that arise in respect of the valuation of its Clients' assets.

Carried interest distributions to the general partner or similar person of an Apollo Private Equity Fund become payable earlier if profitable investments are liquidated before unprofitable investments because such a waterfall does not permit any distributions of carried interest until after the cumulative amount of distributions has covered any prior losses associated with unprofitable investments. Further, in the "catch-up" period that occurs after investors have received the applicable priority return (typically set at 8 percent per year, compounded annually), the general partner or similar person of such Apollo Private Equity Fund entitled to carried interest will typically receive between 80 and 100 percent of distributions until such time as it receives 20 percent of the fund's cumulative profits. During this period, the general partner or similar person is heavily incentivized to bring realizations forward, lock in returns, and stop the accrual of the priority return; even though the investors might achieve a better overall return if the Apollo Private Equity Fund retained the investment for a longer period of time.

To mitigate this conflict, the governing documents of the Apollo Private Equity Funds and its affiliates generally contain a requirement that the general partner make a commitment to the capital of the fund and include a "clawback" requiring the general partner to return excess distributions to investors (often at the end of the term of the fund) in the event that the general partner receives more than its carried interest percentage of profits on an aggregate basis over the life of the fund, each of which tends to mitigate the foregoing conflicts. As any clawback owed to investors of an Apollo Private Equity Fund is typically calculated on an after-tax basis under the applicable governing documents, investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess distribution to the general partner throughout the term of an Apollo Private Equity Fund.

In addition, the Apollo Private Equity Managers are incentivized to hold on to investments that have poor prospects for improvement in order to receive ongoing Management Fees in the interim and, potentially, a more likely or larger carried interest distribution if such asset's value appreciates in the future. This incentive is increased by the presence of clawbacks in certain Clients where the general partner or similar person is under an obligation to return to the Client's investors any excess carried interest distributions received by such general partner or similar person (net of taxes) upon the Client's termination.

Distribution in Kind. While the governing documents of a Client typically specify an investment period within which investments are to be consummated, there is generally more flexibility in the general partner's or similar person's discretion regarding when investments must be realized. In addition, a Client may make portfolio investments that are not advantageously disposed of prior to such Client's dissolution, either by expiration of its term or otherwise. Although the Apollo Private Equity Managers expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at termination, Clients may be forced to sell, distribute, or otherwise dispose of portfolio companies at a disadvantageous time as a result of dissolution. Further, Clients' governing documents do not typically impose a strict obligation on a Client's

general partner or liquidator to realize investments within a certain period of time after dissolution, and there can be no assurances with respect to the time frame in which the winding down and the final distribution of proceeds to investors will occur.

Subject to the governing documents of each Client, a Client may distribute interests or shares in a special purpose vehicle or liquidating trust, series, or other entity to an investor to hold portfolio investments that may not be suitable for in-kind distribution. Pending the disposition of portfolio investments from such trust, series, entity, or vehicle, the shares or interests received by the investor will be subject to asset-based or performance-based fees and other expenses.

Since assets distributed in kind are typically illiquid in nature, the potential conflicts of interest described under “Valuation of Client Assets” will also apply. Such investments may not be readily marketable or saleable and may have to be held by investors for an indefinite period of time. Widespread holding of portfolio companies, particularly of private illiquid securities, may also entail a significant administrative burden. In addition, the direct holding of certain investments may subject the holder to suit or taxes in jurisdictions in which such investments are located.

Reserves. The governing documents of most Clients will provide that distributions, including final distributions, to investors are generally subject to reserves or holdbacks for estimated accrued expenses, liabilities, and contingencies. In addition, investors would be required to return amounts distributed to them to, among other things, fund indemnification obligations. The applicable laws in certain jurisdictions require investors that received a distribution in error or in violation of such law to, under certain circumstances, re-contribute such distributions back to the respective Clients.

ITEM 7

Types of Clients

The Apollo Private Equity Managers generally provide investment advice to pooled investment vehicles (including their parallel funds and the alternative investment vehicles, feeder funds, and special purpose vehicles of any of them).

Conditions for investing in each of the Apollo Private Equity Funds, such as the minimum investment amount, are stated in each Apollo Private Equity Fund’s respective offering documents. The offering documents note that the general partner of each Apollo Private Equity Fund has discretion to reduce or waive the minimum investment amounts.

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

The minimum investment amount for limited partnership interests in AIF IV, AIF V, AIF VI, ANRP and ANRP II was \$10 million. The minimum investment in AIF VII and AIF VIII was \$15 million and the minimum investment in Special Situations is \$10 million.

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 the Apollo Private Equity Managers on behalf of Clients. This summary should not be interpreted to limit in any way Apollo Management's investment activities. Apollo Management offers advisory services, provides advice with respect to investment strategies and makes investments, including those not 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 governing documents. There can be no assurance that the investment objectives of any Client will be achieved.

Methods of Analysis

The Apollo Private Equity Managers conduct research on prospective investments. Such research generally includes, among other things, a review of the company's financial statements, comparisons with similar public and private companies, and analyzing relevant industry data (such as information on customers and suppliers). In conducting such research, the Apollo Private Equity Managers generally 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, SEC filings, company press releases, and any other material the Apollo Private Equity Managers deem relevant. The Apollo Private Equity Managers engage the services of experts and consultants to supplement their research.

Investment Strategies

Each Client's investment strategy is outlined in its applicable governing documents. The Apollo Private Equity Managers' objective is to achieve attractive risk-adjusted returns across all economic cycles. On a firm-wide basis, Apollo's investment approach is value-oriented, focusing on industries in which it has considerable knowledge and emphasizing downside protection and the preservation of capital. Clients principally seek to make control-oriented investments in undervalued franchise assets with a significant emphasis on proprietary private equity investments. The Apollo Private Equity Managers develop investment strategies based upon the following distinguishing characteristics of Apollo's firm-wide business:

Integrated Business Model with Strong Credit Expertise. The Apollo Private Equity Managers and their affiliates rely on Apollo's partners' active participation in, and experience with, credit markets to gain understanding of transaction sourcing, investing, operating and exit opportunities. Apollo's private equity, credit, and real estate businesses are operated on an integrated investment platform with no information barriers.

Buyout Investing with a Distressed Option. The Apollo Private Equity Managers have developed a three-pronged buyout approach, consisting of classic buyouts, distressed buyouts, and corporate partner buyouts. The Apollo Private Equity Managers invest in buyouts during both expansionary and recessionary economic periods. Classic buyouts include leveraged buyouts and spin-offs of non-core businesses owned by large corporations, which the Apollo Private Equity

Managers believe will function more effectively as independently managed entities. The Apollo Private Equity Managers also have experience in public to private transactions. In pursuing distressed buyout transactions, Apollo seeks to identify high-quality operating businesses with low-quality balance sheets. Distressed securities in which the Apollo Private Equity Managers invest include bank debt, public high-yield debt, and privately held instruments.

Focus on Core Industries. The Apollo Private Equity Managers believe industry-specific experience provides them with advantages in sourcing and evaluating new opportunities and adding value to portfolio companies post-investment. To that end, the Apollo Private Equity Managers focus on the following nine core industries: Chemicals; Consumer & Retail; Financial & Business Services; Consumer Services; Manufacturing & Industrial; Media, Cable & Leisure; Natural Resources; Packaging & Materials; and Telecom & Technology.

Flexible Approach to Investing Across Market Cycles. Apollo has consistently invested capital throughout economic cycles by focusing on opportunities that it believes are often overlooked by other investors. Its expertise in private equity markets, focus on core industry sectors, and investment experience allows Apollo to respond quickly to changing environments. Apollo pays close attention to the cycles that the core industry sectors are experiencing and is opportunistic in entering and exiting investments when the risk/reward profile is in Apollo's favor.

In their investment strategies, the Apollo Private Equity Managers seek to leverage their expertise in handling complex transactions, such as corporate carve-out investments, and their ability to act as strategic investors, pursuing transactions in which synergies can be realized with existing portfolio companies. As a result of Apollo's organization around core industries, it has built a network of executives and other industry participants and gained operational knowledge that it employs in managing the Clients' investments in portfolio companies and sourcing investment opportunities.

Strategies for portfolio companies 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 in connection with such strategies and investors should not invest unless they can readily bear the consequences of such loss.

Risk of Loss

Participation in 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 in a Client. The acquisition of interests or shares in an Apollo Private Equity Fund and the investments made by the Apollo Private Equity Funds and other Clients are highly speculative and involve the risks of total loss of an investor's capital.

The following risk factors are those applicable to all Clients or their investors. These risk factors do not purport to be a complete list or explanation of the risks involved in each Client. The governing documents applicable to each Client include a more detailed summary of the material risks and the investment strategy for that Client and should be read in conjunction with the risk factors identified below.

No Assurance of Investment Returns. The Apollo Private Equity Managers 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. Clients may enter into agreements or consummate transactions that involve payments, such as reverse break-up fees, that would result in substantial costs to the affected Client, and the elimination of the possibility of a return, if the transaction is not consummated.

Substantial Fees and Expenses. Clients typically pay Management Fees, Organizational Expenses, and Operating Expenses as set forth in their governing documents, whether or not they make any profits. While it is difficult to predict the future expenses of Clients, such expenses may be substantial. Please see Item 5 for additional information on fees and expenses.

Business and Market Risks. Investments can 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. The possibility of partial or total loss of capital will exist.

General Market Risks. Recent legal and regulatory changes may adversely impact Clients. The regulation of U.S. and non-U.S. securities, futures markets and investment funds has undergone substantial changes in recent years and such changes may continue. The effect of such new regulations on Clients could be substantial and adverse, and may subject Clients to increased capital requirements, fees, expenses, and limits on the types of investors they may solicit. Laws and regulations can change quickly and unpredictably in a manner adverse to the Client's interests. As a result, Clients and/or the Apollo Private Equity Managers may be subject to unduly burdensome and restrictive regulations.

The financial services industry, and the activities of private funds and their managers in particular, have been subject to increasing regulatory scrutiny. This may increase the exposure of Clients to potential liabilities and additional legal, compliance, and other related costs that, as a result, adversely affect the ability of Clients to achieve their investment objectives.

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

Regulation and Enforcement; Litigation. Clients are subject to U.S. and international regulations which could increase the costs associated with acquiring and operating Clients and the risk of regulatory examination, enforcement actions and third-party litigation. There can be no assurance that the Clients, their general partners, the Apollo Private Equity Managers, or any of

their affiliates will avoid regulatory examination, enforcement action, or third-party litigation, or adverse publicity relating to such a proceeding.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), among other things, granted regulatory authorities such as the Commodity Futures Trading Commission (the “CFTC”), the SEC and the Consumer Financial Protection Bureau with broad rulemaking and enforcement authority to implement and oversee various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives and consumer finance markets. These expanded powers have resulted in rules that could adversely affect Clients or investments made by Clients.

Title VII of the Dodd-Frank Act provided for a sweeping overhaul of the regulation of privately negotiated derivatives. The CFTC has been granted broad regulatory authority over “swaps,” which has been defined in the Dodd-Frank Act and related CFTC rules to include many derivatives. Title VII may affect a Client’s ability to enter into derivative transactions, may increase the costs in entering into such transactions, and may result in Clients entering into such transactions on less favorable terms than prior to effectiveness of the Dodd-Frank Act. For example, Clients may be required to clear certain interest rate hedging transactions by submitting them to a derivatives clearing organization. To the extent Clients are required to clear any such transactions, they will be required to, among other things, post margin in connection with such transactions. The occurrence of any of the foregoing events may have an adverse effect on Clients’ businesses and their financial returns. Additionally, the Dodd-Frank Act and the rules promulgated thereunder will require certain Clients to post margin in respect of certain non-cleared derivatives transactions. This requirement may also have an adverse effect on Clients’ businesses and their financial returns. Similar requirements and restrictions apply to international regulatory regimes, including in the European Union and throughout Asia.

Section 619 of the Dodd-Frank Act, more commonly known as the Volcker Rule, has been implemented by final interagency rules adopted in December 2013. Among other things, the Volcker Rule imposes new requirements on asset-backed securities, pooled investments in loans and other assets that U.S. banks and their affiliates are permitted to own. Although the conformance period for certain pre-2014 investments in private funds by banks has been extended to July 2017, the Volcker Rule may cause banks and their affiliates to divest existing holdings and limit new investments in non-conforming securities, thereby limiting the marketability of asset-backed and pooled investments that do not meet the new requirements established by the Volcker Rule. This may result in reduced prices or illiquidity of portfolio assets.

Clients may also indirectly be affected by the regulation of banks and other financial services firms with which the Clients do business, from which they obtain financing or other services. The regulatory regimes applicable to financial services firms with which Clients do business may increase borrowing costs or limit the terms or availability of credit or have other indirect effects such as mandatory creditor bail-in and resolution stays. As noted above, these regimes may also significantly regulate over-the-counter derivatives trading and subject Clients to restrictions and regulations due to extraterritorial impact.

These new and expanded regulations and regulatory powers may reduce returns to investors in consumer and commercial loan portfolios as a result of, among other things, additional compliance and administrative expenses, failure to obtain full repayment on portfolio loans, administrative enforcement actions and fines by state or federal regulators and civil litigation against holders of loans, and/or a reduction in the availability of appropriate loans for investment. Similarly, violations of law or regulation by the originators or servicers of consumer and commercial loans held directly or indirectly by investors could result in the originators or servicers being subject to administrative fines or penalties, borrower restitution obligations, or other consequences that could negatively impact investors in such loans.

Apollo Private Equity Managers may participate in restructuring activities where Clients invest in distressed portfolio companies. It is possible that certain Clients will become involved in litigation with respect to creditor disputes and similar issues among classes of claimants. Litigation entails expenses and the possibility of counterclaims against such Clients including their general partners and respective Apollo Private Equity Managers, and ultimately, judgments may be rendered against a Client for which such Client does not carry insurance.

Monetary Policy and Governmental Intervention. The U.S. Federal Reserve (the “Federal Reserve”) and global central banks, including the European Central Bank, have – in addition to other governmental actions to stabilize markets and seek to encourage economic growth – acted to hold interest rates to historic lows. It cannot be predicted with certainty when, or how, these policies will change, but actions by the Federal Reserve and other central bankers may have a significant effect on interest rates and on the U.S. and world economies generally, which in turn may affect the performance of the investments of Clients. Further financial crises may result in additional governmental intervention in the markets. In addition, the consequences of the extensive changes to the regulation of various markets and market participants contemplated by the legislation and increased regulation arising out of the financial crisis are difficult to predict or measure with certainty.

Non-U.S. Currency Risks. Certain Clients make investments that are denominated in non-U.S. currency and, therefore, are subject to the risk that the value of a particular currency will change in relation to one or more other currencies, including, generally, the currency in which the books of the Client are kept and currencies in which 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. The Client will incur costs in converting investment proceeds from one currency to another. Apollo Private Equity Managers may, but are under no obligation to, employ hedging techniques to minimize these risks, although there can be no assurance that such strategies will be effective. Investments in any country in which U.S. dollars are not the local currency may be affected by such changes in the value of foreign exchange between the U.S. dollar and such currency. Such changes may have an adverse effect on the value, price or income of the investment to such investors. There may also be foreign exchange regulations applicable to investments in non-U.S. currencies in certain jurisdictions.

Alternative Investment Fund Managers Directive. AIFMD provides a framework for the EU to regulate managers of alternative investment funds that are not Undertakings for the Collective

Investment of Transferable Securities (“AIFs”), but which are marketed or managed in the EU. It came into force on June 22, 2013, and was required to be implemented by member states (“EEA Member States”) of the European Economic Area (“EEA”) (in the case of EEA Member States that are not members of the EU, subject to AIFMD being incorporated into the EEA Agreement), by no later than July 22, 2013 (although some EEA Member States still have not fully transposed the AIFMD).

Since then, AIFMD has restricted the extent to which Clients can be marketed to potential investors in the EEA. AIFMD imposes significant regulatory requirements on investment managers operating within the EEA, including with respect to conduct of business, regulatory capital, valuations, disclosures and marketing, and rules on the structure of remuneration for certain personnel. AIFs (i) organized outside of both the EU and those of the additional EEA Member States which have implemented AIFMD and (ii) in which interests are marketed under AIFMD within the EEA, are subject to significant conditions on their operations.

In the immediate future, such AIFs may be marketed only in certain EEA jurisdictions and in compliance with requirements to register the AIF for marketing in each relevant jurisdiction and to undertake periodic investor and regulatory reporting including, among other items, the risk and portfolio profile of each Apollo Private Equity Fund which is marketed in that regulator’s jurisdiction. Additional requirements and restrictions apply where AIFs invest in an EEA portfolio investment, including restrictions that may impose limits on certain investment and realization strategies, such as dividend recapitalizations and distributions and reorganizations. Such rules could potentially impose significant additional costs on the operation of Apollo Management’s business or investments in the EEA and could limit Apollo Management’s operating flexibility within the relevant jurisdictions.

In some countries, additional obligations are imposed: for example, in Germany and Denmark, marketing of a non-EEA AIF now also requires the appointment of one or more depositaries (with cost implications for the AIF). Depending on the activities of each Apollo Private Equity Fund, additional restrictions on investment activities may also apply if they are to be marketed to EEA investors. Accessing EEA investors may be more difficult and Client costs may increase to reflect the additional burdens.

In the longer term (late 2017 at the earliest), subject to non-European jurisdictions being granted equivalence status under AIFM, non-EEA Apollo Private Equity Managers of non-EEA AIFs may be permitted to voluntarily seek authorization under, and comply with the more detailed requirements of, AIFMD. If Apollo Management is able to register a non-EEA manager under AIFMD, it will have more freedom to promote relevant non-EEA AIFs in the EEA, although this will be subject to full compliance with all the requirements of AIFMD, which include (among other things) satisfying the competent authority of the robustness of internal arrangements with respect to risk management, in particular liquidity risks and additional operational and counterparty risks associated with short selling; the management and disclosure of conflicts of interest; the fair valuation of assets; remuneration of staff; the capital base of the manager and the security of depository/custodial arrangements.

In order to manage and market EEA AIFs more broadly for and to EEA investors, an European alternative investment manager, Apollo Investment Management Europe LLP, was incorporated

by Apollo in the UK on March 31, 2016, and obtained authorization from the UK Financial Conduct Authority (the “FCA”) on October 28, 2016 to carry out activities regulated by the FCA (including managing and marketing AIFs). From January 2017, parallel European fund structures for certain clients have been managed by AIME (as defined below) beginning in 2017 and marketed by AIME’s European FCA regulated affiliate, AMI (as defined below), as permitted under the AIFMD.

FCPA Considerations. The Apollo Private Equity Managers are committed to complying with the U.S. Foreign Corrupt Practices Act (“FCPA”) and other anti-corruption laws, anti-bribery laws and regulations, as well as anti-boycott regulations, to which they are subject. As a result, Clients may be adversely affected because of their unwillingness to participate in transactions that violate such laws or regulations. Such laws and regulations may make it difficult in certain circumstances for Clients to act successfully on investment opportunities and for portfolio companies to obtain or retain business.

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While the Apollo Private Equity Managers have developed and implemented policies and procedures designed to ensure strict compliance by the Apollo Private Equity Managers and their personnel with the FCPA, such policies and procedures may not be effective to prevent violations in all instances. In addition, in spite of Apollo’s policies and procedures, portfolio companies or other entities in which a Client is invested may engage in activities that could result in FCPA violations, particularly in cases where a Client does not control such portfolio company or investment. Any determination that an Apollo Private Equity Manager has violated the FCPA or other applicable anti-corruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation, and a general loss of investor confidence, any one of which could adversely affect the Apollo Private Equity Managers’ business prospects and/or financial position, as well as a Client’s ability to achieve its investment objective and/or conduct its operations.

Pay-to-Play Laws, Regulations and Policies. A number of U.S. states and municipal pension plans have adopted so-called “pay-to-play” laws, regulations, or policies which prohibit, restrict, or require disclosure of payments to (and/or certain contacts with) state officials by individuals and entities seeking to do business with state entities, including those seeking investments by public retirement funds. The SEC has adopted rules that, among other things, prohibit an investment adviser from providing advisory services for compensation to a government client for two years after the adviser or certain of its executives, employees, or agents makes a contribution to certain elected officials, or candidates. If any of the Apollo Private Equity Managers, any of their employees, or affiliates or any service provider acting on their behalf fails to comply with such laws, regulations, or policies, such non-compliance could have an adverse effect on Clients.

Possibility of Fraud and Other Misconduct of Employees and Service Providers. Misconduct by employees of the Apollo Private Equity Managers, service providers to Apollo Private Equity Managers or Clients, and/or their respective affiliates could cause significant losses to such Clients. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures,

misrepresentations as to investments being considered by such Clients, the improper use or disclosure of confidential or material non-public information, which could result in litigation, regulatory enforcement, or serious financial harm, including limiting the business prospects or future marketing activities of such Clients, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption, and/or financial losses to such Clients. The Apollo Private Equity Managers have controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that the Apollo Private Equity Managers will be able to identify or prevent such misconduct.

Changes in Investment Focus. Clients may not be restricted in terms of the percentage of their capital that can be invested in a particular industry, geographical region, or type of investment. While a Client's disclosure and/or governing documents generally contain a description of the types of investments that other Clients have historically made and/or information about Apollo's expectations with respect to such Client, many factors may contribute to changes in emphasis in the construction of such Client's portfolio, including changes in market or economic conditions or regulation as they affect various industries and changes in the political or social situations in particular countries. There can be no assurance that the investment portfolio of any Client will resemble the portfolio of any prior Client.

Lack of Liquidity of Investments. Investments made by Clients are typically illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. A Client's ability to dispose of investments may be limited for several reasons. For example, 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 relevant 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 (including portfolio companies that have made initial public offerings) may also be subject to legal or contractual restrictions on resale, including the possibility that the general partner of the investing Client will be in possession of material non-public information about the portfolio company. In addition, the ability to exit an investment through public markets will depend on market conditions, particularly the market for initial public offerings. As noted above, there is a possibility of partial or total loss of capital as a result of such constraints.

Co-Investor Risks. The economic participation of Co-Investors in an investment opportunity may be substantial and may involve greater risks than an investment in which there are no Co-Investors, and the risks may be even greater if they are non-Apollo Co-Investors. For example, it is possible that a Co-Investor may at any time (a) have economic or business interests or goals that are inconsistent with those of an Apollo Private Equity Manager, (b) take a different view respecting strategy from an Apollo Private Equity Manager for the investment, or (c) be in a position to take action contrary to an Apollo Private Equity Manager's objectives for the investment. In addition, Clients may in certain circumstances become liable for the actions or omissions of Co-Investors (by way of example, and not limitation, (i) in connection with indemnification obligations to the extent jointly assumed by Clients and Co-Investors, (ii) with respect to actions or omissions of Co-Investors resulting in fees, costs, or expenses that are not borne by such Co-Investors which may occur under a variety of circumstances, (iii) to the extent

a Co-Investor fails to meet its capital obligations, and (iv) to the extent such Clients are deemed to have been acting as agents (or are deemed to be acting with the apparent authority) of such Co-Investors).

Possible Lack of Diversification. A significant portion of a Client's capital may be invested in a single portfolio company, which could result in a substantial adverse impact on such Client if there is a loss. A Client's investments may be concentrated in one or more industries. Concentration of investments in an industry, security, or geographic region will make the Client's portfolio more susceptible to fluctuations in value resulting from adverse economic and business conditions in those sectors.

Leverage. Clients will often leverage investments with debt financing at the portfolio company level. 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. Although the Apollo Private Equity Managers will seek to use leverage in a manner that they believe is appropriate under the circumstances, the leveraged capital structure of portfolio company investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio company or its industry, which may impair such portfolio company's ability to finance its future operations and capital needs and result in restrictive financial and operating covenants. Under such circumstances, a portfolio company's flexibility to respond to changing business and economic conditions may be limited. If, for any reason, 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 relevant Client's investment in such portfolio company could be significantly reduced or even eliminated. The ability of the 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. The availability of debt facilities may be further limited following guidance issued by the Federal Reserve, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corp. relating to loans to highly leveraged companies. The debt financing utilized by Clients to leverage investments may be collateralized by any assets of the Client (and may be cross-collateralized with the assets of any parallel fund or alternative investment vehicle of the applicable Client or any portfolio company, and such entities may be held jointly and severally liable for the full amount of the obligations arising out of such debt financing).

Bridge Financings. From time to time, Clients may provide interim financing to portfolio companies or may "underwrite" co-investment capital in order to facilitate an investment, typically on a short-term and unsecured basis in anticipation of a future issuance of equity or long-term debt securities, repayment, refinancing or "sell-down" to Co-Investors. For reasons not always in a Client's control, such bridge financings may not be repaid, refinanced or "sold-down" to Co-Investors or such equity or long-term debt securities may not be issued to Clients, in which case, the Client's exposure to the applicable investment may be larger than originally intended or desired and such bridge financings may remain outstanding. Furthermore, the interest rate (if any) on a bridge financing may not adequately reflect the risk associated with the unsecured position taken by the Client.

Additional Capital. Clients can be expected to make additional investments for, among other reasons, the funding of add-on acquisitions or repayment of indebtedness by a portfolio company or other obligations, contingencies or liabilities, to satisfy working capital requirements or capital expenditures or in furtherance of a portfolio company's or any of its subsidiaries' or affiliates' strategies. The amount of additional capital needed will depend upon the objectives of the Client and the particular portfolio company. In addition, Clients may make additional debt and equity investments for purposes of, for example, exercising their preemptive rights or warrants or options or converting convertible securities that were issued in connection with an existing investment in such portfolio company in order to, among other things, preserve the Client's proportionate ownership when a subsequent equity or debt financing is planned, to protect the Client's investment when, for example, such portfolio company's performance does not meet expectations, to enhance the value of an existing investment or in anticipation of disposition, refinancing, recapitalization or other transactions. There can also be no assurance that the portfolio companies will be able to predict accurately the future capital requirements necessary for success or whether or not additional funds will be needed or available from the Client or other financing source. There can be no assurance that Clients will make additional investments or that they will have sufficient funds or the ability to do so. Any decision by Clients not to make an additional investment or their inability to make such an investment may have a substantial negative impact on a portfolio company in need of such an investment or may diminish the Client's ability to influence the portfolio company's future development.

Investments in Distressed Securities. A portion of the Client's investments may also be obligations or securities that are unrated or rated below investment grade by recognized rating services such as Moody's and Standard & Poor's. Securities rated below investment grade and unrated securities generally offer a higher current yield than that available from higher grade issues but typically involve greater risk. Securities rated below investment grade and unrated securities are typically subject to adverse changes in general economic conditions, changes in the financial condition of their issuers, and price fluctuation in response to changes in interest rates. During periods of economic downturn or rising interest rates, issuers of securities rated below investment grade and unrated securities may experience financial stress that could adversely affect their ability to make payments of principal and interest and increase the possibility of default. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may also decrease the values and liquidity of securities rated below investment grade and unrated securities, especially in a market characterized by a low volume of trading. In addition, the secondary market for high-yield securities, which is concentrated in relatively few market makers, may not be as liquid as the secondary market for more highly rated securities. As a result, the Client could find it more difficult to sell these securities or may only be able to sell the securities at prices lower than if such securities were widely traded.

Investments in Public Companies. Clients may invest in public companies or take private portfolio companies public. Investments in public companies may subject Clients 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 the investing Client to dispose of such securities at certain times (including due to the possession by such Client 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.

Board Participation. It is expected that Apollo partners, principals, and employees will serve as directors of some portfolio companies of Clients and, as such, may have duties to persons other than the investing Client. Although holding board positions may be important to the investing Client's investment strategy and may enhance the ability of the Client, its general partner, and the relevant Apollo Private Equity Manager to manage investments, director seats may also have the effect of impairing the general partner's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the general partner, relevant Apollo Private Equity Manager, and investing Client to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims, and other director-related claims. In general, the Client will indemnify its general partner and relevant Apollo Private Equity Manager from such claims.

Control Person Liability. Clients may have controlling interests in a number of their portfolio companies. The fact that the Client or its general partner or management company exercises control or exerts influence (or merely has the ability to exercise control or exert influence) over a company may impose risks of liability (including, without limitation, under various theories of parental liability and piercing the corporate veil doctrines) for, among other things, environmental damage, product defects, employee benefits (including, without limitation, pension and other fringe benefits), failure to supervise management, violation of laws and governmental regulations (including, without limitation, securities laws, anti-trust laws, employment laws, anti-bribery (and other anti-corruption) laws) and other types of liability for which the limited liability characteristic of business ownership and the Client itself (and the limited liability structures that may be utilized by the Client in connection with its ownership of portfolio companies or otherwise) may be ignored or pierced, as if such limited liability characteristics or structures did not exist for purposes of the application of such laws, rules regulations and court decisions. \These risks of liability may arise pursuant to U.S. and non-U.S. laws, rules, regulations, court decisions or otherwise (including, without limitation, the laws, rules, regulations and court decisions that apply in jurisdictions in which portfolio companies or their subsidiaries are organized, headquartered or conduct business). Such liabilities may also arise to the extent that any such laws, rules, regulations or court decisions are interpreted or applied in a manner that imposes liability on all persons that stand to economically benefit (directly or indirectly) from ownership of portfolio companies, even if such persons do not exercise control or otherwise exert influence over such portfolio companies (e.g., investors in the Client). Lawmakers, regulators and plaintiffs have recently made (and may continue to make) claims along the lines of the foregoing, some of which have been successful. If these liabilities were to arise with respect to a Client or its portfolio companies, such Client might suffer significant losses and incur significant liabilities and obligations. The having or exercise of control or influence over a portfolio company could expose the assets of a Client, its general partners, management company and respective affiliates to claims by such portfolio company, its security holders and its creditors and regulatory authorities or other bodies. While Apollo Private Equity Managers intend to manage Clients to minimize exposure to these risks, the possibility of successful claims cannot be precluded, nor can there be any assurance to whether such laws, rules, regulations and court decisions will be expanded or otherwise applied in a manner that is adverse to a portfolio company and the Client. Moreover, it is possible that, when evaluating a

potential portfolio investment, the general partner or the management company of a Client may choose not to pursue or consummate such portfolio investment, if any of the foregoing risks may create liabilities or other obligations for any Client, its general partner, management company or any of their respective affiliates.

Environmental Matters. Ordinary operation or the occurrence of an accident with respect to a portfolio company could cause major environmental damage, which may result in significant financial distress to such portfolio company, even if covered by insurance. In addition, persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by those persons. Certain environmental laws and regulations may require that an owner or operator of an asset address prior environmental contamination, which could involve substantial cost and other liabilities. Such laws and regulations often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release or presence of environmental contamination and may impose joint and several liability (including, without limitation, amongst the Clients and the applicable portfolio company) or liabilities or obligations that purport to extend to (and pierce any corporate veil that would otherwise protect) the ultimate beneficial owners of the owner or operator of the relevant property or operating company that stand to financially benefit from such property's or company's operations. Clients may therefore be exposed to substantial risk of loss from environmental claims arising in respect of its investments. Furthermore, changes in environmental laws or regulations or the environmental condition of an investment may create liabilities that did not exist at the time of its acquisition and that could not have been foreseen. Community and environmental groups may protest about the development or operation of portfolio company assets, which may induce government action to the detriment of Clients. New and more stringent environmental or health and safety laws, regulations and permit requirements, or stricter interpretations of current laws, regulations or requirements, could impose substantial additional costs on a portfolio company, or could otherwise place a portfolio company at a competitive disadvantage compared to other companies, and failure to comply with any such requirements could have an adverse effect on a portfolio company. Even in cases where Clients are indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of Clients to achieve enforcement of such indemnities.

Uncertainty of Financial Projections. As part of its due diligence of a potential investment, the Apollo Private Equity Manager for a Client investing in securities or interests in a portfolio company generally may do so on the basis of the company's financial projections. Projected operating results normally will 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.

Portfolio Company Ratings. Investments in the debt of portfolio companies include commercial loans, high-yield corporate, or other debt obligations of both U.S. and non-U.S. obligors rated

below investment grade and other investment instruments as described in Item 4 of this Brochure, which have greater credit and liquidity risk than more highly-rated obligations.

Downgrades and negative rating actions may occur with respect to the investments and, in such cases, there is no requirement to sell any such investment. Investments with lower ratings will have greater credit, insolvency, and liquidity risk than more highly-rated obligations and, therefore, a greater risk of loss. In addition to credit and liquidity risk, lower-rated obligations have greater volatility than more highly-rated obligations. Future periods of uncertainty in the United States economy may increase volatility and default rates.

Tax Changes, Uncertainties and Risks. It is anticipated that the Trump administration and the U.S. Congress will continue examining proposals that would provide for a comprehensive overhaul of U.S. Federal income tax laws, which could result in sweeping changes to many longstanding tax rules. Reform efforts could result in lower statutory tax rates, but those rate reductions could be offset by tax changes intended to broaden the tax base, including eliminating or reducing the ability to deduct interest expense.

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

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

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

It is not possible to predict when tax reform will be enacted and what impact tax reform, if enacted, would have on our funds and our businesses, but there is the potential for significant

changes in the U.S. federal laws related to the tax treatment of products and services provided by Apollo and investments made by our funds.

Various proposals originating outside the United States could also impact Clients. For example, the Organization for Economic Co-Operations and Development (“OECD”) is focused on issues relating to cross-border structures and ownership. One example is in the area of “base erosion and profit shifting” (“BEPS”), which includes situations (among others) where payments are made between affiliates from a jurisdiction with high tax rates to a jurisdiction with lower tax rates. In 2013 the OECD published its report and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. BEPS remains an ongoing project. On October 5, 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which are resulting in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers on October 8, 2015. The final actions to be implemented in the tax legislation of the countries in which Clients will have investments, in the countries where Clients or investors are domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns of Clients. One of the BEPS action points (Action 6) is to prevent treaty abuse by developing model treaty provisions to prevent the granting of treaty benefits in inappropriate circumstances. As a minimum standard the OECD proposes that participating countries should include in their treaties one or both of a “limitation on benefits” provision and a “principal purpose test” which may limit or deny treaty relief in certain circumstances. On November 24, 2016, the OECD published the text of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS, which is intended to expedite the interaction of the tax treaty changes of the BEPS project. The adoption of such provisions could adversely impact the ability of Clients to reduce taxes in source jurisdictions by utilizing SPVs (as defined below) that claim tax treaty benefits, which could have an adverse impact on Clients returns. As a result of this or similar initiatives, tax laws applicable to Clients could change on a prospective or retroactive basis, and any such changes could materially adversely affect Clients.

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

Under the elective alternative procedure, Apollo Private Equity Funds would issue information returns to persons who were partners in the audited year, who would then be required to take the adjustments into account in calculating their own tax liability, and Apollo Private Equity Funds would not be liable for the adjustments to the amount of tax due (including interest and penalties). The mechanics of the elective alternative procedure are not clear in a number of respects and are intended to be clarified by future guidance. On January 18, 2017, the IRS and

the U.S. Department of the Treasury publicly released the text of proposed regulations (the “Proposed Regulations”) regarding the centralized partnership audit legislation, which were scheduled to be formally published in the Federal Register on January 20, 2017. On January 20, 2017, the Trump administration released a memorandum that generally delayed all pending regulations from publication in the Federal Register pending review and approval, and the Proposed Regulations have not yet been published so the impact of the Proposed Regulation on the Apollo Private Equity Funds remains unclear. Apollo Private Equity Managers generally have discretion whether or not to make use of this elective alternative procedure and have not determined whether or to what extent the elections will be available or appropriate.

Systems Risk and Cybersecurity. Investment advisers, including Apollo Management, rely extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes, including, without limitation, trading, clearing and settling transactions, evaluating certain investments, monitoring its portfolio and net capital and generating risk management and other reports that are critical to oversight of a Client’s activities. Certain of the Clients’ and the Apollo Private Equity Managers’ operations will be dependent upon systems operated by third parties, including, without limitation, prime-broker(s), administrators, market counterparties and their sub-custodians and other service providers. The Clients’ service providers may also depend on information technology systems and, notwithstanding the diligence that the Client may perform on its service providers, the Client may not be in a position to verify the risks or reliability of such information technology systems.

Clients, the Apollo Private Equity Managers, their affiliates and their service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and data from both intentional cyber-attacks and hacking by other computer users, as well as unintentional damage or interruption that, in either case, can result in damage and disruption to hardware and software systems, loss or corruption of data and/or misappropriation of confidential information. For example, information and technology systems are vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Such damage or interruptions to information technology systems may cause losses to Clients or limited partners, without limitation, by interfering with the processing of transactions, affecting a Client’s ability to conduct valuations or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, adverse investor reaction, the dissemination of confidential and proprietary information and reputational damage. Any such breach could expose Clients or the Apollo Private Equity Managers (which in turn may be indemnified by Clients) to civil liability as well as regulatory inquiry and/or action. Limited partners could also be exposed to losses resulting from unauthorized use of their personal information. Similar types of cybersecurity risks also are present for portfolio companies, which could affect their business and financial performance, resulting in material adverse consequences for such issuers and causing a Client’s investment in such portfolio companies to lose value.

ITEM 9

Disciplinary Information

Except as described below, there are no legal or disciplinary events required to be disclosed pursuant to this Item 9.

On August 23, 2016, without admitting or denying any wrongdoing, certain relying advisers of Apollo Management, namely Apollo Management V, L.P., Apollo Management VI, L.P. and Apollo Management VII, L.P., and a related person, namely Apollo Commodities Management, L.P., consented to the entry of an order to cease and desist from committing or causing any violations and future violations of Section 206(2) and 206(4) of the Advisers Act and Rules 206(4)-7 and 206(4)-8 thereunder. According to the SEC order, such relying advisers and related person did not provide sufficient pre-commitment disclosure regarding the possibility of accelerating otherwise authorized fees upon termination of management consulting agreements with their portfolio companies, Apollo Management VI, L.P. did not adequately disclose that interest from a loan from a private equity fund to its general partner would be allocated to the general partner, such relying advisers and related person did not adequately supervise a former senior partner's expense reimbursement practices and such relying advisers and related person failed to adopt and implement policies and procedures reasonably designed to prevent violations of the Advisers Act and its rules. As part of the settlement, such relying advisers and related person agreed to pay \$37,527,000 of disgorgement and \$2,727,552 of prejudgment interest to limited partners of its fund and a civil monetary penalty of \$12,500,000 to the SEC.

ITEM 10

Other Financial Industry Activities and Affiliations

Apollo Global Securities, LLC (“AGS”)

Affiliated Broker Dealer. AGS, a Delaware limited liability company and broker dealer affiliated with the Apollo Private Equity Managers, is registered to perform the following services: (i) conducting private placements; (ii) underwriting; (iii) providing merger and acquisition transaction advisory services; (iv) conducting the purchase and sale of corporate debt securities; (v) arranging loans; (vi) trading securities for its own account; and (vii) broker or dealer services in connection with the resale of corporate debt or equity securities to Clients under Rule 144A under the Securities Act or otherwise assisting in structuring or facilitating the initial resales of debt or equity securities under Rule 144A under the Securities Act. AGS's private placement services include placement of Apollo Funds and syndicating transactions for portfolio companies. Subject to a Client's governing documents, engaging AGS on an arm's-length basis does not require approval from such Client's advisory board. AGS's underwriting services are typically provided to Apollo Clients' portfolio companies. Generally, AGS's role in a syndication is that of a co-manager and not as lead underwriter. Fees received by AGS in connection with these services are disclosed in the applicable Client's governing documents. Fees that are received by AGS in connection with its provisions of merger and acquisition transaction advisory services to Clients' portfolio companies are, subject to a Client's governing documents, treated as Special Fees and applied to reduce Management Fees of management fee-paying investors in Clients. Fees received by AGS in connection with the provision of private placement, underwriting, arranger, structuring, broker-dealer (including facilitating initial resales

of debt or equity securities under Rule 144A under the Securities Act) and similar services are, subject to a Client's governing documents, not treated as Special Fees, not applied to reduce Management Fees of management fee-paying investors in Clients, and are retained by AGS.

The relationship between the Apollo Private Equity Managers and AGS may give rise to conflicts of interest between the Apollo Private Equity Managers and (i) Clients with respect to whom AGS provides services or (ii) Clients who have an interest in any portfolio companies or investment vehicle which AGS provides services. Certain supervised persons who provide portfolio management services to Clients on behalf of the Apollo Private Equity Managers are involved in the business and operations of AGS. Such supervised persons may face conflicts of interest in dedicating time and resources to Clients, which may have a detrimental effect on Client performance. The Apollo Private Equity Managers addresses this conflict of interest by providing in Apollo's Code of Ethics, as described in Item 11, that all supervised persons have a duty to act in the best interests of each Client and by providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo's policies and procedures.

Furthermore, while AGS's services are primarily as described above (i.e., to Apollo Management, its Clients and its Clients' portfolio companies), it is possible that, in the future, AGS may also provide services (including financing, capital market and advisory services) to third parties, including third parties that are competitors of the Apollo Private Equity Managers or one or more of their affiliates or any portfolio companies. The expansion of AGS' services in this manner would present additional conflicts of interest. For example, AGS may also act as placement agent or underwriter for a third party that may be acquired by the Client (for example, a co-investment vehicle). In the event that AGS provides services to third parties, it may not take into consideration the interests of the Client or portfolio companies. AGS also may come into possession of information that AGS is prohibited from acting on (including on behalf of a Client) or disclosing to the Apollo Private Equity Managers or any of their affiliates as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interest of a Client or portfolio investment.

Affiliated Loan Origination and/or Servicing Businesses

Affiliates of the Apollo Private Equity Managers and certain Clients and/or their portfolio companies are engaged in the loan origination and/or servicing businesses. In connection with their lending activities, such loan origination and/or servicing businesses receive certain fees, including, arranger, brokerage, placement, syndication, solicitation or underwriting, agency, origination, sourcing, structuring, collateral management, advisory, commitment, facility, float or other fees, discounts, spreads, commissions and concessions, and other fees received as part of such loan origination and/or servicing businesses. Such fees may be charged on a cost reimbursement or on a cost-plus basis. The Client or the issuers of financial instruments held by the Client may acquire loans originated, structured, placed and/or arranged by such affiliated loan origination and/or servicing businesses and in respect of which such businesses receive fees. Subject to the governing documents of an Apollo Private Equity Fund, these fees may not be applied to reduce Management Fees or other fees payable by the Client or any of its investments or otherwise directly or indirectly benefit the Client or any of its investors. Such fees will otherwise be borne by the Client or by the issuers of financial instruments held by the Client.

AP Alternative Assets, L.P. (“AAA”)

The Apollo Private Equity Managers are affiliated with AAA, a limited partnership registered under the laws of Guernsey, whose common units are traded on the Euronext in Amsterdam, the regulated market of Euronext 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 has substantially all of its capital invested in Athene Holding Ltd. (“Athene Holding”).

In accordance with the services agreement among AAA, AAA Investments, certain subsidiaries of AAA Investments and Apollo Management (“AAA Services Agreement”), affiliates of Apollo Management receive a Management Fee for managing the assets of AAA Investments. The Management Fee was paid through December 31, 2014, and was waived for the balance of the term of AAA Services Agreement although services will continue through December 31, 2020.

AAA Investments’ initial \$400 million investment in Athene Holding is subject to carried interest, which will generally entitle affiliates of Apollo Management to realize a portion of the profits generated by the investment (generally, a percentage of net realized gains). Carried interest from AAA Investments is paid in shares of Athene Holding (at fair market value) if there is a distribution in kind of shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended) or paid in cash if AAA sells the shares of Athene Holding.

Each direct investment made by AAA Investments will be subject to carried interest, which will generally entitle affiliates of Apollo 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 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 the Apollo Private Equity Managers may also provide services to other pooled investment vehicles or investment companies sponsored by Apollo. By way of example, certain management persons of the Apollo Private Equity Managers that are involved in providing portfolio management services to Apollo Private Equity Funds may have direct incentive compensation arrangements with 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 Apollo Funds with which such persons have a direct incentive compensation arrangement, and (ii) allocate attractive investment opportunities to such Apollo Funds instead of Apollo Private Equity Funds, each of which may have a detrimental effect on the performance of Apollo Private Equity Funds. Apollo addresses this conflict of interest by providing in its Code of Ethics, as described in Item 11, that all supervised persons have a duty to act in the best interests of each 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

1. Credit – Apollo Capital Management, L.P. (“Apollo Capital Management”) is an affiliate of Apollo Management that is primarily engaged in managing Apollo’s credit business and controls the investment and collateral managers to the funds, SIFs (collectively, with Apollo Capital Management, the “Apollo Credit Managers”), and separately managed accounts that fall within Apollo’s credit business segment. Unless otherwise stated, the Apollo Credit Managers are registered with the SEC as investment advisers relying on Apollo Capital Management’s investment adviser registration with the SEC’s Division of Investment Management staff guidance issued in the ABA No-Action Letter.

- (i) **Performing Credit** – The performing credit group includes commingled funds, SIFs and separately managed accounts that primarily focus on income-oriented, senior loan and bond investment strategies in both the U.S. and Europe. The performing credit group also includes collateralized loan obligations (“CLOs”) that Apollo Capital Management manages internally.
- (ii) **Opportunistic Credit** – The opportunistic credit group primarily focuses on credit investment strategies that are generally less liquid in nature. The opportunistic credit funds, SIFs, and separately managed accounts primarily invest in a broad array of primary and secondary opportunities encompassing performing, stressed, and distressed public and private securities primarily within corporate credit, including senior loans, high yield, mezzanine, debtor in possession financings, rescue or bridge financings, loan originations, and other debt investments. Additionally, certain opportunistic funds, SIFs, and separately managed accounts will selectively invest in aircraft, shipping, energy, and structured credit investment opportunities, and originate loans. For certain specific investments and general strategies, leverage can be employed by having fund subsidiaries or special-purpose vehicles incur debt or by entering into credit facilities or other debt transactions to finance the acquisition of various credit investments.
- (iii) **Structured Credit** – The structured credit group includes funds, SIFs, and separately managed accounts that primarily focus on structured credit investment strategies that target multiple tranches of structured securities with what are generally favorable and protective lending terms, predictable payment schedules, well diversified portfolios, and low historical defaults. These strategies include investments in externally managed CLOs, residential mortgage-backed securities, asset-backed collateralized debt obligations (“CDOs”), and other structured instruments, including insurance-linked securities and longevity-based products.
- (iv) **Non-Performing Loans** – The non-performing loan group includes funds, SIFs, and separately managed accounts that primarily invest in European commercial and residential real estate, performing, and non-performing loans, unsecured consumer loans, and assets relating to distressed market situations. Certain of the non-performing loan investment vehicles own captive pan-European loan servicing and property management platforms.

- (v) **Origination** – The private origination group includes funds, SIFS, and separately managed accounts that primarily invest in loans, including, but not limited to, second lien term loans, mezzanine loans, private high yield debt, private investment grade debt, asset-backed loans, leveraged loans, real estate loans, rediscount loans, venture loans, and bridge loans, particularly in the context of transactions that required certainty of financing. This strategy focuses on originating private debt both directly with sponsors and through banks in the U.S. markets, but also targets European and certain other markets.

2. Real Estate – Apollo Global Real Estate Management, L.P. is an affiliate of Apollo Management that is primarily engaged in managing Apollo’s real estate business and controls the real estate managers (collectively, with Apollo Global Real Estate Management, L.P., the “Apollo Real Estate Managers”). The Apollo Real Estate Managers generally seek to make investments that are integrated and coordinated with Apollo’s private equity and credit business segments. The Apollo Real Estate Managers take a broad view of markets and property types in targeting both debt investment opportunities, including first mortgages, mezzanine, and other subordinate loans, and equity investment opportunities, including the acquisition and recapitalization of real estate assets, portfolios, platforms, and operating companies and distressed for control situations.

The Apollo Managers (as defined above) intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of the Apollo Managers and any other persons acting on their behalf are and shall be subject to the supervision and control of Apollo Management, Apollo Capital Management, or Apollo Global Real Estate Management, L.P., as applicable.

Certain Conflicts of Interest in Providing Services to Clients

Multiple Clients and Other Apollo Clients. Certain inherent conflicts of interest arise from the fact that: (1) the Apollo Private Equity Managers provide investment management services to more than one Client; (2) Clients may have one or more overlapping investment objectives; and (3) the Apollo Private Equity Managers are affiliated with other Apollo Managers that provide investment management services to other Apollo Funds that also may have overlapping investment objectives. In addition, the portfolio strategies employed by the Apollo Private Equity Managers for current and future Clients and by Apollo Managers for other Apollo Funds could conflict with the strategies employed by the Apollo Private Equity Managers for current and future Clients, and may affect the prices and availability of the securities and other assets in which such Clients invest. An Apollo Private Equity Manager or another Apollo Manager also may advise clients with conflicting investment objectives or strategies. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients.

As part of Apollo’s integrated platform, certain management persons of Apollo Private Equity Managers provide services to pooled investment vehicles or investment companies sponsored by Apollo. By way of example, management persons of the Apollo Private Equity Managers that are involved in providing portfolio management services to certain Clients have direct incentive compensation arrangements with other Apollo Funds that pay incentive fees to their general

partners. Such management persons are incentivized to (i) dedicate additional time and resources to Apollo Funds with which such persons have a direct incentive compensation arrangement, and (ii) allocate attractive investment opportunities to such Apollo Funds instead of Clients, each of which may have a detrimental effect on the performance of these Clients.

Certain Apollo Private Equity Managers from time to time, and without notice, in-source and/or outsource to their respective affiliates and third parties, certain of its processes or functions to provide, among other things, investment accounting and risk management services.

Apollo Private Equity Managers address these conflicts of interest by providing in Apollo's Code of Ethics, as described in Item 11, that all supervised persons have a duty to act in the best interests of each 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 through the implementation of the investment allocation procedures described above in Item 6.

Diverse Membership. Investors in Clients include taxable and tax-exempt entities and persons domiciled or organized in various jurisdictions and subject to different tax and regulatory regimes. When investors and Clients co-invest alongside each other, they may have conflicting investment, tax, and other interests, relating to, among other things, the nature of investments made by the Client, the structuring or the acquisition of investments and the nature and timing of disposition of investments. As a result, conflicts of interest may arise in connection with decisions made by the Apollo Private Equity Managers including as to the nature and structure of investments that may be more beneficial for one type of investor than for another type of investor. The results of a Client's activities may affect individual investors differently, depending upon their individual financial and tax situations. For example, the timing of a cash distribution or of an event of realization of a gain or loss and its characterization as long-term or short-term gain or loss may affect investors differently. In addition, Clients may make investments that may have a negative impact on related investments made by investors in separate transactions. Furthermore, under the new U.S. partnership audit regime, decisions made by the Apollo Managers (or other partnership representative) in connection with tax audits (including whether or not to make an election under those rules) may be more beneficial to one type of investor than another type of investor. Also, if a Client were required to qualify as a venture capital operating company or a real estate operating company for purposes of the Employee Retirement Income Security Act of 1974, as amended, this could restrict, at any given time, the level of investment which the Client would be able to make in entities that do not qualify as operating companies and/or pursuant to which the Client was unable to attain management rights. In selecting, structuring and managing investments appropriate for Clients, the Apollo Private Equity Managers will consider the investment and tax objectives of the Client or Clients as a whole, not the investment, tax, or other objectives of any investor individually. However, there can be no assurance that a result will not be more advantageous to some investors than to others or to affiliates of the Apollo Private Equity Managers than to a particular investor.

Directors of Portfolio Companies. Additional conflicts of interest may arise because Apollo partners, principals, and employees (including personnel of the Apollo Private Equity Managers) serve as directors of, or acquire observer rights with respect to, certain portfolio companies. In the event an Apollo Private Equity 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, the Apollo Private Equity 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. In addition to any fiduciary duties that Apollo partners, principals, and employees owe to the Clients, as directors of portfolio companies, these Apollo partners and principals owe fiduciary duties to other owners of the portfolio companies, which may be other Clients, and to persons other than Clients.

In general, such director or similar positions are often important to Clients' (and any other Apollo Funds with a similar investment focus) investment strategies and may have the effect of enhancing the ability of the Apollo Private Equity Managers and their affiliates to manage investments. However, such positions may have the effect of impairing the ability of the Apollo Private Equity Managers to sell the related securities when, and upon the terms, they may otherwise desire. In addition, because of the potential conflicting fiduciary duties that Apollo partners, principals, and employees owe to a portfolio company, on one hand, and that the Apollo Private Equity Managers owe to the Clients, on the other hand, such positions may place the Apollo partners, principals, and employees in a position where they must make a decision that is either not in the best interests of the Clients or not in the best interests of the other owners 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 one or more Apollo Private Equity Managers and any applicable Client 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 the Apollo Private Equity Managers and their partners, principals, and employees from such claims. In addition, the Apollo partners, principals, and employees may make decisions for a portfolio company that negatively impacts returns received by a Client investing in the portfolio company or in other investments or, conversely, an Apollo Private Equity Manager could make a decision that negatively impacts a portfolio company and the returns for the other Clients that may be invested in the portfolio company. Apollo partners and principals may also make decisions for a portfolio company that result in the Apollo Private Equity Managers being restricted in choosing certain investments for Clients, which could negatively impact returns received by the Client. For example, an Apollo Private Equity Manager would be restricted in choosing investments for a Client if an Apollo partner, principal, or employee obtained certain material non-public information.

Standards of Care and Indemnification. The governing documents of most Clients contain provisions that, subject to applicable law, reduce, or modify the duties that certain persons would otherwise owe to such Client or its investors. Pursuant to the typical standard of care set forth in the exculpation and indemnification provisions of the governing documents, the Apollo Private Equity Managers and each of their affiliates (including AGM) and each officer, director, partner, member, manager, shareholder, and employee of the foregoing, and each member of the advisory board, if applicable (including, solely in connection with matters relating to the advisory board, the investor, and/or other person on whose behalf the advisory board member is serving), will be indemnified and held harmless from losses sustained from any act or omission in connection with Clients' activities, absent (among other things) bad faith, gross negligence, willful misconduct, fraud, or willful or reckless disregard of their duties and may receive advances for any fees, costs, and expenses incurred in the defense or settlement of any claim that may be

subject to a right of indemnification. For example, in their capacity as directors of portfolio companies, the officers, directors, partners, members, managers, employees, and shareholders of the Apollo Private Equity Managers or their respective affiliates may be subject to derivative or other similar claims brought by shareholders of such companies. The fees, costs, expenses (whether or not advanced), and other liabilities resulting from such indemnification obligations are generally Operating Expenses and will be paid or otherwise borne by Clients (including by satisfaction out of unpaid capital contributions of their respective limited partners, shareholders, or other investors).

The application of the foregoing standards may result in investors in such Clients having a more limited right of action than they would have had in the absence of such standards. As a result, even though such exculpation and indemnification provisions in a Client's governing documents will not act as a waiver of an investor's right under U.S. securities law (which is not permitted to be waived) the application of the foregoing standards may result in such Client bearing significant financial losses even where such losses were caused by the negligence (even if heightened) of such covered persons. Such financial losses may have an adverse effect on the returns to an investor and, if the Client's assets are insufficient to satisfy such Client's indemnification obligations, an investor may be required to return amounts distributed to it, subject to any limitations set forth in such Client's governing documents.

Client Advisory Boards. Certain Clients have advisory boards that consist of representatives of certain investors in such Clients. Certain Clients also have the ability to create subcommittees of their advisory boards to address certain categories of topics, such as expense allocations, valuations and other topics. Any approval or consent given by a subcommittee will generally be treated as an approval or consent given by the applicable advisory board. Any approval or consent given by such advisory boards (or subcommittees) tends to be binding on such Clients and all of their investors. Advisory boards are also generally authorized to give approvals or consents required under the Advisers Act, including under Section 206(3) of the Advisers Act. To the extent that an investor is not represented by a member of a Client's advisory board, such investor will have no influence over matters submitted to the advisory board for approval. Although the Apollo Private Equity Managers have adopted policies and procedures designed to manage conflicts among Clients, members of the advisory boards may themselves have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted for consideration or review to the advisory boards on which they serve. In such instances, the Apollo Private Equity Managers expect that such members of the advisory board will act in the best interest of the Client that it represents; however, there can be no assurances that such conflicts of interest will be entirely eliminated.

Information Barriers and the Restricted List. 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 arising 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 Compliance Department maintains a list of restricted securities as to which Apollo may have access to material non-public information and in which Clients are not permitted to trade without prior

approval from the Compliance Department. In the event that any Apollo employee obtains such material non-public information, the Apollo Private Equity Managers will be restricted in acquiring or disposing investments on behalf of Clients, which could impact the returns generated for Clients. Similarly, if one Apollo Manager (e.g. the Apollo Private Equity Managers) acquires confidential or material, non-public information, the other managers (e.g. the Apollo Credit Managers, Apollo Real Estate Managers) will be restricted in acquiring or disposing investments on behalf of their clients.

Notwithstanding the maintenance of restricted 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 an Apollo Private Equity Manager, or one of its investment professionals, buying or selling a security while Apollo is in possession of material non-public information. Inadvertent trading while Apollo is in possession of material non-public information could have adverse effects on the reputation of the Apollo Private Equity Managers, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact the Apollo Private Equity Managers' 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; this would limit the Apollo Private Equity Managers' access to Apollo personnel and impair their ability to manage Client investments in the manner in which they currently manage investments.

Investment Activity by Apollo and Affiliates. From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment, and other activities of the Apollo Private Equity Managers, their affiliates, and their personnel. The Apollo Private Equity Managers will endeavor to resolve conflicts with respect to investment opportunities in a manner they deem equitable to the extent possible under the prevailing facts and circumstances. The Apollo Private Equity Managers' affiliates 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 a Client. The Apollo Private Equity Managers' affiliates 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, one or more Clients. Potential conflicts also arise due to the fact that the Apollo Private Equity Managers' 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 Private Equity 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 Clients' portfolio companies or other investments, and may adversely affect the prices and availability of other investments or of business opportunities or transactions available to such portfolio companies. Clients will not be acquiring an interest in such Apollo Funds or competing portfolio companies, nor will they be entitled to a share of any

profits generated by such entities. Apollo will seek to resolve conflicts in a manner that Apollo determines in its sole discretion to be fair and equitable.

Capital Structure Investments. The Apollo Private Equity Managers and their affiliates have ongoing relationships with many companies whose securities have been acquired by, or are being considered for investment by, Clients. From time to time, an Apollo Private Equity Manager will acquire securities or other financial instruments of an issuer for one Client which are senior or junior securities, or financial instruments of the same issuer that are held by, or acquired for, another Client or Apollo Fund (e.g., one Client may acquire senior debt while another Client or Apollo Fund may acquire subordinated debt). Conflicts of interest may arise in such circumstances. For example, in the event such issuer enters bankruptcy, the Client 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 the Client, and as a fiduciary, the applicable Apollo Private Equity Manager might have an obligation to pursue such remedy on behalf of such Client. As a result, another Client holding assets of the same issuer which are more junior in the capital structure may not have access to sufficient assets of the issuer to completely satisfy its bankruptcy claim against the issuer and may suffer a loss.

In addressing certain of the potential conflicts of interest described herein, Apollo and/or the applicable Apollo Private Equity Manager may, but will not be obligated to, take one or more actions on behalf of a Client, including, without limitation, any one or more of the following: (i) causing a Client to remain passive in a situation in which it is otherwise entitled to vote, which may mean that such Client defers to the decision or judgment of an independent, third-party investor in the same class of equity or debt securities or other financial instruments held by another Client; (ii) referring the matter to one or more persons that is not affiliated with Apollo to review or approve of an intended course of action with respect to such matter; (iii) consulting with the limited partners on such matter or otherwise requesting that the limited partners (or an advisory board) approve such matter; (iv) establishing ethical screens or information barriers to separate Apollo investment professionals or assigning different teams of Apollo investment professionals, in each case, who are supported by separate legal counsel and other advisers, to act independently of each other in representing different Clients or Clients that hold different classes, series or tranches of an issuer's capital structure; (v) as between two Clients, ensuring (or seeking to ensure) that the underlying investors therein own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interest; or (vi) causing a Client to divest itself of a security or financial instrument or particular class, series or tranche of an issuer's capital structure it might otherwise have held on to, including, without limitation, causing a Client to sell a security or financial instrument to one or more other Clients (or vice versa), limited partners or investors in such other Client. There can be no assurance that any of these measures will be feasible or effective in any particular situation, and it is possible that the outcome for the Client will be less favorable than might otherwise have been the case if Apollo had not had duties to other Clients.

The Apollo Private Equity Managers recognize that conflicts arise under such circumstances and will endeavor to treat all Clients fairly and equitably. To that end, the Apollo Private Equity Managers have adopted Apollo's policies and procedures that are designed to address such potential conflicts of interest. The application of such policies and procedures are expected to vary based on the particular facts and circumstances surrounding each investment by two or

more Clients in different classes, series, or tranches of an issuer's capital structure (as well as across multiple issuers or borrowers within the same overall capital structure), and, as such, investors should expect some degree of variation, and potentially inconsistency, in the manner in which potential, or actual, conflicts are addressed. While Apollo's policies and procedures for addressing the conflicts between Clients in these situations are intended to resolve the conflicts in an impartial manner, there can be no assurance that the Apollo Private Equity Managers' own interests will not influence its conduct.

Insurance Coverage. The Apollo Funds, other than the publicly traded funds managed by subsidiaries of Apollo, are covered under Apollo's professional liability insurance policy and do not separately maintain professional liability insurance. To the extent a claim arises relating to any of the insureds during a policy period that erodes some or all of the limits under Apollo's policy, there will be less coverage, or potentially no coverage, available for all of the insureds under the policy for the remainder of the policy period.

Apollo Asset Management Europe LLP and Apollo Asset Management Europe PC LLP

Apollo Asset Management Europe LLP and its subsidiary Apollo Asset Management Europe PC LLP (together, "AAME"), domiciled in the United Kingdom, comprise a European business segment of Apollo whose primary purpose is to provide a centralized asset management and risk function ("Client Services") to European clients in the financial services and insurance sectors that are owned by Apollo Funds and subsidiaries of Athene Holdings, and to other unaffiliated European clients in the future. The Client Services are provided to clients either on a discretionary or advisory basis pursuant to agreements such as services agreements, advisory agreements and/or sub-advisory agreements. Currently, AAME provides Client Services to its clients jointly with Apollo Management International LLP ("AMI"), which is authorized and regulated by the FCA. Effective February 24, 2016, AAME has been approved as an appointed representative of AMI by the FCA and it is expected that, in the future, AAME will apply to the FCA for authorization to hold the relevant regulatory permissions to become the sole provider of the Client Services under the services agreements. AAME and AMI may enter into various advisory relationships with one another and/or with certain entities which are affiliates of, or under common control with, AAME and AMI (such as Apollo Capital Management, L.P.), in each case in connection with the performance of the Client Services. These relationships may give rise to conflicts of interests from time to time in relation to, amongst others, allocation of time, resources and investment opportunities amongst clients of AAME. Generally, Client Services provided by AAME are disclosed in the offering documents or governing documents of Clients. In addition, the advisory boards of certain Clients receive additional disclosure regarding the Client Services and the associated fees, compensation or expense reimbursements. In certain instances, the applicable Apollo Private Equity Manager has sought (or may in the future seek) the approval of the advisory boards of certain Clients with respect to certain aspects of the Client Services that are provided to Apollo Funds and their respective portfolio companies, including, for example, the pricing methodology utilized to determine the amount of such fees, compensation and expense reimbursements that may be payable to AAME with respect to Client Services.

Subject to a Client's governing documents, a portion of any fees, compensation or expense reimbursements received by AAME may be applied to reduce Management Fees of management

fee-paying investors in certain Clients, as described in item 4 above, with the remaining amounts retained by AAME without any further Management Fee reduction.

Apollo Management International LLP

AMI is a FCA authorized and regulated UK limited liability partnership ultimately controlled by AGM. AMI acts primarily as a sub-advisor to Apollo Funds with a European mandate. These funds include those with which it has sub-advisory arrangements with the respective Apollo Managers. The extent of the advisory work conducted for each of the funds varies according to each respective sub-advisory arrangement. In addition, AMI has entered into advisory relationships (which may include discretionary and non-discretionary mandates) with certain portfolio companies or other third-party clients.

Apollo Investment Management Europe LLP (“AIME”)

AIME was incorporated as a UK limited liability partnership on March 31, 2016. As of October 22, 2016, AIME is authorized as an Alternative Investment Fund Manager (“AIFM”) by the FCA. It is intended that the AIFM will allow Apollo Management and Apollo Capital Management to develop the capability to market and distribute AIFs to institutional clients in, among other European jurisdictions, Germany, France, Italy, Denmark, Spain and Austria. It will also allow Apollo Management and Apollo Capital Management to undertake one central registration per fund rather than multiple registrations as is currently the case under the national private placement regimes of certain European jurisdictions.

Family Offices

Our three managing partners have established family offices to provide investment advisory, accounting, administrative, and other services to their respective family accounts (including certain charitable accounts) in connection with their personal investment activities unrelated to their investments in Apollo entities. The investment activities of the family offices, and the involvement of the managing partners in these activities, could give rise to potential conflicts between the personal financial interests of the managing partners and the interests of Apollo Funds (e.g., if the family offices were to inadvertently hold debt obligations or securities in a portfolio company in which an Apollo Fund owned equity or subordinated debt and that was experiencing financial distress). Apollo has adopted certain procedures designed to mitigate some of these potential conflicts (for example, by requiring investment professionals employed by the family offices to refrain from making direct investments in portfolio companies that are controlled by Apollo Funds or that are the subject of announced transactions involving Apollo Funds).

Each of the family offices employs its own professional staff at its own expense, and each of them conducts its day-to-day operations independently of Apollo. Set forth below is a summary of certain procedures that are presently in place for certain categories of investments in which the family offices may participate:

- (i) any investment opportunity sourced directly by a managing partner must be reviewed by Apollo for allocation to an Apollo Fund prior to review or investment by any managing partner's family office.
- (ii) bank loans and certain securities of a liquid nature where the managing partner has no discretion. The managing partners do not participate in decisions to invest in, nor do they have investment discretion with respect to, bank loans and certain liquid securities in which their respective family offices may invest, but they do make decisions on behalf of their respective family offices relating to allocations among strategies, asset classes, sectors and internal and external portfolio managers. For this purpose, the managing partners do not have access to individual position-level data concerning the investments held in the family office accounts until after such investments are made. Although the managing partners do not participate in decisions relating to, or otherwise exercise investment discretion with respect to, these investments, in order to seek to mitigate potential conflicts of interest, such investments are nevertheless reviewed by Apollo for potential conflicts of interest with Apollo but are not reviewed with respect to allocation decisions on behalf of Clients.
- (iii) the managing partners may provide guidance or participate in investment decisions on behalf of their respective family offices in connection with illiquid transactions. With respect to these investments, the family offices' investment professionals (but not the applicable Apollo managing partner himself) may source opportunities, but only opportunities which are not likely to overlap with the interests of Clients. These opportunities are reviewed by Apollo for potential conflicts of interest with Apollo but are not reviewed with respect to allocation decisions on behalf of Clients.

These procedures are designed to seek to mitigate conflicts of interest; however, there will be situations where a family office may, with respect to certain asset classes, review and invest in investment opportunities which may have some overlap with the mandates of Clients.

Selection of Service Providers

Except as may otherwise be provided under the terms of a Client's governing documents, the Apollo Private Equity Managers or one or more of their affiliates will generally select Clients' service providers and will determine the compensation of such providers without review by or the consent of an advisory board, the investors, or an independent party. Clients, regardless of the relationship to the Apollo Private Equity Managers, their affiliates, or the person performing the services, bear the fees, costs, and expenses related to such services. This will create an incentive for an Apollo Private Equity Manager or an applicable affiliate to select an Affiliated Service Provider or to select service providers based on the potential benefit to the Apollo Private Equity Manager, rather than to Clients. For example, Apollo Management selects service providers that use its or its affiliates' premises, for which Apollo Management or one of its affiliates does not currently, but may in the future, receive overhead, rent, or other fees, costs, and expenses in connection with such on-site arrangement.

Apollo Management or one or more of its affiliates often may engage the same service provider to provide services to a Client that also provides services to Apollo Management or any such affiliate, which creates a potential conflict of interest to the extent the interests of such parties are not aligned. For example, a law firm may at the same time act as legal counsel to a Client, its general partner or similar person, its investment adviser or other affiliates of Apollo Management.

The Apollo Private Equity Managers and their affiliates address these conflicts of interest by using reasonable diligence to ascertain whether each service provider (including law firms) provides its service on a “best execution” basis, taking into account factors such as expertise, operational and regulatory controls, availability and quality of service, and the competitiveness of compensation rates in comparison with other service providers satisfying the Apollo Private Equity Managers’ or their affiliates’ service provider selection criteria. In addition, in the event such service providers are affiliates of the Apollo Private Equity Managers (as opposed to third parties), the engagement of such providers must typically comply with the conditions applicable to affiliate transactions, if any, set forth in the Clients’ governing documents.

ITEM 11

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

Code of Ethics

The Apollo Private Equity Managers have adopted Apollo’s Code of Ethics (the “Code of Ethics”) to ensure compliance with Rule 204A-1 under the Advisers Act. The Code of Ethics applies to all partners, principals, directors, officers, employees, and supervised persons of Apollo (each a “Covered Person”). The Apollo Managers strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty, and trust. Accordingly, the Code of Ethics 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 of Ethics and any actual or potential conflicts of interest or any abuse of a Covered Persons’ 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 of Ethics 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 (including, but not limited to, investments in private placements and limited offerings) other than those involving: government and municipal securities; exchange-traded funds and closed-end funds; mutual funds (i.e., open ended investment companies); variable annuities; commodities 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 of Ethics provides that approval generally will not be granted for securities of companies on Apollo's restricted list. Further, approval generally will not be granted for short sales and 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 \$10 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 Chief Compliance Officer or designee a report of the holdings and transactions 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 and 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 to whom the 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 Chief Compliance Officer or designee.

The transaction reports must contain, at a minimum: (i) the date of the transaction, the title and, as applicable, the exchange ticker symbol or CUSIP number, the interest rate and maturity date, the number of shares, and the principal amount of each reportable security involved; (ii) the nature of the transaction (*i.e.*, purchase, sale, or any other type of acquisition or disposition); (iii) the price of the security at which the transaction was effected; (iv) the name of the broker, dealer, bank, or other financial institution with or through which the transaction was effected; (v) if not effected through a broker, dealer, or bank, the location of the securities and a description of how

the transaction was effected; and (vi) the date that the Covered Person submits the report to the Chief Compliance Officer or designee.

Submission to the Chief Compliance Officer or designee of a duplicate copy of the most recent periodic financial institution statements of the Relevant Persons, will be sufficient to fulfill the Holdings and Transactions Report requirement if such financial institution statements include all required information for all securities. The Chief Compliance Officer or designee shall ensure that duplicate account information for all Relevant Persons is sent directly to the Chief Compliance Officer, designee, or electronically through Apollo's Personal Trading Control Center.

The Code of Ethics requires each Covered Person to prepare or certify, on at least an annual basis, reports of securities holdings and transactions.

Material, Non-Public Information

The Code of Ethics 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 of Ethics, including the Insider Trading Policies, on a periodic basis. The Insider Trading Policies prohibit the Apollo Private Equity Managers 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 limited liquidity for a Client if it desires to engage in a disposition transaction or result in the Apollo Private Equity Managers or their personnel being prohibited from using such information for the benefit of Clients. By way of another example, Apollo's investment professionals must obtain approval from Compliance prior to engaging any expert network and must send affirmations indicating that they did not receive material non-public information and that the expert did not breach any duty of confidentiality. 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. In addition, Apollo's investment professionals receive initial and annual training in the use of expert networks and paid consultants.

Other Provisions of the Code of Ethics

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 Clients, managing investments of related parties, and general standards of conduct including the conduct expected when dealing with Clients and the investors in Clients. 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 of Ethics. Violations of the Code of Ethics are subject to the imposition of sanctions, up to and including termination.

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

Cross Trades and Principal Transactions

Apollo Private Equity Managers direct, from time to time and subject to applicable Client investment guidelines and restrictions, one Client to sell securities to another Client (or with other Apollo Funds) through a “cross trade.” Cross trades are 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 by Apollo Private Equity Managers or its affiliates to Clients in connection with the completion of a cross trade. Cross trades are viewed as principal transactions in limited circumstances due to the ownership interest in the Client by the Apollo Private Equity Managers and their personnel.

Cross trades and principal transactions give rise to conflicts of interest between Clients and between Clients and Apollo. 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, the Apollo Private Equity Managers could use their investment authority to transfer unappealing securities from one Client to another Client.

To the extent that any cross trades or affiliate transaction described above may be viewed as a principal transaction due to the ownership interest in the Client of Apollo and its personnel, Apollo will comply with the requirements of Section 206(3) of the Advisers Act and its internal policies and procedures. Specifically, the applicable Apollo’s investment professionals must provide notice to, and obtain the approval of, the Chief Compliance Officer or designee, the Client’s portfolio manager, 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 and the Client shall confirm, among other things: (i) that such trade is allowed by the applicable Client’s investment guidelines; (ii) that the Apollo Private Equity Manager’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.

Potential Duties to AGM Shareholders

The Apollo Managers, including Apollo Capital Management and Apollo Management, are affiliates of AGM. The class A shares of AGM are publicly traded on the New York Stock Exchange. As a result, the Apollo Managers have duties or incentives relating to the interests of AGM’s shareholders that differ from, and that could conflict with, the interests of the their clients and their investors, such as conflicts arising from the allocation of expenses, fee offsets, and investment opportunities (including without limitation, opportunities in the asset management and financial services industries). The Apollo Managers will endeavor to resolve such conflicts in a manner they deem fair and equitable to the extent possible under the

prevailing facts and circumstances. The Apollo Managers will seek to allocate investment opportunities in the asset management and financial services industries between AGM and Clients in accordance with their respective governing documents and will evaluate such opportunities in accordance with Apollo's allocation policies and procedures. In the past, the application of such policies has resulted in the allocation by Apollo of certain investment opportunities relating to the investment management business to AGM rather than to clients (e.g., the acquisition of other financial service businesses), and Apollo may allocate such opportunities in a similar manner in the future.

ITEM 12

Brokerage Practices

Execution

Apollo Private Equity Managers have absolute discretion in selecting brokers to execute portfolio transactions and must use reasonable diligence to ascertain the "best" market price for all securities bought or 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 not always the lowest possible per security price or commission, but whether the transaction represents the best qualitative and quantitative execution for the Client. The Apollo Private Equity Managers consider the full range of a broker's services in assessing best execution and may not pay the lowest commission rates available.

The Apollo Private Equity Managers consider the following factors in selecting 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; and
- (vi) the competitiveness of commission rates in comparison with other brokers satisfying the Apollo Private Equity Managers' other selection criteria.

The Apollo Private Equity Managers are not required to weigh any of these factors equally.

Soft Dollars

The governing documents of certain Apollo Funds 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 Apollo Funds. Apollo Managers do not enter into formal soft dollar arrangements with broker-dealers. The Apollo Managers in the ordinary course receive unsolicited research products and brokerage services from full service broker-dealers as part of their full range of services. Such unsolicited materials might benefit clients and therefore could be construed as soft dollars.

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 by brokers for execution of transactions in connection with one or more Clients may be used by an Apollo Private Equity Manager or another Apollo Manager to service one or more other clients, including clients that may not have paid for the benefits. Apollo Managers do not seek to allocate such benefits to their clients in proportion to the amount of transactions each Client generates.

Order Aggregation

If an Apollo Private Equity Manager determines that the purchase or sale of the same security is in the best interest of more than one Client, the Apollo Private Equity Manager may, but is not obligated to, aggregate orders in order to reduce transaction costs. When an aggregated order is filled through multiple trades at different prices from the same time period within a trade day, each participating Client 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 Private Equity 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 Private Equity 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 pro rata basis.

ITEM 13

Review of Accounts

The portfolio managers across the Clients managed by the Apollo Private Equity Managers engage in ongoing monitoring of each investment. In addition, the Apollo Private Equity Managers conduct thorough, periodic reviews of Client accounts in order to assess trends that impact an individual investment’s ability to generate cash, profitability, asset values, financing needs, potential liability, and ability to service any debts.

The Apollo Investment Practices Committee (the “IPC”) meets on a quarterly basis to review portfolio management, investment processes, and related documents evidencing compliance with written policies and procedures for all Apollo Funds. Generally, the IPC provides oversight of

issues relating to the investment and trading of 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, Risk, and Legal departments.

The Apollo Private Equity Funds generally deliver newsletters to investors on quarterly periodic basis. The newsletters include a portfolio summary, market outlook, the net asset value of portfolio companies and financial statements. The Apollo Private Equity Funds also deliver audited financial statements on an annual basis, within 120 days of the applicable Apollo Private Equity Fund's fiscal year end.

ITEM 14

Client Referrals and Other Compensation

The Apollo Private Equity Managers enter into arrangements with, and compensate, unaffiliated third parties for investor referrals to the Apollo Private Equity Funds. 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. Generally, the terms of such arrangements vary and allow the Apollo Private Equity Manager to cause the applicable Apollo Private Equity Fund to pay the solicitor or placement agent a placement fee equal to a percentage of the Management Fee borne by each investor introduced to an Apollo Private Equity Fund by the solicitor or placement agent and reimburse such solicitor or placement agent for expenses incurred by either of them in connection with such arrangements. In these cases, and where contemplated by the applicable governing documents, the applicable Apollo Private Equity Manager reduces its Management Fee on a dollar-for-dollar basis to the extent any such placement agent fees and related costs and expenses are borne by the Client.

ITEM 15

Custody

Under Advisers Act Rule 206(4)-2, the Apollo Private Equity Managers are deemed to have custody of the assets of certain Clients. These Clients receive annual audited financial statements from an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board. These annual audited financial statements are then distributed to all investors no later than 120 days after the end of the applicable Client's fiscal year-end.

ITEM 16

Investment Discretion

The Apollo Private Equity Managers have full discretionary authority with respect to investment decisions, and their advice with respect to the Apollo Private Equity Funds is provided in accordance with the investment objectives and guidelines as set forth in their respective governing documents. The governing documents of Clients generally place limitations on the Apollo Private Equity Managers regarding their management of Clients, including: (i) the number of portfolio companies that Clients acquire; (ii) the size of portfolio companies; (iii) the amount of leverage that Clients use to acquire portfolio companies; and (iv) the percentage of

portfolio companies acquired by Clients that are organized and operated primarily outside of the United States.

Certain limited partners of a Client negotiate with the general partner in side letter agreements for more specific limitations applicable to the limited partner, such as prohibited investments in specified countries, that result in such limited partner (but not the Client itself) not participating in such prohibited investments. Apollo Management is delegated the authority to consummate investments on behalf of Clients by the terms of the limited partnership agreement and the Management Agreement entered into between a Client and the relevant Apollo Private Equity Manager.

ITEM 17

Voting Client Securities

The Apollo Private Equity Managers have been delegated the authority to vote proxies regarding their Client accounts. The Apollo Private Equity Managers have conflicts of interest where they have a substantial business relationship with the portfolio company and the failure to vote in favor of company management could harm the Apollo Private Equity Managers' relationship with management. Conflicts also arise in the event a senior executive of a portfolio company and a principal of Apollo have a significant personal relationship that could affect how the adviser would vote on a matter relating to the portfolio company.

The Apollo Private Equity Managers have adopted and implemented Apollo's policies and procedures which they believe are reasonably designed to ensure that the Apollo Private Equity Managers vote proxies in the best interests of their Clients. For example, if an Apollo representative sits on the board of directors of a portfolio 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 the applicable Apollo Private Equity Manager and the interests of its Client or between such Apollo Private Equity Manager and the portfolio 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 the Client, 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 their voting discretion, the Apollo Private Equity Managers seek to avoid any direct or indirect conflict of interest between their Clients and their voting decision.

Clients may request from the applicable Apollo Private Equity Manager a copy of the proxy voting policy and a record of how proxies have been voted.

ITEM 18

Financial Information

This Item 18 is not applicable. No Apollo Private Equity Manager is required to include a balance sheet for its most recent fiscal year, is aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to Clients, or has been the subject of a bankruptcy petition at any time during the past ten years.