

Apollo Capital Management, L.P.

FORM ADV

Business Address

9 West 57th Street, Suite 4100
New York, New York 10019
USA

Contact Information

John Suydam
Chief Compliance Officer
Phone: (212) 515-3200
Fax: (646) 607-0539
9 West 57th Street, Suite 4100
New York, New York 10019
jsuydam@apollolp.com

March 31, 2011

This brochure provides information about the qualifications and business practices of Apollo Capital Management, L.P. (“Apollo Capital 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 Capital Management also is available on the SEC’s website at www.advisorinfo.sec.gov.

Apollo Capital 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 is completing the amended Part 2A of Form ADV for the first time and, as such, is not required to complete this Item 2.

ITEM 3
Table of Contents

The Table of Contents appears on the following page.

TABLE OF CONTENTS

	Page
ITEM 2	MATERIAL CHANGES - 2 -
ITEM 3	TABLE OF CONTENTS..... - 2 -
ITEM 4	ADVISORY BUSINESS - 4 -
ITEM 5	FEES AND COMPENSATION - 8 -
ITEM 6	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT..... - 10 -
ITEM 7	TYPES OF CLIENTS - 11 -
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS..... - 12 -
ITEM 9	DISCIPLINARY INFORMATION..... - 19 -
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.... - 19 -
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING..... - 30 -
ITEM 12	BROKERAGE PRACTICES..... - 34 -
ITEM 13	REVIEW OF ACCOUNTS - 35 -
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION - 35 -
ITEM 15	CUSTODY - 36 -
ITEM 16	INVESTMENT DISCRETION - 36 -
ITEM 17	VOTING CLIENT SECURITIES - 36 -
ITEM 18	FINANCIAL INFORMATION - 37 -
ITEM 19	REQUIREMENTS FOR STATE-REGISTERED ADVISERS - 37 -

ITEM 4

Advisory Business

Apollo Global Management, LLC (“Apollo”) is a leading global alternative asset manager. Apollo Capital Management is an indirect subsidiary of Apollo that is primarily engaged in managing Apollo’s capital markets business and controls the capital markets managers as set forth in (1) through (14) below (collectively, with Apollo Capital Management, the “Apollo Capital Markets Managers”), which generally serve as investment and administrative managers to the Apollo Capital Markets Funds (as defined below). The Apollo Capital Markets Managers are:

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

(2) Apollo SVF Management, L.P.: Apollo SVF Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Strategic Value Master Fund, L.P., a private securities investment fund (together with its two feeder funds, Apollo Strategic Value Fund, L.P., and Apollo Strategic Value Offshore, Ltd., “SVF”). Apollo SVF Management, L.P. also acts as investment manager to Apollo Special Opportunities Managed Account, L.P. (“SOMA”), a private securities investment fund, and to certain single investor managed accounts pursuant to specifically negotiated investment limitations. SVF and SOMA primarily invest in the securities of leveraged companies in North America and Europe through distressed investments, value driven investments and special opportunities.

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

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

- (5) Apollo Europe Management, L.P.: Apollo Europe Management, L.P. is a Delaware limited partnership that acts as investment manager to AP Investment Europe Limited, a Guernsey limited company and Apollo Investment Europe II, L.P. (together, “AIE”). AIE primarily makes mezzanine debt, other debt and equity investments in European companies.
- (6) Apollo EPF Management, L.P.: Apollo EPF Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo European Principal Finance Fund, L.P., a Cayman Islands exempted limited partnership, and to its feeder fund Apollo European Principal Finance Fund (Feeder), L.P. (together, “EPF”). EPF invests principally in European non-performing loans.
- (7) Apollo Credit Liquidity Management, L.P.: Apollo Credit Liquidity Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Credit Liquidity Fund, L.P., (“CLF”), a private securities investment fund. CLF invests primarily in senior secured debt, but may also invest in other debt and debt-related investments.
- (8) Apollo/Artus Management, LLC: Apollo/Artus Management, LLC is a Delaware limited liability company. It acts as the public-side investment adviser to the private securities investment funds Artus Loan Fund 2007-I, Ltd. and Artus Loan Fund 2007-I, LLC, (collectively, the “Artus Loan Funds”). The Artus Loan Funds primarily invest in U.S. dollar-denominated commercial loans.
- (9) Apollo Credit Opportunity Management, LLC: Apollo Credit Opportunity Management, LLC is a Delaware limited liability company. It acts as investment manager to Apollo Credit Opportunity Fund I, L.P. and Apollo Credit Opportunity Fund II, L.P. (collectively, the “Credit Opportunity Funds”). The Credit Opportunity Funds primarily invest in debt and debt-related securities portfolios.
- (10) Apollo Management International LLP: Apollo Management International LLP is an English limited liability partnership, which serves as a non-discretionary sub-adviser to various Apollo Capital Markets Managers, Apollo Private Equity Managers, and the Apollo Commodities Manager.
- (11) Apollo Credit Management, LLC: Apollo Credit Management, LLC is a Delaware limited liability company that is registered with the SEC as an investment adviser. It acts as investment manager to Apollo Senior Floating Rate Fund Inc., a Maryland corporation that is registered with the SEC as a closed-end, non-diversified investment company under the Investment Company Act.
- (12) Apollo Credit Management II, L.P.: Apollo Credit Management II, L.P. is a Delaware limited partnership. It acts as investment manager to Apollo/Palmetto Loan Portfolio, L.P., Apollo Credit Senior Loan Fund, L.P., and Apollo/JH Loan Portfolio, L.P. (collectively, the “Loan Portfolio Funds”). Each Loan Portfolio Fund will be comprised of a diversified portfolio generally consisting of performing senior secured floating rate loans and non-first lien fixed income investments and other income generating fixed income investments, including, but not limited to, senior secured bonds.

(13) Athene Asset Management, LLC: Athene Asset Management, LLC is a Delaware limited liability company (“AAM”) that acts as investment manager to Athene Life Re Ltd., a reinsurance company organized as a Bermuda exempted company (“ALR”), and to certain unrelated third party insurance companies. It also manages the assets of Athene Life Insurance Company (“ALIC”), which is a recently-organized Indiana-domiciled stock life insurance company focused on the funding agreement-backed note and institutional funding agreement markets owned by Athene Holding Ltd. (“AHL”), a Bermuda-based holding company. ALIC invests in a diversified portfolio of highly-rated, fixed income assets, which will back ALIC’s obligations under the funding agreements and funding agreement-backed notes.

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

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

Apollo Capital Management serves as investment manager to various co-investment vehicles structured to facilitate investments by affiliated and third party co-investors alongside Clients (“Co-Investment Vehicles”). To the extent that a particular investment opportunity exceeds the desired allocation to a Client in the aggregate in view of investment size, type, available capital, diversification, location, holding period and other relevant considerations, Apollo Capital Management may offer such co-investment opportunities to its affiliates or to third parties. Apollo Capital Management and its affiliates may also offer co-investment opportunities to other Clients, persons or firms who Apollo Capital Management or its affiliates believe will be of benefit to Clients. Apollo Capital Management may also organize one or more Co-Investment Vehicles to invest in Clients or to co-invest alongside Clients to facilitate personal investments by such persons or firms and by partners, officers and employees and their related parties and associates of Apollo Capital Management or of control entities. Apollo Capital Management and its affiliates may elect not to charge a management fee to or receive carried interest from such Co-Investment Vehicles. Apollo Capital Management and any of its affiliates may charge carried interest, management and other fees to any co-investors.

The funds described in (1)-(14), together with any managed accounts managed by Apollo Capital Markets Managers, are referred to as “Apollo Capital Markets Funds.” In addition to the foregoing, Apollo Capital Management and the Apollo Managers (as defined below) serve as the investment managers to a number of special purpose vehicles through which several Apollo Funds (as defined below) have invested. Apollo Capital Management and the Apollo Managers generally form special purpose vehicles to facilitate portfolio investments by Apollo Funds for tax, regulatory, or economic purposes. The Apollo Manager that acts as the investment manager to a particular special purpose vehicle is determined on the basis of the Apollo Fund that invests through such special purpose vehicle. For example, if an Apollo Capital Markets Fund

effectuates an investment through a special purpose vehicle, Apollo Capital Management will generally serve as the investment manager to the special purpose vehicle.

Apollo Capital Management generally provides investment advice to pooled investment vehicles such as hedge funds and private equity funds and separately managed accounts.

The advisory relationship between each Apollo Capital Markets Fund and the relevant Apollo Capital Markets Manager is governed by the respective management agreement between the Apollo Capital Markets Fund and the Apollo Capital Markets Manager (“Management Agreement”). The Management Agreements are generally negotiated between related parties and their terms, including the fees payable to the Apollo Capital Markets Managers, may not be as favorable to the Apollo Capital Markets Funds as if they had been negotiated with an unaffiliated unrelated third party.

The Apollo Capital Markets Managers may offer advice on partnerships that invest in instruments that are consistent with the respective Apollo Capital Markets Fund’s investment strategy and objective, including: (i) senior secured bank debt, (ii) first lien and second lien debt, (iii) subordinated debt, (iv) mortgage securities, (v) real estate, (vi) PIK loans, (vii) high yield debt, (viii) senior debt, (ix) commercial loans, (x) synthetic securities, (xi) trade and credit derivatives and (xii) bank loans. In addition, the Apollo Capital Markets Managers, either directly or indirectly through a special purpose vehicle, may engage in total return swaps which allow the Clients to derive the economic benefit of owning an asset without retaining legal ownership of such asset. Finally, in connection with certain investments, the Apollo Capital Markets Managers may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates.

The investments of certain Apollo Capital Markets Funds are subject to certain diversification and geographic limitations as set forth in the constituent documents of the relevant Apollo Capital Markets Fund.

Without prior consultation with clients, the Apollo Capital Markets Managers may 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 Capital Markets Managers are appointed as an investment adviser with discretionary trading authorization for the investment vehicles. Similarly, the Apollo Capital Markets Managers also may provide discretionary or non-discretionary investment advisory services for separately managed accounts (the Apollo Capital Markets Funds, together with other pooled investment vehicles and managed accounts advised by Apollo Capital Markets Managers from time to time are collectively referred to herein as “Clients”). Clients may also be solicited to invest in one or more private pooled investment vehicles managed by Apollo Capital Markets Managers or another Apollo Fund. Absent specific authority, the Apollo Capital Markets Managers do not exercise discretionary authority with respect to a Clients’ decision to invest in a private pooled investment vehicle.

The Apollo Capital Markets Managers have full discretionary authority with respect to the investment decisions of its Clients; however, their advice is provided in accordance with the investment objectives and guidelines set forth in each Client’s offering memoranda and

constituent documents. Similarly, the Apollo Capital Markets Managers' investment decisions and advice with respect to a managed account (if any) will be in accordance with the investment objectives and guidelines in such managed account's investment management agreement, as well as any other instructions provided by the managed account to the applicable Apollo Capital Markets Manager.

The investments of the Apollo Capital Markets Funds may be subject to certain diversification and geographic limitations as set forth in the constituent documents of the Apollo Capital Markets Funds. Further, the Apollo Capital Markets Managers may enter into side letters with certain limited partners of the Apollo Capital Markets Funds which impose further restrictions on investing in certain types of securities, countries, geographies or businesses with respect to such limited partner.

Apollo Capital Management manages \$21,743,180,000 of client assets on a discretionary basis and \$539,820,000 of client assets on a non-discretionary basis as of December 31, 2010.

ITEM 5

Fees and Compensation

The Apollo Capital Markets Managers and their affiliates may charge carried interest, management fees and other fees to Clients. The specific payment terms and other conditions of the management fee and performance fee/allocation compensation available to the Apollo Capital Markets Managers are set forth in the relevant private placement memoranda and constituent documents. Each affiliate of Apollo Capital Management that serves as a general partner of an Apollo Capital Markets Fund is entitled to receive performance-based compensation from such fund. All performance fees payable to the general partners of the Apollo Capital Markets Funds will be effected consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder.

Fees charged to a managed account would be individually negotiated with the investor participating in any separately managed account and established pursuant to such account's investment management agreement. Management fees, performance fees and other fees paid by the Apollo Capital Markets Funds to the Apollo Capital Markets Managers are not generally negotiated, although the Apollo Capital Markets Managers may negotiate fees with limited partners in the Apollo Capital Markets Funds for co-investment opportunities outside of the Apollo Capital Markets Funds. With respect to private investment funds that the Apollo Capital Markets Managers may raise in the future, certain limited partners may seek to negotiate terms (including fees payable to the Apollo Capital Markets Managers) through the negotiation of the limited partnership agreement or through side letters.

The Apollo Capital Markets Funds generally bear all expenses related to their operations, including, by way of example, fees, costs and expenses directly related to the purchase and sale of their investments, taxes, fees of auditors and counsel, fees of consultants, expenses of the advisory boards and annual meetings, insurance, litigation expenses and any extraordinary expenses.

In the case of certain Clients, the applicable general partner and/or Apollo Capital Management have the unilateral discretion to waive or modify the application of certain provisions of the constitutional documents for each Client with respect to an investor in such Client (including those related to fees, performance allocations, transparency, and withdrawals) without obtaining the consent of any other investor. The applicable general partner and Apollo Capital Management generally waive all fees and performance allocations from Apollo principals and employees of Apollo Capital Management and its affiliates, as well as for family members.

The limited partnership agreements of the Apollo Capital Markets Funds generally provide that the general partner may allocate capital from the capital accounts of limited partners to pay management fees and performance-based fees to the applicable Apollo Capital Market Manager and/or the general partner of the fund.

Apollo Capital Management or other Apollo Managers may have the right to receive certain fees in connection with its Clients' portfolio investments. With respect to certain funds, Apollo Capital Management and/or its affiliates are entitled to receive (i) a transaction fee equal to a percentage of any purchase price paid, or agreed to be paid, by such funds for any portfolio investment ("Transaction Fees") and/or (ii) a reasonable monitoring fee in respect of the portfolio investments ("Monitoring Fees"). A percentage of such Transaction Fees and Monitoring Fees are generally applied to reduce the management fee payable to the relevant Apollo Capital Markets Manager.

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

Generally, the management fees and performance-based fees payable to the Apollo Capital Markets Managers are payable monthly, quarterly or annually in arrears as set forth in the applicable Management Agreement. However, the Credit Opportunity Funds pay management fees quarterly in advance.

The Management Agreements are generally terminated upon the completion of the winding-up of the Apollo Capital Markets Fund or removal of the general partner of the Apollo Capital Markets Fund.

ITEM 6

Performance-Based Fees and Side-by-Side Management

As discussed in Item 5 above, Apollo Capital Management and its affiliates may charge carried interest, management fees and other fees to Clients. Each affiliate of Apollo Capital Management that serves as a general partner of an Apollo Capital Markets Fund is entitled to receive performance-based compensation from such fund. In addition, Apollo Capital Management and/or the Apollo Capital Markets Managers are also entitled to receive a management fee in consideration of advisory services provided to the Apollo Capital Markets Funds.

The existence of carried interest or performance allocations with respect to Clients may create an incentive for the Apollo Capital Markets Managers to make more speculative investments on behalf of Clients than they might otherwise make in the absence of such performance-based compensation. The carried interest or performance allocation may also incentivize Apollo Capital Management and the Apollo Capital Markets Managers to dedicate increased resources and allocate more profitable investment opportunities to Clients who are charged a higher carried interest, as Apollo Capital Management and its affiliates have the opportunity to receive carried interest distributions based on the success of portfolio investments. Further, the Apollo Capital Markets Managers are incentivized to allocate investment opportunities to Clients who either pay higher carried interest percentages to their general partners or to Clients whose current performance does not require them to reimburse limited partners for losses attributable to prior unprofitable investments before distributing carried interest to their general partners.

The terms of the carried interest or performance allocations could also give the Apollo Capital Markets Managers an incentive to make decisions regarding the timing and structure of realization transactions that may not be in the best interests of investors. For example, the Apollo Capital Markets Managers for Apollo Capital Markets Funds may be in a position to receive carried interest distributions earlier if profitable investments are liquidated prior to investments that are not profitable because, at the time proceeds from such profitable investments are liquidated, the Apollo Capital Markets Managers would not be required to first distribute capital to limited partners to make up for prior losses associated with unprofitable investments. Although certain of the Apollo Capital Markets Funds contain a “clawback” requiring the general partner of such funds to return excess distributions to limited partners in the event the general partner receives more than its carried interest percentage of fund profits on an aggregate basis over the life of the fund, the return of such distributions to the limited partners would generally be delayed until the end of the fund’s term.

For certain Apollo Capital Markets Funds, the existence of the carried interest or performance allocation creates a potential conflict of interest for the general partner and Apollo Capital Markets Manager in valuing investments. For example, because distributions to the partners in such funds are generally calculated in a “deal-by-deal” waterfall, the general partner will not receive a carried interest until the partners receive distributions equal to their share of writedowns not taken into account in prior distributions. This creates an incentive for the general partner and Apollo Capital Markets 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. Apollo has adopted written valuation procedures intended to

mitigate potential conflicts of interests in respect of the valuation of assets that are not readily marketable or are difficult to value.

The management fees that the Apollo Capital Markets Managers receive for services provided to certain Apollo Capital Markets Funds may be based on capital contributions as opposed to capital commitments. Because the Apollo Capital Markets Managers will not receive management fees from such Apollo Capital Markets Funds until capital is drawn, there is an incentive for the Apollo Capital Markets Managers to invest such funds' capital earlier than they would have if management fees were based on capital commitments.

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

ITEM 7

Types of Clients

Apollo Capital Management generally provides investment advice to pooled investment vehicles and separately managed accounts and registered investment companies.

The minimum investment for most Apollo Capital Markets Funds is stated in the funds' respective offering documents and is generally set at \$5 million. AIC, AIE, AAA, CLF and the Artus Loan Funds do not have minimum investments. The general partners of the Apollo Capital Markets Funds may generally waive the applicable minimum at their respective discretion.

Generally, investors participating in Apollo Capital Markets Funds 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 or (iii) a "knowledgeable employee" within the meaning of Rule 3c-5 of the Investment Company Act, depending on the applicable eligibility requirements of the respective Apollo Fund. AIC, a publicly traded company, does not have suitability or net worth qualifications. The Artus Loan Funds accept investments from "qualified institutional buyers" within the meaning of Rule 144A of the Securities Act.

ITEM 8

Methods of Analysis, Investment Strategies and Risk of Loss

The following is a summary of the investment strategies and methods of analysis employed by the Apollo Capital Markets Managers on behalf of Clients. Specific descriptions of such strategies and methods are included in each Client's private placement memorandum, subscription agreement, or other constituent documents. In the case of separate accounts managed by the Apollo Capital Markets Managers, the investment strategies and methods of analysis employed on behalf of each separate managed account will be set forth in the investment advisory agreement between the managed account and the respective advisor or in other related documents.

Methods of Analysis:

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

Participation in Apollo Capital Markets Funds and other Clients of the Apollo Capital Markets Managers are 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 an Apollo Capital Markets Fund. The acquisition of limited partnership interests in an Apollo Capital Markets Fund and the investments made by the Apollo Capital Markets Funds are highly speculative and may involve the risk of total loss of an investor's capital commitment.

Investment Strategies

Apollo Capital Management's objective is to achieve attractive risk-adjusted returns across all economic cycles. 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. The Apollo Capital Markets Funds principally seek to make debt investments that offer a compelling risk/reward, are undervalued by the markets and/or are priced at attractive yields. The Apollo Capital Markets Managers develop investment strategies based upon the following distinguishing characteristics of Apollo's firm-wide business:

- (i) *Integrated Business Model with Strong Capital Markets Expertise.* Apollo Capital Management and its affiliates rely on Apollo's partners' active participation in, and experience with, capital markets to gain understanding of transaction sourcing, investing, operating and exit opportunities. Apollo's private equity and capital markets businesses are operated on an integrated investment platform with no information barriers.

(ii) *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 capital 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.

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

Risk of Loss

The following risk factors are generally applicable to Apollo Capital Management's Clients. However, additional risk factors, including risk factors that are specific to a particular Client's investment strategy are described in each Client's private placement memorandum, subscription agreement, or risk disclosure statement.

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

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

General Market Risks. Since 2008, there have been significant and well-publicized dislocations in the market for collateralized debt obligations, structured product securities, bank loans and other fixed income instruments. Such market changes include, but are not limited to, increased delinquencies and defaults in residential mortgage backed securities, particularly, but not limited to, securities backed by "sub-prime" mortgage loans, bankruptcy filings by a number of residential mortgage originators, significant changes in credit spreads, an increased rate of downgrades of rated securities, significantly reduced liquidity for assets similar to those Clients may buy, steep reductions in the market value or a lack of verifiable market quotes for assets Clients may buy and an inability of funds investing in similar assets to meet increasing investor redemption demands due to reduced liquidity and uncertain market values. Such changes may materially and adversely affect the performance of Clients' portfolio investments.

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

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

On July 21, 2010 the President signed into law major financial services reform legislation in the form of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”). The Dodd-Frank Act, among other things grants regulatory authorities such as the Commodity Futures Trading Commission and the SEC broad rulemaking authority to implement various provisions of the Dodd-Frank Act, including comprehensive regulation of the over-the-counter derivatives market. It is unclear how these regulators will exercise these revised and expanded powers and whether they will undertake rulemaking, supervisory or enforcement actions that would adversely affect the Apollo Funds or investments made by the Apollo Funds.

In addition, certain of the Apollo Capital Markets Funds may invest in distressed investments and, as a result, there is a possibility that certain of the Apollo Capital Markets Managers may participate in restructuring activities. It is possible that certain of the Apollo Capital Markets Funds may become involved in litigation respecting creditor disputes and similar issues among classes of claimants. Litigation entails expense and the possibility of counterclaims against such Apollo Capital Markets Funds including their general partners and respective Apollo Capital Markets Managers, and ultimately, judgments may be rendered against an Apollo Capital Markets Fund for which such fund does not carry insurance.

Lack of Liquidity of Investments. The Apollo Capital Markets Funds’ portfolio investments will consist primarily of debt investments, including, but not limited to, senior secured loans, unsecured loans, second lien loans, debtor-in-possession financings, delayed drawdown loans and revolving bank loans. Loans are not generally traded on

organized exchange markets but rather would typically be traded by banks and other institutional investors engaged in loan syndications. The liquidity of portfolio investments will therefore depend on the liquidity of this market. Trading in loans is subject to delays as transfers may require extensive and customized documentation, the payment of significant fees and the consent of the agent bank or underlying obligor. In addition, certain investments may be subject to legal or contractual restrictions or requirements that limit the Apollo Capital Markets Funds' ability to transfer them or sell them for cash. The resulting illiquidity of these investments may make it difficult for an Apollo Capital Markets Fund to sell such investments if the need arises. If an Apollo Capital Markets Fund needs to sell all or a portion of its portfolio over a short period of time, it may realize value significantly less than the value at which it had previously recorded those investments. There can be no assurance that the Apollo Capital Markets Funds will be able to generate returns for their investors or that the returns will be commensurate with the risks of investing in the types of instruments described herein. As noted above, there is a possibility of partial or total loss of capital as a result of such constraints.

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

Leverage. The Apollo Capital Markets Funds may, in certain instances, borrow and may utilize various other forms of leverage, and expects to operate with a significant leverage ratio. Although leverage presents opportunities for increasing a fund's total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are less than the cost of the leverage, the total return of the leveraging fund will decrease. Accordingly, any event which adversely affects the value of a portfolio investment would be magnified to the extent a fund is leveraged. The cumulative effect of the use of leverage by the Apollo Capital Markets Funds in a market that moves adversely to the funds' investments or in the event portfolio investments experience credit quality deterioration could result in a substantial loss to the Apollo Capital Markets Funds that could be substantially greater than if the funds were not leveraged. In addition, contractual demands by lenders to an Apollo Capital Markets Fund to reduce its leverage may force such fund to sell investments on an emergency basis at prices less than those obtainable in a more orderly liquidation. To the extent that a creditor has a claim on an Apollo Capital Markets Fund, such claim would be senior to the rights of an investor in the Fund. As a result, if an Apollo Capital Markets Fund's losses were to exceed the amount of capital invested, an investor could lose its entire investment.

Financing Arrangements. To the extent that an Apollo Capital Markets Fund enters into financing arrangements in the future, such arrangements may contain provisions that expose it to particular risk of loss. For example, any cross-default provisions could magnify the effect of an individual default. If a cross-default provision were exercised, this could result in a substantial loss for the Apollo Capital Markets Fund. Also, the Apollo Capital Markets Funds may, in the future, enter into financing arrangements that contain

financial covenants that could require them to maintain certain financial ratios. If an Apollo Capital Markets Fund were to breach the financial covenants contained in any such financing arrangement, it might be required to repay such debt immediately in whole or in part, together with any attendant costs, and the fund might be forced to sell some of its assets to fund such costs. The applicable fund might also be required to reduce or suspend distributions. Such financial covenants would also limit the ability of the Apollo Capital Markets Manager to adopt the financial structure (e.g., by reducing levels of borrowing) which it would have adopted in the absence of such covenants. In addition, pursuant to the partnership agreements of certain Apollo Capital Markets Funds, the general partner is permitted to pledge the capital commitments of the limited partners to secure financing arrangements for the Apollo Capital Markets Fund. The limited partners may be required to honor their capital commitments to permit the Apollo Capital Markets Fund to pay debt rather than to make investments.

Investments in Distressed Securities and Restructurings. The Apollo Capital Markets Funds may make investments in restructurings that involve portfolio companies that are experiencing or are expected to experience severe financial difficulties. These financial difficulties may never be overcome and may cause a portfolio company to become subject to bankruptcy proceedings. Investments in a financially troubled portfolio company could, in certain circumstances, subject the applicable Apollo Capital Markets Fund to additional liabilities that may exceed the value of the Apollo Capital Markets Fund's original investment in the portfolio company. For example, under certain circumstances, a lender who has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In addition, under certain circumstances, payments to Apollo Capital Markets Funds or distributions by Apollo Capital Markets Funds to their limited partners may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, investments in restructuring may be adversely affected by statutes related to, among other things, fraudulent conveyances, voidable preferences, lender liability and the bankruptcy court's discretionary power to disallow, subordinate or disenfranchise particular claims or re-characterize investments made in the form of debt as equity contributions.

Hedging Policies/Risks. In connection with certain investments, the Apollo Capital Markets Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates. While such transactions may reduce certain risks, hedging transactions themselves may entail other risks. Thus, while the Apollo Capital Markets Funds may benefit from the use of these hedging mechanisms, unanticipated changes in interest rates, securities prices or currency exchange rates may result in a poorer overall performance for the relevant Apollo Capital Markets Fund than if it had not entered into hedging transactions.

Non-Controlling Investments. Apollo Capital Markets Funds may hold non-controlling interests in certain Portfolio Companies and, therefore, may have a limited ability to protect their positions in such Portfolio Companies. Although where practicable and

appropriate, the investing Apollo Capital Markets Fund generally will seek shareholder rights to protect its interests.

Uncertainty of Financial Projections. The Apollo Capital Markets Manager for an Apollo Capital Markets Fund investing in a portfolio company generally may do so on the basis of the target's financial projections. Projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and the performance of any investment in such portfolio company.

Reliance on Portfolio Company Management. The day-to-day operations of a portfolio company will be the responsibility of such company's management team. Although the relevant Apollo Capital Markets Manager will be responsible for monitoring the performance of portfolio companies and generally will seek to invest in companies operated by capable management. The Apollo Capital Markets Managers may typically not be able to influence management decisions, and there can be no assurance that an existing management team, or any successor team, will be able to successfully operate a portfolio company in accordance with such Apollo Capital Markets Manager's expectations.

Participation Interests. The Apollo Capital Markets Funds may purchase participation interests in debt instruments which do not entitle the holder thereof to direct rights against the obligor. Participations held by the Apollo Capital Markets Funds in a selling institution's portion of a debt instrument typically result in a contractual relationship only with such selling institution, not with the obligor. The Apollo Capital Markets Funds have the right to receive payments of principal, interest and any fees to which they are entitled only from the selling institution selling the participation and only upon receipt by such selling institution of such payments from the obligor. In connection with purchasing participations, the Apollo Capital Markets Funds generally will have no rights to enforce compliance by the obligor with the terms of the related loan agreement, nor any rights of set-off against the obligor and the Apollo Capital Markets Funds may not directly benefit from the collateral supporting the debt instrument in which it has purchased the participation. As a result, the Apollo Capital Markets Funds will assume the credit risk of both the obligor and the selling institution selling the participation. In the event of the insolvency of such selling institution, the Apollo Capital Markets Funds may be treated as a general creditor of such selling institution, and may not benefit from any set-off between such selling institution and the obligor. When the Apollo Capital Markets Funds hold a participation in a debt instrument they may not have the right to vote to waive enforcement of any restrictive covenant breached by an obligor or, if an Apollo Capital Markets Fund does not vote as requested by the selling institution, it may be subject to repurchase of the participation at par. Selling institutions voting in connection with a potential waiver of a restrictive covenant may have interests different from those of the

Fund, and such selling institutions may not consider the interests of the Fund in connection with their votes.

Synthetic Securities. Apollo Capital Markets Funds may invest in synthetic securities such as swaps (including total return swaps), over-the-counter transactions and other derivative instruments. Investments through the purchase of synthetic securities present risks in addition to those resulting from direct purchases of the underlying securities or assets. With respect to synthetic securities, the Clients will usually have a contractual relationship only with the counterparty of such synthetic security and not the underlying obligor. The well-publicized collapse of certain financial institutions may be indicative of increased counterparty risk with respect to, among other things, transactions involving synthetic securities. Additionally, the transparency of the financial statements issued by financial institutions, particularly with respect to the value of complex financial assets, has been called into question. The Client generally will have no right directly to enforce compliance by the underlying obligor, nor have any voting or other consensual rights of ownership with respect to the underlying obligation. The Client will not directly benefit from any collateral supporting the underlying obligation and will not have the benefit of the remedies that would normally be available to a holder of such underlying obligation. In addition, in the event of the insolvency of the counterparty, the Client will be treated as a general creditor of such counterparty and will not have any claim of title with respect to the underlying obligation. Consequently, the Client will be subject to the credit risk of the counterparty as well as that of the underlying obligor. As a result, concentrations of synthetic securities entered into with any one counterparty will subject the Client to an additional degree of risk with respect to defaults by such counterparty as well as by the underlying obligor.

Investments in Subordinated Debt. Certain of the Apollo Capital Markets Funds' investments may consist of loans or securities, or interests in pools of securities, that are subordinated or may be subordinated in right of payment and ranked junior to other securities issued by, or loans made to, obligors. If an obligor experiences financial difficulty, holders of its more senior securities will be entitled to payments in priority to the Client. Some of the Client's asset-backed investments may also have structural features that divert payments of interest and/or principal to more senior classes of loans or securities backed by the same assets when loss rates or delinquency exceeds certain levels. This may interrupt the income the Client receives from its investments, which may lead to the Client having less income to distribute to its investors. If the obligors are highly leveraged or the Client invests in securities that are unrated or rated below investment grade, such investments are subject to additional risks, including an increased risk of default during periods of economic downturn, the possibility that the obligor may not be able to meet its debt payments, and limited secondary market support, among other risks.

Portfolio Investment Ratings. Investments in the debt of portfolio companies ("Portfolio Investments") may include commercial loans and high-yield corporate or other debt obligations of both U.S. and non-U.S. obligors rated below investment grade, which have greater credit and liquidity risk than more highly-rated obligations.

Downgrades and negative rating actions may occur with respect to the Portfolio Investments and, in such case, there is no requirement to sell any such Portfolio Investment. Portfolio 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 and the possibility of increased volatility and default rates.

Loans to Private Companies. Loans to private companies involve a number of particular risks, including:

- these companies may have limited financial resources and limited access to additional financing, which may increase the risk of their defaulting on their obligations, leaving creditors, such as an Apollo Fund, dependent on any guarantees or collateral they may have obtained;
- these companies may have shorter operating histories, narrower product lines, and smaller market shares than larger businesses, which render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;
- there may not be as much information publicly available about these companies as would be available for public companies and such information may not be of the same quality; and
- these companies are more likely to depend on the management talents and efforts of a small group of persons; as a result, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on these companies' ability to meet their obligations.

Apollo Capital Management's Clients principally invest in debt instruments, including senior secured debt, first lien and second lien debt, subordinated debt, mortgage securities, real estate, PIK loans, high yield debt, senior debt, commercial loans, synthetic securities, trade and credit derivatives, and bank loans. The material risks involved in investing in these types of securities are discussed in the preceding paragraphs of this Item 8.

ITEM 9

Disciplinary Information

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

ITEM 10

Other Financial Industry Activities and Affiliations

As further discussed below, AP CM, LLC, an affiliate of Apollo ("AP CM"), filed an application for broker-dealer registration on September 17, 2010 which is expected to become effective during the spring of 2011. It is anticipated that certain management persons of Apollo Capital Management will have applications pending to register as registered representatives of AP CM.

Further, it is expected that certain management persons of Apollo Capital Management that are involved in providing portfolio management services to Clients on behalf of Apollo Capital Management will also be involved in the business and operations of AP CM. Such management persons may face conflicts of interest in dedicating time and resources to the management of Clients, which may have a detrimental effect on the performance of Clients. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Apollo client.

Apollo Capital Management does not currently have a relationship that is material to its advisory business with a related person that is a broker dealer. As discussed in Item 12 below, portfolio transactions on behalf of the Apollo Capital Markets Funds are executed by unaffiliated brokers selected by Apollo Capital Management and/or the Apollo Capital Markets Managers in their sole discretion. However, it is anticipated that Apollo Capital Management will develop a relationship with AP CM in the future, as set forth below.

AP CM, LLC:

AP CM filed an application for broker-dealer registration on September 17, 2010, which is expected to become effective during the spring of 2011. Once AP CM is registered as a broker-dealer, it is anticipated that it will (i) serve as placement agent for the Apollo Capital Markets Funds and may receive fees from the Apollo Capital Markets Funds for selling interests in those funds; (ii) negotiate the debt and equity investments made by portfolio companies owned or controlled by Apollo Funds or the securities offerings by portfolio companies and may receive a fee from those companies for such services; (iii) negotiate the merger of a portfolio company, the acquisition of a portfolio company by an Apollo Fund, or the sale of a portfolio company by an Apollo Fund and may receive fees from the portfolio company or an Apollo Fund for providing such services; and (iv) negotiate the terms of co-investment opportunities for investors in Apollo Funds alongside portfolio investments made by Apollo Funds, place clients and investors in co-investment vehicles, and may receive fees in connection with such services.

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

AP Alternative Assets, L.P.

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

- Private equity investments consisting mainly of co-investments alongside the Apollo Private Equity Funds. AAA has entered into a co-investment arrangement with AIF VI that represents an aggregate co-investment opportunity of \$1.5 billion.
- Investments in Apollo Funds sponsored or managed by the Apollo Capital Markets Managers (as defined below).

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

Each investment made by AAA will be subject to one carried interest, which will generally entitle affiliates of Apollo Capital 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 Capital Management's affiliation with AAA is subject to the conflicts of interest set forth below in this Item 10.

Additionally, certain management persons of Apollo Capital Management are also expected to have a relationship or arrangement that is material to Apollo Capital Management's advisory business with other pooled investment vehicles or investment companies sponsored by Apollo. By way of example, certain management persons of Apollo Capital Management that are involved in providing portfolio management services to Clients have direct incentive compensation arrangements with other Apollo Funds that pay incentive fees to their general partners (e.g., a management person of Apollo Capital Management may receive a share of the incentive fees earned by the general partners of other Apollo Funds). 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 Clients, each of which may have a detrimental effect on the performance of Clients. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Apollo client and by establishing the investment allocation procedures described in below.

Affiliated Apollo Managers

The Apollo Capital Markets Managers are affiliated with the Apollo Private Equity Managers as set forth in (1) through (8) below (the "Apollo Private Equity Managers"), the Apollo Commodities Manager as set forth in (9) below (the "Apollo Commodities Manager"), the Apollo Real Estate Managers set forth in (10) through (18) below (the "Apollo Real Estate Managers") and together with the Apollo Capital Markets Managers, the Apollo Commodities Manager and the Apollo Private Equity Managers described in Item 4, the "Apollo Managers").

The Apollo Private Equity Managers are:

(1) Apollo Management, L.P. (“Apollo Management”): Apollo Management is a Delaware limited partnership that is an SEC registered investment adviser and that controls the investment managers set forth in (2) through (8) below.

(2) Apollo Management III, L.P.: Apollo Management III, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund III, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively “AIF III”). AIF III is a private investment fund whose principal investors are public and private pensions and other financial institutions.

(3) Apollo Management IV, L.P.: Apollo Management IV, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund IV, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, “AIF IV”). AIF IV is a private investment fund whose principal investors are public and private pensions and other financial institutions.

(4) Apollo Management V, L.P.: Apollo Management V, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund V, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, “AIF V”). AIF V is a private investment fund whose principal investors are public and private pensions and other financial institutions.

(5) Apollo Management VI, L.P.: Apollo Management VI, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund VI, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, “AIF VI”). AIF VI is a private investment fund whose principal investors are public and private pensions and other financial institutions.

(6) Apollo Management VII, L.P.: Apollo Management VII, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund VII, L.P. and its related co-investment vehicles, alternative investment vehicles, feeder funds and special purpose vehicles (collectively, “AIF VII” and together with AIF III, AIF IV, AIF V, and AIF VI, the “Apollo Private Equity Funds”). AIF VII is an investment fund whose principal investors are public and private pensions and other financial institutions.

(7) LeverageSource Management, LLC: Leverage Source Management, LLC is a Delaware limited liability company that acts as investment manager to LeverageSource V S.a.r.l. (Lux).

(8) Apollo Management (Mauritius - PE) Ltd.: Apollo Management (Mauritius - PE) Ltd. is a Mauritius limited company that is a sub-adviser to Apollo Management VII, L.P. It also acts as investment manager to Apollo India Private Equity (Mauritius) Ltd., a Mauritius limited company that serves as a sub-account to AIF VII.

As supervised persons of Apollo Management, the Apollo Private Equity Managers (other than Apollo Management) intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of the Apollo Private Equity Managers and any other persons acting on their behalf are and shall be subject to the supervision and control of Apollo

Management. The Apollo Private Equity Managers are relying on Apollo Management's registration under the Advisers Act and are not registering themselves.

The Apollo Commodities Manager is:

(9) Apollo Commodities Management, L.P.: Apollo Commodities Management, L.P. is a Delaware series limited partnership that is registered with the SEC as an investment adviser.

The Apollo Real Estate Managers are:

(10) Apollo Global Real Estate Management, L.P. ("AGREM"): AGREM is a Delaware limited partnership that is registered with the SEC as an investment adviser. It controls the investment managers set forth in (10) - (17) below. In addition, AGREM has been engaged by Athene Asset Management, LLC to serve as sub-manager to one or more accounts as may be designated by certain affiliated and unaffiliated third party insurance companies.

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

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

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

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

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

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

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

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

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

Apollo Capital Management controls the Apollo Capital Markets Managers, which generally serve as investment and administrative managers to the Apollo Capital Markets Funds, as discussed in Item 4 above. Apollo Capital Management is also affiliated with the other Apollo Managers identified above, which generally serve as investment and administrative managers to other Apollo Funds.

Certain inherent conflicts of interest arise from the fact that: (1) Apollo Capital Management will provide investment management services to more than one Client, (2) Clients may have one or more overlapping investment objectives, and (3) Apollo Capital Management is affiliated with other Apollo Managers that provide investment management services to Apollo Funds that also may have overlapping investment objectives. Also, the portfolio strategies employed by Apollo Capital Management for current and future Clients and by Apollo Managers for other Apollo Funds could conflict with the strategies employed by Apollo Capital Management for current and future Clients, and may effect the prices and availability of the securities and other assets in which such Clients invest. The Clients of Apollo Capital Management have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one Client and by certain Apollo Funds. In such case, participation in such opportunities will be allocated pursuant to Apollo Capital Management’s allocation policy and procedures.

Such considerations may result in allocations of certain investments among the Clients of Apollo Capital Management and certain Apollo Funds on other than a *pari passu* basis. More information concerning Apollo Capital Management's allocation policy and procedures is provided below.

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

Apollo Capital Management and its personnel may have conflicts in allocating their time and services among Clients. Apollo Capital Management personnel will work on other projects; including other Apollo Funds and Apollo's other existing and potential business activities. In addition, Apollo Capital Management personnel will work with other Apollo Managers to manage the investment activities of other Apollo Funds managed by Apollo concurrently with their obligations to the Clients. None of the Clients will have an interest in such investments or other investment funds organized or sponsored by Apollo Capital Management or Apollo. It is possible that the investments held by such investment funds may be in competition with those of the Clients.

A principal or employee of Apollo Capital Management or a related person may, from time to time, serve as a director with respect to Portfolio Companies, the securities of which are purchased on behalf of Clients. In the event Apollo Capital Management or a related person: (i) obtains material non-public information in such capacity with respect to any such company or (ii) is subject to trading restrictions pursuant to the internal policies of such company, Apollo Capital Management 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 of Apollo Capital Management.

Apollo Capital Management and Apollo currently operate without ethical screens or information barriers that other firms implement to separate persons who make investment decisions from others who might possess material non-public information that could influence such decisions. In an effort to manage possible risks from Apollo's decision not to implement such screens, Apollo's Chief Compliance Officer maintains a list of restricted securities as to which Apollo may have access to material non-public information and in which Apollo Funds are not permitted to trade. In the event that employees of Apollo Capital Management or Apollo obtain such material non-public information, Apollo Capital Management may be restricted in acquiring or disposing investments on behalf of its Clients, which could impact the returns generated for its Clients.

Notwithstanding the maintenance of restricted securities lists and other internal controls, it is possible that the internal controls relating to the management of material non-public information could fail and result in Apollo Capital Management, or one of its investment professionals, buying or selling a security while, at least constructively, in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on Apollo Capital Management's reputation, result in the imposition of regulatory or financial sanctions, and as a consequence, negatively impact Apollo Capital Management's ability to perform its investment management services to the Clients. In addition, while Apollo currently operates without information barriers on an integrated basis, Apollo could be required by certain regulations, or decide that it is advisable, to establish information barriers. In such event, Apollo's ability to operate as an integrated platform could also be impaired, which would limit Apollo Capital Management's access to Apollo personnel and impair its ability to manage the Clients' investments.

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Apollo Capital Management, its affiliates, and their personnel. Apollo Capital Management will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. Apollo Capital Management's affiliates may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, held by, or may fall within the investment guidelines of a Client. Apollo Capital Management's affiliates may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given 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 may arise due to the fact that Apollo Capital Management's affiliates may have investments in some Clients but not in others or may have different levels of investments in the various Clients, and that the each of the Clients may pay different levels of fees.

In addition, Apollo Capital Management or another Apollo Manager may give advice or take action with respect to the investments of one or more Clients that may not be given or taken with respect to other Clients with similar investment programs, objectives, and strategies. Accordingly, the Clients with similar strategies may not hold the same securities or instruments or achieve the same performance. Apollo Capital Management or another Apollo Manager also may advise Clients with conflicting investment objectives or strategies. These activities also

may adversely affect the prices and availability of other securities or instruments held by or potentially considered for one or more Clients.

Apollo Capital Management and its affiliates may also have ongoing relationships with companies whose securities have been acquired by, or are being considered for investment by, Clients. From time to time, Apollo Capital Management may 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). 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, Apollo Capital Management would have an obligation to pursue such remedy on behalf of the Client. As a result, a 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. The Apollo Managers recognize that conflicts may arise under such circumstances and will endeavor to treat all Apollo Funds fairly and equitably. To that end, the Apollo Managers have adopted procedures that are designed to enable the Apollo Managers to address such conflicts and to ensure that the Apollo Funds are treated fairly and equitably.

Athene Asset Management, LLC

AAM is affiliated with Apollo Capital Management and controlled by Apollo and certain members of management of Athene Holding Ltd., a Bermuda exempted company ("Athene Holding"), and together with its subsidiaries, the "Athene Group"). AAM serves as discretionary investment manager to (i) ALR, (ii) third party insurance companies that are clients of ALR and (iii) to other subsidiaries of Athene Holding Ltd.

Pursuant to the terms of an investment management agreement ("ALR Management Agreement"), AAM currently charges ALR a monthly management fee that is based on a percentage of assets under management ("ALR Management Fee"). The ALR Management Fee is generally payable to AAM quarterly in arrears. In the future, ALR may agree to amend the ALR Management Agreement and pay AAM a higher management fee, and/or enter into similar arrangements with other Apollo Managers. Such amendments or similar arrangements would be subject to the Conflicts Test (as described below).

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

AAM may also provide discretionary investment advisory services to certain third party insurance companies that are not affiliated with Apollo. Fees charged by AAM to such

unaffiliated insurance companies are individually negotiated and established pursuant to such company's investment management agreement.

Members of the Athene Group have invested in, and in the future may also invest in, Apollo Funds. Examples of existing investments in Apollo Funds include a series of commercial mortgage backed securities funds, a life-settlements fund, and a collateralized loan obligation fund. Apollo will be entitled to receive various forms of consideration with respect to each fund, including management fees, portfolio fees, closing fees, and/or carried interest.

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

Due to the voting structure of Athene Holding and because Apollo has significant influence over a vehicle that holds the non-economic, voting shares of Athene Holding and possessed one hundred percent (100%) of the voting control over Athene Holding, the potential exists for Apollo to cause members of the Athene Group to enter into affiliated transactions that may benefit Apollo at the possible detriment to Athene Holding's shareholders. In order to mitigate any potential conflicts of interest that may arise, the Third Amended and Restated Shareholders Agreement of Athene Holding (the "Shareholders Agreement") requires the creation of a conflicts committee ("Conflicts Committee"). The purpose of the Conflicts Committee is to provide consent, if appropriate, to certain conflicts of interest regarding transactions involving Athene Holding and Apollo and its affiliates.

Not all potential Apollo conflicts are subject to the approval of the Conflicts Committee (for example, small transactions or transactions that are less likely to be on terms that are less advantageous to the Athene Group than can be obtained through arms-length negotiations). However, the Amended and Restated Bye-Laws of Athene Holding require that entering into new (or amending existing) affiliated transactions between Apollo (and its subsidiaries) and Athene Holding (and its subsidiaries) be, at the time such transaction is approved, (i) fair and reasonable, taking into account the totality of the relationship between the parties involved (including other transactions that may be or have been particularly favorable or advantageous to the Athene Group), or (ii) on an arms-length basis, or (iii) approved by the disinterested directors of Athene Holding, or (iv) approved by the holders of a majority of the issued and outstanding

Class A common shareholders of Athene Holding, or (v) approved by the Conflicts Committee (the “Conflicts Test”). Additionally, Athene Holdings must maintain a log of all contracts, agreements and arrangements that its board of directors, acting in its sole discretion, deems to involve a potential conflict of interest with Apollo, and shareholders may review such log from time to time upon reasonable request.

Because certain Apollo Funds and portfolio companies have similar investment programs and/or engage in similar business objectives and strategies as Athene Holding, Apollo may identify opportunities that are appropriate and fall within the investment or business objectives of Athene Holding as well as the Apollo Funds and portfolio companies. AAM has been managing, or in the future may agree to manage, certain categories of investments on behalf of Athene Holding. Because the Apollo Funds and portfolio companies may pay higher fees and/or carried interest to Apollo, Apollo may be incentivized to allocate investment opportunities to such Apollo Funds and portfolio companies. With respect to the categories of investments which are managed by AAM, AAM will make such investments in accordance with Apollo’s allocation policies as then in effect from time to time, which allocation policies are intended to satisfy Apollo’s fiduciary duties to all of its clients under the Advisers Act. Apollo does not have a fiduciary duty to allocate investment opportunities to Athene Holding with respect to any investments that it manages which are not within the investment categories specifically covered by any contractual arrangement between Athene Holding and AAM.

Apollo Funds may engage in cross trades (as defined below) with the Athene Group. The potential conflicts of interest associated with such cross trades are addressed in Item 11.

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

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

Since participation in specific investment opportunities may be appropriate, at times, for more than one Client and for other Apollo Funds, Apollo has established policies and procedures for allocating investment opportunities among the Clients, the Apollo Managers and the Apollo Funds. The procedures have been adopted to ensure that each Client and Apollo Fund is treated in a manner that, over time, is fair and equitable and to take into account the fact that Clients and Apollo Funds tend to have broad investment mandates that may overlap. Apollo will allocate such opportunities among the Clients and the Apollo Funds on a basis that Apollo determines in

good faith to be appropriate, taking into consideration factors including, but not limited to, the following:

- (i) the fiduciary duties that the Apollo Managers and their affiliates owe to Clients;
- (ii) each Client's and Apollo Fund's primary mandate;
- (iii) the relative amounts of capital available for investment (taking into account applicable reserves) and any restrictions on investment;
- (iv) the sourcing of the transaction;
- (v) the size of the transaction;
- (vi) the amount of potential follow-on investing that may be required for such investment and other portfolio investments;
- (vii) the nature of the investment focus of each Client and Apollo Fund;
- (viii) portfolio balance;
- (ix) the involvement of respective teams of investment professionals; and
- (x) any other factors deemed applicable by Apollo in good faith.

The investment allocation policy may be amended by Apollo at any time without the Clients' consent.

ITEM 11

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

Code of Ethics

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

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

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

Personal Trading Restrictions.

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

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

Personal Securities Holdings and Transaction Reports.

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

The holdings reports must contain, at a minimum: (i) the title and type of security, and, as applicable, the exchange ticker symbol or CUSIP number, number of shares and principal amount of each reportable security in which the Relevant Persons have any direct or indirect beneficial ownership, (ii) the name of any broker, dealer or bank with which the Relevant Persons maintain an account in which any securities are held for the Relevant Person's direct or indirect benefit, (iii) if securities are held other than with a broker, dealer or bank, the location of the securities, and (iv) the date that the Covered Person submits the report to the Compliance Officer.

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

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

Material, Non-Public Information.

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

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

Other Provisions of the Code.

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

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

Apollo Capital Management and its personnel do not purchase any securities for their own accounts from, or sell any securities for their own accounts to, Apollo Funds. However, from time to time, subject to applicable Client investment guidelines and restrictions, Apollo Capital Management may direct one Client to sell securities to another Client through an internal cross transaction. These “cross transactions” also may occur with other Apollo Funds. Cross trades may be viewed as principal transactions due to the ownership interest in the Client by Apollo Capital Management and its personnel.

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

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

Apollo Capital Management does not co-invest in any of the Apollo Capital Markets Funds or the funds or any separate accounts managed by the Apollo Managers (collectively, the "Apollo Funds"). However, Apollo's principals, officers and employees and certain of Apollo's affiliates may have direct and indirect investments of their own capital in the Apollo Funds through, for example, direct investments, deferred compensation agreements, performance allocation and carried interest. Additionally, Apollo Capital Management may become an investor in a Client as a result of management fee waiver programs. The existence of the carried interest or performance allocation in the case of the Apollo Capital Markets Funds may create an incentive for Apollo Capital Management to make more speculative investments on behalf of the Apollo Capital Markets Funds than it might otherwise make in the absence of such performance-based compensation. The terms of the carried interest or performance allocation could give Apollo Capital Management an incentive to make decisions regarding the timing and structure of realization transactions that are not applicable to the interests of investors.

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

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

Apollo Capital Management and its affiliates may have ongoing relationships with companies whose securities have been acquired by, or are being considered for investment by, Clients. From time to time, Apollo Capital Management may 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).

The Apollo Managers recognize that conflicts may arise under such circumstances and, as a result, have instituted policies and procedures that are reasonably designed to address such conflicts.

In the first instance, no Client may acquire securities or other interests of a class that is senior or junior to a class of securities of an issuer already held by another Client unless the disclosure and governing documents for each of the affected Clients contemplate such an investment practice and contain appropriate risk and conflict disclosures.

ITEM 12

Brokerage Practices

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

The constituent 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. The Apollo Managers may in the ordinary course use “soft dollars” to obtain research products and services. Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), provides a “safe harbor” to investment managers who use soft dollars generated by their advised accounts to obtain investment research and brokerage services that provide lawful and appropriate assistance to investment managers in the performance of their investment decision-

making responsibilities. Although certain Apollo Managers have the discretion to use “soft dollars” to obtain services and products that would not be within the safe harbor afforded by Section 28(e) of the Exchange Act and for which it would otherwise be required to pay in cash, they have no plans to do so, and will notify the Apollo Funds of any change to that policy.

If Apollo Capital Management determines that the purchase or sale of the same security is in the best interest of more than one Client, Apollo Capital Management may, but is not obligated to, aggregate orders in order to reduce transaction costs to the extent permitted by applicable law. When an aggregated order is filled through multiple trades at different prices on the same day, each participating 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 Apollo Capital Management. 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 Apollo Capital Management deems to be appropriate, including, for example, in order to avoid odd lots or *de minimis* allocations. This may result in allocations of certain investments on other than a *pari passu* basis.

ITEM 13

Review of Accounts

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

The Investment Practices Committee of Apollo (the “IPC”) meets on a quarterly basis to review 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 is comprised of certain senior members of Apollo.

The Apollo Capital Markets Funds generally deliver on a periodic basis to investors newsletters summarizing the performance of the Apollo Capital Markets Funds and market outlook, an attribution report and an exposure report as well as a statement of net asset value and on an annual basis, audited financial statements.

ITEM 14

Client Referrals and Other Compensation

Apollo Capital Management and/or the Apollo Capital Markets Managers may enter into arrangements with, and compensate, solicitors for Client referral activities. These solicitation arrangements will be fully disclosed to affected Clients and will comply with the requirements of Rule 206(4)-3 under the Advisers Act, where applicable.

ITEM 15

Custody

This Item 15 is not applicable.

ITEM 16

Investment Discretion

Apollo Capital Management has full discretionary authority with respect to investment decisions, and its advice with respect to Clients is provided in accordance with the investment objectives and guidelines as set forth in their respective offering memoranda and constituent documents. The offering documents of the Apollo Capital Markets Funds generally place limitations on the Apollo Capital Markets Managers regarding their management of the Apollo Capital Markets Funds, including: (i) the number of portfolio investments that the Apollo Capital Markets Funds may acquire; (ii) the size of portfolio investments; (iii) the amount of leverage that the Apollo Capital Markets Funds may use to acquire portfolio investments; and (iv) the percentage of portfolio investments acquired by the Apollo Capital Markets Funds that are organized and operated primarily outside of the United States. Limited partners in the Apollo Capital Markets Funds may also negotiate with the general partners in side letter agreements for more specific limitations applicable to the limited partner, such as prohibited investments in specified countries. Apollo Capital Management is delegated the authority to consummate investments on behalf of the Apollo Capital Markets Funds by the terms of the limited partnership agreements of the Apollo Capital Markets Funds, and the investment management agreements entered into between the Apollo Capital Markets Funds and the relevant Apollo Capital Markets Manager.

Similarly, Apollo Capital Management's investment decisions and advice with respect to a managed account (if any) will be in accordance with the investment objectives and guidelines in such managed account's investment management agreement, as well as any other instructions provided by the Client to Apollo Capital Management.

ITEM 17

Voting Client Securities

The Apollo Capital Markets Managers have been delegated the authority to vote proxies regarding their Client accounts. The Apollo Capital Markets Managers may 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 Capital Markets Managers' relationship with management. Conflicts may also arise in the event a senior executive of a portfolio company and 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 Capital Markets Managers have adopted and implemented policies and procedures which they believe are reasonably designed to ensure that the Apollo Capital Markets 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 Capital Markets

Manager and the interests of its Client or between such Apollo Capital Markets Manager and its Client 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 Capital Markets Managers seek to avoid any direct or indirect conflict of interest between their Clients and their voting decision.

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

ITEM 18

Financial Information

This Item 18 is not applicable.

ITEM 19

Requirements for State-Registered Advisers

This Item 19 is not applicable.