

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

**FORM ADV PART 2A**

Business Address

9 West 57<sup>th</sup> Street, Suite 4800  
New York, New York 10019  
USA

Contact Information

Cindy Z. Michel, Esq.  
Chief Compliance Officer  
Phone: (212) 515-3200  
Fax: (646) 607-0539  
9 West 57<sup>th</sup> Street, Suite 4800  
New York, New York 10019  
[cmichel@apollop.com](mailto:cmichel@apollop.com)

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

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

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

**ITEM 2**  
**Material Changes**

Apollo Commodities Management, an indirect subsidiary of Apollo Global Management, LLC, a Delaware limited liability company (“AGM” and, together with its subsidiaries, “Apollo”), has made no material changes made to this Brochure since its last annual update filed on March 28, 2013.

**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.....	- 3 -
ITEM 4	ADVISORY BUSINESS .....	- 4 -
ITEM 5	FEES AND COMPENSATION .....	- 6 -
ITEM 6	PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	- 12 -
ITEM 7	TYPES OF CLIENTS .....	- 20 -
ITEM 8	METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS.....	- 21 -
ITEM 9	DISCIPLINARY INFORMATION.....	- 30 -
ITEM 10	OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS....	- 31 -
ITEM 11	CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING.....	- 58 -
ITEM 12	BROKERAGE PRACTICES.....	- 62 -
ITEM 13	REVIEW OF ACCOUNTS .....	- 63 -
ITEM 14	CLIENT REFERRALS AND OTHER COMPENSATION .....	- 64 -
ITEM 15	CUSTODY .....	- 64 -
ITEM 16	INVESTMENT DISCRETION .....	- 64 -
ITEM 17	VOTING CLIENT SECURITIES .....	- 65 -
ITEM 18	FINANCIAL INFORMATION .....	- 65 -
ITEM 19	REQUIREMENTS FOR STATE-REGISTERED ADVISERS .....	- 66 -

## ITEM 4

### Advisory Business

Apollo is a global alternative investment manager. Its primary business is to raise, invest and manage private equity, credit and real estate funds, as well as strategic investment accounts, on behalf of pension, endowment and sovereign wealth funds, as well as other institutional and high net worth individual investors. Apollo has three primary business segments: (1) *Private Equity*, which primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments; (2) *Credit*, which primarily invests in non-control corporate and structured debt instruments and non-control equity investments, including distressed debt securities; and (3) *Real Estate*, which primarily invests in real estate equity for the acquisition and recapitalization of real estate assets, portfolios, platforms and operating companies, and real estate debt including first mortgage and mezzanine loans, preferred equity and commercial mortgage backed securities.

Apollo Commodities Management is an indirect subsidiary of AGM that was established to provide discretionary advisory services to investment vehicles sponsored by Apollo that are designed to invest in commodities or commodities-related investment opportunities. Apollo Commodities Management is structured as a series limited partnership. Currently, Series I of Apollo Commodities Management acts as the investment manager of Apollo Natural Resources Partners, L.P. (“ANRP”). Apollo ANRP Advisors, L.P. (“ANRP Advisors”), an affiliate of Apollo Commodities Management, is the general partner of ANRP.

Each series of Apollo Commodities Management will act as investment manager to and will provide discretionary advisory services to different pooled investment vehicles and/or managed accounts sponsored by Apollo. Each series and segregated portfolio of Apollo Commodities Management will have legally segregated assets and liabilities from the other series and segregated portfolios managed by Apollo Commodities Management. ANRP and any Co-Investment Vehicle (as defined below), separately managed account, or other pooled investment vehicle advised by Apollo Commodities Management from time to time, together with any Apollo Funds (as defined below), are collectively referred to herein as “Clients.”

Apollo Royalties Management, LLC, a Delaware limited liability company, is 100% owned by Series III of Apollo Commodities Management. Apollo Royalties Management, LLC manages oil and gas royalty interests across North America.

Apollo Commodities Management may serve as investment manager to various co-investment vehicles structured to facilitate investments by affiliated and third-party co-investors (“Co-Investment Vehicles”) alongside ANRP or another Client. To the extent that a particular co-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 Commodities Management may offer such co-investment opportunities to its affiliates or to third parties. Apollo Commodities Management and its affiliates may also offer co-investment opportunities to other Clients, persons, or firms who Apollo Commodities Management or its affiliates believe will be of benefit to Clients and/or may provide a strategic benefit to Apollo Commodities Management. Apollo Commodities Management may also organize Co-Investment Vehicles

Apollo Commodities Management or one or more of its affiliates may enter into strategic partnerships directly or indirectly with investors that commit significant capital to a range of Apollo's platform of products, investment ideas and asset classes and over a duration that is generally longer than the term of a typical Client. Strategic partnership arrangements may include Apollo granting certain preferential terms to such investors, including a waiver or reduction of management fees, a blended management fee and carried interest rates that are lower than those applicable to or in the Clients in which such investors invest.

Depending on the governing documents of any Client into which strategic partnership vehicles and accounts invest, such preferential terms may not be subject to the "most favored nation" provisions of the Client. In any event, where any such vehicles or accounts invest in a Client on the same terms as other investors, but receive a lower blended management fee or carried interest rate to their portfolio as a whole through the strategic account, such indirect preferential terms (or other preferential terms set forth in the governing documents of such vehicles or accounts) will not be subject to the Client's "most favored nation" provisions. This may be the case even in those instances where such "most favored nation" or other similar provisions (based on side letters with other investors) suggest that they ought to apply to the terms set forth in the governing document of such Clients. In addition, investors in strategic partnerships may be represented by members on such Clients' advisory boards. Potential conflicts of interest involving members of Client's advisory boards are discussed in Item 10.

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

Currently, Apollo Commodities Management provides advisory services to ANRP, which seeks to invest in commodities or commodities-related investment opportunities. In managing ANRP, Apollo Commodities Management seeks to capitalize on attractive private equity investment opportunities in the natural resources industry, principally in the metals and mining, energy and select other natural resources sectors. In this regard, Apollo Commodities Management, on behalf of ANRP, will pursue corporate carve-outs, distressed investment opportunities, asset acquisition/build-up strategies, and other opportunistic transaction types that may arise over the life of ANRP.

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

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

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

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

As of December 31, 2013, Apollo Commodities Management managed \$2,579,484,984 of Client assets on a discretionary basis and no Client assets on a non-discretionary basis.

## **ITEM 5**

### **Fees and Compensation**

Apollo Commodities Management is entitled to receive a management fee from ANRP at a quarterly rate equal to a percentage of the net asset value of the capital account balance of each limited partner (without accrual of any unearned performance allocation) (the "Management Fee"). Management Fees will be calculated and payable by ANRP quarterly in advance as of the beginning of each calendar quarter.

In consideration of ANRP Advisors' services to ANRP, it is entitled to receive a carried interest distribution based on a percentage of profits realized from each ANRP investment or a performance allocation based on a percentage of periodic gains in the capital accounts of investors in such Clients ("Performance Fees"). Apollo Commodities Management may also be entitled to receive a performance fee from other Clients based on a similar calculation. Any

Performance Fees payable to ANRP Advisors and any performance fees payable to Apollo Commodities Management will be affected consistent with the requirements of Section 205 of the Advisers Act and Rule 205-3 thereunder.

*Organizational Expenses.* Each Client will typically pay or otherwise bear all fees, costs, expenses, and other liabilities incurred in connection with the formation and organization of, or sale of interests in, such Client, its general partner or similar person and/or investment manager, including commissions, costs, and all out-of-pocket legal, accounting, filing, capital raising, printing, electronic database, travel (which may include expenses for the use of private aircraft, first class or business class travel), accommodation, meal and other similar fees, costs and expenses. Not all Clients will have the same fees, costs and expenses, however. Clients will typically receive a reduction in management fees in respect of placement agent fees (on a dollar-for-dollar basis) and a portion of such offering and organizational expenses (in excess of specific amounts as provided for in their governing documents).

*Operating Expenses.* In addition, each Client, subject to its governing documents, will typically pay or otherwise bear all fees, costs, expenses and other liabilities arising in connection with its operations (collectively, the “Operating Expenses”). The Operating Expenses of a particular Client are set forth in its constituent documents and may include including, without limitation, the following:

- (i) fees, costs and expenses related to or arising from:
  - (a) the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging or disposition of portfolio investments (including brokerage commissions, clearing and settlement charges, private placement fees, syndication fees, solicitation fees, arranger fees, sales commissions, pricing and valuation fees (including appraisal fees) underwriting commissions and discounts, investment banking fees, advisory fees, bank charges, other investment costs, and other closing, execution and transaction costs, broken deal costs, custodial, trustee, transfer agent, recordkeeping and other administrative fees costs and expenses);
  - (b) any credit facility, guarantee, letter of credit or similar support or one or more other similar financing transactions involving any portfolio company;
  - (c) the evaluation of potential portfolio investments (irrespective of whether any such investment is ultimately consummated); and
  - (d) attending conferences in connection with the evaluation of future portfolio investments or business sector opportunities (including the evaluation of potential portfolio companies, irrespective of whether any investment in such portfolio company is ultimately consummated);

- (ii) any travel related expenses related to or arising from the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging, or disposition of portfolio companies, including potential companies (which may include travel expenses for the use of private aircraft, first class or business class travel);
- (iii) taxes and other governmental charges incurred or payable by such Client;
- (iv) fees, costs and expenses of actuaries, accountants, advisers, auditors, administrators, counsel, valuation experts and other service providers that provide services to, or with respect to Clients, and legal expenses incurred in connection with claims or disputes related to one or more actual, unconsummated or proposed portfolio investments;
- (v) compensation and other similar expenses of professionals (including Apollo Investment Consulting, LLC (“Apollo Consulting”) and any industry executives, advisers, consultants, operating executives, subject matter experts or other persons acting in a similar capacity) who provide services to such Client or its portfolio companies (including with respect to potential portfolio companies) related to, among other things, (x) conducting due diligence on or analysis of industry, geopolitical or other operational issues, and (y) operational improvement initiatives relating to portfolio companies, and developing and implementing such initiatives;
- (vi) fees, costs and expenses incurred in obtaining research and other information for the benefit of such Client, including information service subscriptions as well as expenses incurred to operate and maintain market information systems and information technology systems used to obtain such research and other information (such as phone and internet charges);
- (vii) fees, costs and expenses incurred in developing, implementing or maintaining computer software and technological systems for the benefit of such Client, its investors or portfolio companies (including potential portfolio companies);
- (viii) fees, costs and expenses incurred in connection with systems, including, but not limited to, licenses, development and hosting;
- (ix) fees, costs and expenses associated with maintaining such Client and any of its subsidiary entities, including fees, costs and expenses incurred in the organization, operation and restructuring of such subsidiary entities;
- (x) premiums and fees for insurance allocated to such Client (including Apollo’s group insurance policy, general partner’s, directors’ and officers’ liability or other similar insurance policies, errors and omissions insurance, financial institution bond insurance and any other insurance for coverage of liabilities to any person that are incurred in connection with activities of such Client, litigation expenses (including expenses incurred in connection with the investigation, prosecution, defense, judgment or settlement of litigation) and other extraordinary expenses



(including fees, costs and expenses that are classified as extraordinary expenses under U.S. generally accepted accounting principles (“GAAP”));

- (xi) fees, costs and expenses incurred in connection with the preparation of all reports to such Client’s investors or advisory board (including all fees, costs and expenses incurred to audit such reports, provide access to a database or other internet forum and for any other operational, legal, secretarial or postage expenses relating thereto or arising in connection with the distribution of the same), and any other financial, tax, accounting or fund administration reporting functions (including expenses associated with the preparation of financial statements, tax returns, and Internal Revenue Service (“IRS”) Schedules “K-1” or any successors thereto and the tax matters partner’s representation of such Client or its investors);
- (xii) fees, costs and expenses of such Client’s advisory board (including for travel, which may include expenses for airfare, accommodations, meals, events, entertainment and other similar fees, costs and expenses in connection with any meetings of such advisory board);
- (xiii) fees, costs and expenses of holding any meetings of investors of such Client (including for travel, which may include expenses for airfare, accommodations, meals, events, entertainment, and other similar fees, costs and expenses);
- (xiv) such Client’s indemnification obligations (including any fees, costs and expenses incurred in connection with indemnifying covered persons consistent with ANRP’s governing documents, and advancing fees, costs and expenses incurred by any such covered persons in defense or settlement of any claim that may be subject to a right of indemnification under such Client’s governing documents);
- (xv) fees, costs and expenses (including legal fees, costs and expenses) incurred to comply with any applicable law, rule or regulation (including regulatory filing or other expenses of such Client, its general partner or similar person and/or investment advisor, including, but not limited to, Form PF filings and regulatory registrations and filings to comply with the Alternative Investment Fund Manager Directive (“AIFMD”));
- (xvi) fees, costs and expenses related to a default by a defaulting investor of such Client (but only to the extent not paid by the defaulting investor);
- (xvii) fees, costs and expenses related to a sale, assignment, pledge or transfer of an investor’s interest in such Client or an investor’s withdrawal or admission or acquisition of interests as permitted under the Client’s governing documents (but only to the extent not paid by the investor and/or the purchaser, assignee, pledgee or transferee, as applicable);
- (xviii) fees, costs and expenses incurred in connection with any amendments, modifications, revisions or restatements to the constituent documents of such Client or its general partner or similar person and/or investment advisor;

- (xix) fees, costs and expenses incurred in connection with distributions to investors;
- (xx) interest on, and fees, costs and expenses arising out of such Client's borrowings and indebtedness (including the fees, costs and expenses incurred in obtaining lines of credit, loan commitments and letters of credit for the account of such Client), securing the same by mortgage, pledge or other lien on any assets of such Client or otherwise encumbering assets in connection with or in furtherance of the acquisition of all or a portion of or the financing of a portfolio company or its acquisitions;
- (xxi) fees, costs and expenses incurred in connection with the dissolution, winding-up and termination of such Client; and
- (xxii) all similar expenses in connection with such Client's feeder funds and subsidiary entities.

The foregoing categories of fees, costs, expenses and other liabilities shall be Operating Expenses, regardless of whether the person or entity providing or performing the service or output giving rise to such fees, costs, expenses or other liabilities is the general partner or similar person of the Client, its investment advisor or any of their respective affiliates or any other person. Such general partner or similar person, investment advisor or any of their respective affiliates shall be entitled to reimbursement from the Client or its portfolio company for: (i) any Operating Expenses paid and/or incurred by them on behalf of the Client, including fees, costs and expenses incurred in connection with services performed by personnel or employees of the general partner or similar person of such Client, its investment advisor or any of their respective affiliates or any other person. In addition, if any service provider provides services to a Client on an Apollo Manager's or its affiliate's premises, the Client may also be responsible for any overhead, rent or other fees, costs, and expenses charged by such Apollo Manager or its affiliates in connection with such on-site arrangement. All fees, costs and expenses incurred by Apollo Manager employees for travel, accommodations, meals, events, entertainment and other similar fees, costs and expenses are subject to AGM's Travel & Expense Reimbursement Policies and Procedures.

The Apollo Commodities Management or its affiliates may from time to time enter into arrangements with service providers that provide for fee discounts for services rendered to Apollo Commodities Management and its affiliates. For example, certain law firms retained by Apollo Commodities Management or one or more of its affiliates have in the past offered fee discounts for non-investment transaction legal services, such as legal advice in connection with firm operational, compliance and related matters. To the extent such law firms also provide legal services to Clients with respect to such matters, such Clients also enjoy the benefit of such fee discount arrangements. Legal services rendered for investment transactions, however, are typically charged to Apollo Commodities Management, its affiliates and Clients on a "full freight" basis or at a premium. Legal fees for transactions that are not consummated are also typically charged at a discount.

*Allocation of Expenses.* Apollo Commodities Management and its affiliates may from time to time incur fees, costs and expenses on behalf of more than one Client or multiple Clients. To the

extent such fees, costs and expenses are incurred for the account or benefit of more than one Client, each Client will typically bear an allocable portion of any such fees, costs, and expenses in proportion to the size of its investment in the activity or entity to which the expense relates (subject to the terms of each Client's applicable governing documents) or in such other manner as Apollo Commodities Management considers fair and reasonable. Apollo Commodities Management endeavors to allocate such fees, costs and expenses on a fair and reasonable basis. See also "Terms of Co-Investments" below. In addition to the foregoing, with respect to Apollo's group professional liability insurance policy, approximately 90% of the premiums are currently allocated among all Clients covered by the policy, while the remaining portion is borne by Apollo. Notwithstanding the foregoing, Apollo Commodities Management may in the future develop policies and procedures to address the allocation of expenses (including with respect to such insurance premiums) that differ from its current practice.

*Apollo Investment Consulting, LLC* ("Apollo Consulting"). As mentioned in clause (v) of "Operating Expenses" above, Clients may bear the fees, cost or expenses of certain services provided by Apollo Consulting. Apollo Consulting is an affiliate of Apollo Commodities Management that facilitates strategic arrangements with and may employ (including on a retainer basis) industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity who provide consulting and other services to Clients or their portfolio investments (including with respect to potential investments) related to, among other things, (i) conducting due diligence or analysis on industry, geopolitical or other operational issues, and (ii) operational improvement initiatives relating to such portfolio investments and developing and implementing such initiatives. While Apollo Consulting does not generate meaningful profits as a standalone business, Clients that engage its services may be charged a fee to cover Apollo Consulting's fees, costs and expenses incurred in connection with its engagement of consultants and any other operating expenses (including its overhead expenses). In addition, to the extent these consultants serve as a board member of a portfolio company, these consultants may receive multiple sources of compensation, including from both a Client and directly from a Client's portfolio company for specific services provided with respect to that company (for example, fees received for serving as a director or trustee of the company). Consultants are entitled to retain those sources of compensation, and such compensation may not always reduce the fees paid by a Client to Apollo Managers.

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

In addition, Apollo Commodities Management or its affiliates may engage, or cause Clients to engage, placement agents to market and sell interests or shares in Clients to prospective investors. Apollo requires placement agents to have all appropriate licenses and registrations to conduct their business, including when applicable, to be registered as broker-dealers with the SEC and to be members of the Financial Industry Regulatory Authority. Certain Apollo Funds may impose a sales charge on subscriptions, on a disclosed basis, in order to compensate unaffiliated third parties who assist in obtaining subscriptions to such vehicles. In these cases,

the sales charge will be deducted from the subscription and will not be treated as part of the investor's capital contribution to the Client. Alternatively, Apollo Commodities Management may elect to reduce its management fee to the extent any placement fees are borne by a Client, as contemplated by the Client's governing documents. See "Organizational Expenses" in Item 5 for further details.

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

## **ITEM 6**

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

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

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

*Timing of Investment Realization.* In addition, the terms applicable to carried interest distributions could incentivize Apollo Commodities Management and its affiliates to make decisions regarding the timing and structure of realizations of portfolio investments that may not be in the best interests of its Clients. For example, under the terms of ANRP's and its parallel funds' and co-investment vehicles' (together, "ANRP Funds") distribution "waterfall," carried interest distributions become payable earlier if profitable investments are liquidated before

unprofitable investments because such a waterfall does not permit any distributions of carried interest until after the cumulative amount of distributions has covered any prior losses associated with unprofitable investments. Further, in the “catch-up” period that occurs after investors have received the applicable priority return (typically set at 8 percent per year, compounded annually), the general partner or similar person of an ANRP Fund entitled to carried interest will typically receive between 80 and 100 percent of distributions until such time as it receives 20 percent of the fund’s cumulative profits. During this period, the general partner or similar person is heavily incentivized to bring realizations forward and lock in returns (and stop the accrual of the priority return), even though the investors might achieve a better overall return if an ANRP Fund retained the investment for a longer period of time. The governing documents of an ANRP Fund contains a requirement that the general partner or similar person make a commitment to the capital of the fund and include a “clawback” requiring the general partner or similar person to return excess distributions to investors (often at the end of the term of the fund) in the event that the general partner or similar person receives more than its carried interest percentage of profits on an aggregate basis over the life of the fund, each of which tends to mitigate the foregoing conflicts. However, since any “clawback” owed to investors of an ANRP Fund is typically calculated on an after-tax basis under the applicable governing documents, investors may not ultimately receive their full share of profits that they would have otherwise received had there been no excess distribution to the general partner or similar person throughout the term of such ANRP Fund.

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

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

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

*Distribution in Kind.* While the governing documents of a Client typically specify an investment period within which investments may be consummated, there is generally more flexibility in the general partner's or similar person's discretion regarding when investments must be realized. In addition, a Client may make portfolio investments that may not be advantageously disposed of prior to such Client's dissolution, either by expiration of its term or otherwise. Although Apollo Commodities Management expects that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at termination, Clients may have to sell, distribute, or otherwise dispose of portfolio investments at a disadvantageous time as a result of dissolution. Further, Clients' governing documents do not typically impose a strict obligation on a Client's general partner or liquidator to realize investments within a certain period of time after dissolution, and there can be no assurances with respect to the time frame in which the winding down and the final distribution of proceeds to investors will occur.

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

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

*Allocation Among Clients.* Apollo Commodities Management is committed to allocating investment opportunities among their Clients in a manner that, over time, is on a fair and equitable basis and has established detailed policies and procedures to guide the determination of such allocations. The Allocation Policies and Procedures have established:

(i) the AGM Allocation Committee to, among other things: (A) review any opportunities involving potential third-party co-investors and any opportunities involving a multi-strategy managed account; (B) in the case of the AGM Allocation Committee, review the actions taken by the sub-committees and conflicts of interest that cannot be resolved by the sub-committees; and (C) if such conflicts cannot be resolved by portfolio managers, resolve potential conflicts of interest that arise where multiple Clients hold interests (including outright positions in issuers and exposure to such issuers derived through any synthetic and/or derivative instrument) in multiple tranches of securities of an issuer (or other interests of an issuer) or multiple Clients having interests in the same tranche of an issuer; and

(ii) allocation guidelines on which such committees may base their allocation decisions. Generally, an investment opportunity will be allocated to a Client if the opportunity reasonably falls within such Client's mandate as determined by the investment professional

managing such Client's portfolio and confirmed by the relevant allocation sub-committee as appropriate (or, as needed, the AGM Allocations Committee). If an investment opportunity falls within the mandate of two or more Clients, and it is not possible to fully satisfy the investment interest of all such Clients, the investment opportunity will generally be allocated *pro rata* based on the size of each Client's original investment interest. The size of each Client's investment interest will be determined generally based on each Client's available capital or net asset value. However, many other factors may influence order allocation decisions, including, without limitation: (A) the relative actual or potential exposure of any particular Client to the type of investment opportunity in terms of its existing investment portfolio; (B) the investment objective of such Client; (C) cash availability, suitability, Client instructions, whether a purchase is being made for a specific Client, permitted leverage and available financing for the investment opportunity (including, without limitation, taking into account the levels/rates that would be required to obtain an appropriate return); (D) the likelihood of current income; (E) the size, liquidity and duration of the investment opportunity; (F) the seniority of loan and other capital structure criteria; (G) with respect to an investment opportunity originated by a third party, the relationship of a particular Client (or the portfolio manager) to or with such third party; (H) tax reasons; (I) regulatory reasons; (J) supply or demand for an investment opportunity at a given price level; (K) a Client's risk or investment concentration parameters (including, without limitation, parameters such as geography, industry, issuer, volatility, leverage, liability duration or weighted average life, asset class type, or other similar risk metrics); (L) whether the investment opportunity is a follow-on investment; (M) whether the vehicle is in the process of fundraising or is open to redemptions (in which case, notions of net asset value and available capital may be subjectively adjusted to account for anticipated inflows or redemptions); and (N) such other criteria as are reasonably related to a reasonable allocation of a particular investment opportunity to one or more Clients (*e.g.*, in the case of a Client ramp-up period or when incubating a particular investment strategy or product).

In determining whether an investment opportunity falls within a Client's mandate, the AGM Allocation Committee or an allocation sub-committee may take into consideration that: (i) multiple Clients have investment objectives that overlap to greater or lesser degrees; (ii) the applicable legal documents of each Client disclaim to greater or lesser degrees the obligation to offer such Client investment opportunities that fall within its investment objective or mandate; (iii) Apollo endeavors to not systematically disadvantage any Client; (iv) the investment objective of a particular Client may change over time; (v) the ultimate character of an investment opportunity (*i.e.*, its risk/reward profile) may not become clear until a great deal of diligence and analysis has been completed by the portfolio manager pursuing such investment opportunity; (vi) investment opportunities that are outcomes of heavily-negotiated transactions are capable of being structured in a variety of ways, each of which presents its own particular risk/reward profile; and (vii) a Client may have more than one mandate. There can be no assurance, however, that the application of the foregoing allocation policies will result in the allocation of a specific investment opportunity to a Client or that a Client will participate in all investment opportunities falling within its investment objective. Such considerations may also result in allocations of certain investments among Clients accounts on other than a *pari passu* basis.

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

*Allocation of Co-Investment Opportunities.* To the extent that a particular investment opportunity exceeds the aggregate allocation to Clients in light of the considerations described above, or there are prospective investors whose participation Apollo Commodities Management or its affiliates believe will benefit one or more Clients, portfolio companies or investments, or who may provide a strategic, sourcing or similar benefit to Apollo Commodities Management, its affiliates, a Client, a portfolio company or one or more of their respective affiliates (including private equity funds sponsored by others in so-called “club-deals” through joint ventures or other entities) due to industry expertise, end-user expertise or otherwise (each, a “Strategic Co-Investor”), Apollo Commodities Management or its affiliates may, in their discretion, offer the opportunity to co-invest alongside one or more Clients to one or more such Strategic Co-Investors, any limited partner, shareholder or other investor of any Client, or any other person (including Apollo Commodities Management or its affiliates, portfolio company management team members, consultants or advisors) (collectively, “Co-Investors”). Such co-investments may be structured through investment vehicles or similar arrangements organized to facilitate such investments or for legal, tax, regulatory or other purposes.

Apollo Commodities Management and its affiliates may allocate co-investment opportunities among Co-Investors in any manner they so determine, taking into account those factors that they deem relevant under the circumstances, including, but not limited to: (i) whether a prospective Co-Investor has expressed an interest in participating in co-investment opportunities (including, for example, by election in such investor’s subscription agreement or side letter); (ii) the character or nature of the co-investment opportunity (*e.g.*, its size, structure, geographic location, relevant industry, tax characteristics and any contemplated minimum commitment threshold); (iii) the level of demand for participation in such co-investment opportunity; (iv) the ability of a prospective Co-Investor to analyze or consummate a potential co-investment opportunity on an expedited basis; (v) whether a prospective Co-Investor has previously declined to participate in a co-investment opportunity (and the number of times such prospective investor has previously declined); and (vi) as noted above, whether a prospective Co-Investor is also a Strategic Co-Investor. Notwithstanding the foregoing, Apollo Commodities Management and its affiliates may in the future develop policies and procedures to address or formalize the allocation of co-investment opportunities. In any event, no person (including any limited partner, shareholder or other investor of any Client) other than Clients should have any expectation of receiving an investment opportunity or will be owed any duty or obligation in connection therewith, and Clients (and their respective limited partners, shareholders or other investors) should only have such expectations to the extent required by their respective governing documents (including, if applicable, their side letters).

*Terms of Co-Investments.* Apollo Commodities Management or any of its affiliates may (or may not) in its discretion: (i) charge carried interest, incentive allocation, management fees or other similar fees to Co-Investors and Apollo Commodities Management or its affiliates may make an investment, or otherwise participate, in any vehicle formed to structure a co-investment to facilitate, among other things, receipt of such carried interest, incentive allocation, management fees or other similar fees; and (ii) collect customary fees in connection with actual or contemplated portfolio companies that are the subject of such co-investment arrangements. Co-Investors will typically bear their *pro rata* share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their *pro*



*rata* share of fees, costs and expenses related to their potential co-investments that are not consummated, such as breakup fees or broken deal expenses. To the extent Co-Investors do not agree to or do not otherwise bear fees, costs and expenses related to unconsummated co-investments, such fees, costs and expenses may be borne by Apollo Commodities Management or its affiliates or, if consistent with their governing documents, by Clients on whose behalf Apollo Commodities Management or its affiliates evaluated and pursued such investment. In addition, in the event that Co-Investors participate in a co-investment through a vehicle or vehicles managed by Apollo, they will generally also bear their *pro rata* share of the aggregate organizational costs and expenses of all such vehicles. Further, in those circumstances where such Co-Investors include one or more members of a portfolio company's management group, such Co-Investors may receive compensation arrangements relating to the investment, including incentive compensation arrangements. Finally, some of the Co-Investors with whom Clients may co-invest have pre-existing investments with Apollo, and the terms of such pre-existing investments may differ from the terms upon which such persons may invest with Clients.

*Special Fees and Offsets.* Apollo Commodities Management or its affiliates may receive consulting or monitoring fees, investment banking fees, advisory fees, breakup fees, directors' fees, closing fees, transaction fees related to its or their negotiation of the acquisition and financing of portfolio companies, and similar fees (including interest, commitment fees or other fees received in connection with a bridge financing), whether in cash or in kind, including options, warrants and other non-cash consideration, in connection with certain Clients' respective actual or contemplated investments in portfolio companies (collectively, "Special Fees"). As discussed further below, a portion of such Special Fees are generally applied to reduce management fees payable by Clients in accordance with the governing documents of the applicable Apollo Fund. The following, however, generally do not constitute Special Fees (and are, therefore, generally not applied to reduce management fees): (i) fees that comprise or constitute Operating Expenses; (ii) salary, fees or other compensation of any nature paid by a portfolio company to any individual (or to such Client's investment adviser or one of its affiliates with respect to such individual) who acts as an officer of or in an active management role at, such portfolio company (including industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity engaged by Apollo Consulting but excluding investment professionals employed by Apollo primarily engaged in the investment activities of Clients); (iii) any fees, costs or expenses paid to Apollo Consulting; and (iv) fees, costs and expenses other than transaction fees for transaction advisory services with respect to mergers and acquisition transactions paid to (A) AGS for services rendered to portfolio companies, or (B) another person or entity with respect to services rendered by AGS. Generally, Special Fees (other than monitoring fees and directors' fees, which fees are paid to other Apollo affiliates) may be paid to AGS; however, as described above, AGS may receive fees that do not constitute Special Fees and, therefore, not all fees received by AGS may be applied, in whole or in part, to reduce management fees payable by Clients that participated in the investment.

Special Fees generated in connection with a given portfolio investment are generally applied, in whole or in part, to reduce the Management Fees payable by the Clients that participated in that investment. Unless a Client's governing documents provide otherwise, for purposes of determining the reduction for any given Client with respect to a given investment, such Special Fees (if any) are first allocated *pro rata* among the participating Clients and any Co-Investors

(including funds, separate accounts or Co-Investors managed, advised, sourced or placed by Apollo Commodities Management or one or more of its affiliates) based on their respective proposed commitments to or shares of the capital provided for that investment (or, if the investment is not made, that would have been provided). Once a Client has been allocated its *pro rata* portion of such Special Fees, such fees are further allocated *pro rata* among all of its investors based on their relative interests in such portfolio investment (or as otherwise set forth in such Client's governing documents) (each of the *pro rata* portions described above, a "Pro Rata Portion"), but with only that portion of such Special Fees allocated to Management Fee-bearing investors being applied to reduce the Management Fees payable by such Client (based on the Management Fee offset percentage or other formula set forth in the Client's governing documents). As a result, any remaining portion of such Special Fees not allocated to such Client may not be applied to reduce the Management Fees payable by such Client. Furthermore, any portion of Special Fees that are allocated to such Client, but allocated to those of its investors that do not bear Management Fees, may also not be applied to reduce the Management Fees payable by such Client. Similarly, to the extent that any such Special Fees are allocated to a non-Management Fee-bearing Co-Investor, such Co-Investor may not receive the benefit of any such Special Fees. Certain Clients' applicable governing documents, however, may not contemplate the allocation of Special Fees as described above. In such a case, certain Management Fee-bearing Clients and/or Co-Investors (or the Management Fee-bearing investors in a Client) may be allocated an amount of such Special Fees that exceeds its *Pro Rata Portion*, as applicable.

*Co-Investment Policy.* Apollo Commodities Management will be under no obligation to provide co-investment opportunities and may offer a co-investment opportunity to one or more of the categories of Co-Investors described above without offering such opportunity to the other categories. Co-investments will generally be made, at the investment level, on economic terms substantially no more favorable to Co-Investors than those on which the Client invests and any such co-investment generally will be sold or otherwise disposed of at substantially the same time (and in the case of a partial disposition, in substantially the same proportion) as the Client's disposition of its interest in such investment and on economic terms at the investment level substantially no more favorable to such Co-Investors than to the Client.

*Over-Commitment.* In order to facilitate the acquisition of a portfolio company, Apollo Commodities Management or one or more of its affiliates may make (or commit to make), or may cause one or more of their respective Clients to make (or commit to make), an investment in such company with a view to selling a portion of such investment to Co-Investors or other persons prior to or within a period after the closing of the acquisition. In such event, Clients will bear the risk that any or all of the excess portion of such investment may not be sold or may only be sold on unattractive terms and that, as a consequence, the applicable Clients may bear the entire portion of any breakup fee or other fees, costs and expenses related to such investment, hold a larger than expected investment in such portfolio company or may realize lower than expected returns from such investment. Apollo Commodities Management endeavors to address such risks by requiring such investments to be in the best interests of Clients, regardless of whether any sell-down ultimately occurs. Neither Apollo Commodities Management nor any of its affiliates will be deemed to have violated any duty or other obligation to Clients or any of their respective investors by engaging in such investment and sell-down activities.

*Valuation of Client Assets.* Certain assets owned by or managed for Clients are those for which there is no, or only a limited, liquid market, and the fair value of such assets may not be readily determinable. There is no assurance that the value assigned to an investment at a certain time will accurately reflect the value that will be realized upon the eventual disposition of the investment, and Clients' performance could be adversely affected if such valuation determinations are materially higher than the value ultimately realized upon the disposition of the investment. There may be situations in which Apollo Commodities Management is potentially incentivized to influence or adjust the valuation of Clients' assets. For example, Apollo Commodities Management could be incentivized to: (i) employ valuation methodologies that may improve a Client's track record; (ii) minimize losses from investments that have experienced a permanent impairment that must be returned prior to an affiliate receiving a carried interest; or (iii) for Clients, employ valuation methodologies that may give rise to a higher valuation in order to increase fees, such as in the case of a management fee that is calculated as a percentage of the value of Clients' assets. Apollo Commodities Management has adopted valuation policies to address these potential conflicts.

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

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

Accordingly, to the extent that GAAP would require Client assets or liabilities to be valued in a manner that differs from the terms of such Client's governing document, such assets or liabilities will be valued: (i) in accordance with GAAP, solely for purposes of preparing such Client's GAAP-compliant audited financial statements; and (ii) in accordance with the applicable

governing document (without regard to any GAAP requirements relating to the determination of fair value) for all other purposes (including, without limitation, for purposes of determining distributions to and allocating gains and losses). Nevertheless, for certain Clients, the carried interest paid to such Client's general partner is subject to an escrow in order to maintain a certain "pro forma return ratio." This ratio compares the amounts held in the escrow account, plus the fair value of all investments held by the Client, against unreturned capital contributions funded for investments, management fees, Operating Expenses, offering and organizational expenses and placement fees. Generally, GAAP is applied when such fair value determinations are made, except as otherwise set forth in Clients' applicable governing documents (*e.g.*, for certain clients, GAAP is not applied to the valuation of exchange-traded securities held (i) directly by Clients as portfolio companies or (ii) indirectly by Clients through special purpose vehicles or other entities not considered to be portfolio companies of such Clients; in such case, the exchange-traded securities are valued for purposes of the calculation of the pro forma return ratio based on their average trading prices during the fifteen day period prior to and following the measurement date. Conversely, exchange-traded securities held by Clients indirectly through portfolio companies are valued in accordance with GAAP).

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 management fees and are valued pursuant to Apollo Commodities Management's valuation procedures, unless specific valuation procedures have been agreed upon between Apollo Commodities Management and the Client. Certain assets may be valued at fair value or at an amount other than GAAP fair value (for example, historical cost) for financial statement reporting purposes, unless the asset has suffered a permanent impairment in value for purposes of calculating fees and carried interest distributions. Valuing assets at other than GAAP valuations may result in Apollo Commodities Management receiving higher (or lower) management fees than would otherwise be received if assets were valued at fair value. In addition, valuing assets at an amount other than fair value may result in a Client's general partner or similar person receiving a higher (or lower) carried interest distribution or performance allocation than it would if assets are valued at fair value. If Client assets are valued at other than fair value, such Client's constituent documents generally will disclose the applicable valuation methodology.

## **ITEM 7**

### **Types of Clients**

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

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

Generally investors participating in Clients will be required to meet certain suitability and net worth qualifications, such as (i) an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended ("Securities Act"), (ii) a

“qualified purchaser” as defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended (the “Investment Company Act”) or a (iii) a “knowledgeable employee” within the meaning of Rule 3c-5 of the Investment Company Act.

## **ITEM 8**

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

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

#### Methods of Analysis

Apollo Commodities Management performs significant research into each prospective investment and disposition. Such research generally includes, among other things, a review of the company’s financial statements, comparisons with similar public and private companies, and relevant industry data (such as information on customers and suppliers). In conducting such research, Apollo Commodities Management may consult the following sources of information: financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases, and any other material it deems relevant. Apollo Commodities Management may engage the services of experts and consultants to supplement its research, including engaging expert networks. Apollo’s procedures regarding the use of expert networks are addressed in Item 11, and the general risks associated with the use of expert networks are set forth below under the heading “Risk of Loss.”

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

#### Investment Strategies

ANRP’s investment strategy is outlined in its private placement memorandum. Apollo Commodities Management’s objective is to achieve superior risk-adjusted returns across all economic cycles. On a firm-wide basis, Apollo’s investment approach is value-oriented, focusing on industries in which it has considerable knowledge and emphasizing downside protection and the preservation of capital. Clients principally seek to make control-oriented investments in undervalued franchise assets with a significant emphasis on proprietary private equity investments.

Apollo Commodities Management's investment strategy on behalf of ANRP and other Clients is to generate long-term capital appreciation through privately negotiated investments in: (i) control or influential minority equity and equity equivalent positions; and (ii) debt or other securities providing equity-like returns, but with a focus on businesses that either produce physical commodity assets, are closely associated with, or whose performance is likely to be positively correlated to, a commodity or sectors of the broader natural resources industry. In addition, Clients may seek to invest in businesses that produce physical commodity assets, such as oil production businesses.

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

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

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

#### Risk of Loss

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

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

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

**Business and Market Risks.** Investments may involve a high degree of business and financial risk, which could result in substantial loss to a Client. In particular, these risks could arise from changes in the financial condition or prospects of the entity in which the investment is made, changes in national or international economic and market conditions, and changes in laws, regulations, fiscal policies, or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks on security operations. The possibility of partial or total loss of capital will exist.

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

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

In recent years, due to events in the financial markets, the financial services industry generally, and the activities of private funds and their managers in particular, have been subject to intense and increasing regulatory scrutiny in the United States and in other jurisdictions. Such scrutiny and accompanying regulatory changes may increase the exposure of Clients to potential liabilities and to legal, compliance and other related costs and may have an adverse effect on private funds generally, and in particular, on the ability of Clients to achieve their investment objectives. The private fund industry may continue to be adversely affected by the recent developments in the financial markets in the US and abroad going forward, and any future legal, regulatory, or governmental action and developments in such financial markets and the broader global economy could have an adverse effect on the business of Clients, operations and performance.

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

**Regulation & Enforcement; Litigation.** The growth of the private equity industry and the increasing size and reach of transactions, as well as the increasing attention to hedge funds, has prompted additional governmental and public attention to the private equity industry and its practices. Specific and general regulations addressing the private equity

industry, including tax laws and regulations, whether in the United States or abroad, could increase the cost of acquiring, holding, or divesting portfolio companies, the profitability of enterprises, and the costs of operating Clients. Additional regulation could also increase the risk of third-party litigation.

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

The transactional nature of the business of the Clients exposes Clients, the general partners of Clients, and Apollo Commodities Management generally to risks of third-party litigation. Apollo Commodities Management and their Clients have, historically, been subject to such litigation. Under their respective partnership agreements, Clients generally will be responsible for indemnifying their general partners, Apollo Commodities Management, and related parties for costs they may incur with respect to such litigation to the extent not covered by insurance.

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

**Alternative Investment Fund Managers Directive.** The Alternative Investment Fund Managers Directive (“AIFMD”) provides a framework for the European Union (“EU”) to regulate managers of alternative investment funds that are not Undertakings for the Collective Investment of Transferable Securities, but which are marketed or managed in the EU. The AIFMD is also likely to be implemented in the countries which form part of the European Economic Area (the “EEA”). Since July 2013 the AIFMD has restricted the extent to which private funds can be marketed to potential investors in the EEA. The AIFMD imposes significant new regulatory requirements on investment managers operating within the EEA, including with respect to conduct of business, regulatory capital, valuations, disclosures and marketing. Alternative investment funds organized outside of the EEA in which interests are marketed within the EEA are now subject to significant conditions on their operations. In the immediate future, such funds may be marketed only in certain EEA jurisdictions and in compliance with requirements to register the fund for marketing in each relevant jurisdiction and to undertake periodic



investor and regulatory reporting regarding (broadly) the risk and portfolio profile of each private fund which is marketed in that regulator's jurisdiction. In some countries, additional obligations are imposed. For example, in Germany, marketing of a non-EEA fund now also requires the appointment of one or more depositaries (with cost implications for the fund). Depending on the activities of each private fund, additional restrictions on investment activities may also apply if they are to be marketed to EEA investors. Accessing EEA investors may be more difficult during this period and Client costs may increase to reflect the additional burdens. From no earlier than the second half of 2015 will Apollo Commodities Management be permitted to voluntarily seek authorization under, and comply with the more detailed requirements of, AIFMD. If Apollo registers under the AIFMD, Apollo will have more freedom to promote relevant funds in the EEA, although this will be subject to full compliance with all the requirements of the AIFMD, which include (among other things) satisfying the competent authority of the robustness of internal arrangements with respect to risk management, in particular liquidity risks and additional operational and counterparty risks associated with short selling; the management and disclosure of conflicts of interest; the fair valuation of assets; and the security of depository/custodial arrangements. Additional requirements and restrictions apply where funds invest in an EEA portfolio company, including restrictions that may impose limits on certain investment and realization strategies, such as dividend recapitalizations and reorganizations. Such rules could potentially impose significant additional costs on the operation of Apollo's business or investments in the EEA and could limit Apollo's operating flexibility within the relevant jurisdictions.

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

In recent years, the U.S. Department of Justice and the SEC have devoted greater resources to enforcement of the FCPA. In addition, the United Kingdom has significantly expanded the reach of its anti-bribery laws. While Apollo Commodities Management has developed and implemented policies and procedures designed to ensure strict compliance by Apollo Commodities Management and its personnel with the FCPA, such policies and procedures may not be effective in all instances to prevent violations. In addition, in spite of Apollo Commodities Management's policies and procedures, affiliates of portfolio companies, particularly in cases where a Client or another Apollo Fund does not control such portfolio company, may engage in activities that could result in FCPA violations. Any determination that Apollo Commodities Management has violated the FCPA or other applicable anticorruption laws or anti-bribery laws could subject it to, among other things, civil and criminal penalties, material fines, profit disgorgement, injunctions on future conduct, securities litigation and a general loss of investor confidence, any one of which could adversely affect Apollo Commodities

Management's business prospects and/or financial position, as well as a Client's ability to achieve its investment objective and/or conduct its operations.

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

**Possibility of Fraud and Other Misconduct of Employees and Service Providers.** Misconduct by employees of Apollo Commodities Management, service providers to Clients and/or their respective affiliates could cause significant losses to such Clients. Misconduct may include entering into transactions without authorization, the failure to comply with operational and risk procedures, including due diligence procedures, misrepresentations as to investments being considered by such Clients, the improper use or disclosure of confidential or material non-public information, which could result in litigation or serious financial harm, including limiting the business prospects or future marketing activities of such Clients, and non-compliance with applicable laws or regulations and the concealing of any of the foregoing. Such activities may result in reputational damage, litigation, business disruption and/or financial losses to such Clients. Apollo Commodities Management has controls and procedures through which they seek to minimize the risk of such misconduct occurring. However, no assurances can be given that Apollo Commodities Management will be able to identify or prevent such misconduct.

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

**Lack of Liquidity of Investments.** The investments made by the Clients are typically illiquid. Any return of capital or realization of gains will generally require a disposition of some or all of an investment. The Client's ability to dispose of investments may be limited for several reasons. Illiquidity may result from the absence of an established market for the investments, as well as legal, contractual or other restrictions on their resale by the Client. Dispositions of investments may be subject to contractual and other

limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof. Investments in publicly traded companies may also be subject to legal or contractual restrictions on resale, including the possibility Apollo Commodities Management will be in possession of material non-public information about the company. In addition, the ability to exit an investment through the public markets will depend on market conditions.

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

**Leverage.** Clients will often leverage investments with debt financing at the portfolio company level. Although the use of leverage may enhance returns and increase the number of investments that can be made, it may also substantially increase the risk of loss. Although Apollo Commodities Management will seek to use leverage in a manner that it believes is appropriate under the circumstances, the leveraged capital structure of portfolio company investments will increase the exposure of the portfolio companies to adverse economic factors such as rising interest rates, downturns in the economy, or deteriorations in the condition of the portfolio company or its industry, which may impair such portfolio company's ability to finance its future operations and capital needs and result in restrictive financial and operating covenants. Under such circumstances, a portfolio company's flexibility to respond to changing business and economic conditions may be limited. If, for any of these reasons, a portfolio company is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or make regular dividend payments, the value of the relevant Client's investment in such portfolio company could be significantly reduced or even eliminated. The ability of the portfolio companies to refinance debt securities may depend on their ability to sell new securities in the public high-yield debt market or otherwise, or to raise capital in the leveraged finance debt markets, which historically have been cyclical with regard to the availability of financing.

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

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

**Investments in Start-Up Businesses.** Clients may invest a portion of their assets in less established companies, or early stage companies. Investments in such early stage companies may involve greater risks than those generally associated with investments in more established companies, should be considered highly speculative, and may result in the loss of a Client's entire investment therein. For instance, less established companies tend to have smaller capitalizations and fewer resources and are therefore more vulnerable to financial failure. Such companies may also have shorter operating histories on which to judge future performance and, in many cases, if operating, will have negative cash flow. In the case of start-up enterprises, such companies may not have significant or any operating revenues. Early stage companies often experience unexpected issues in the areas of product development, manufacturing, marketing, financing and general management, which, in some cases, cannot be adequately resolved. A major risk also exists that a proposed service or product cannot be developed successfully with the resources available to such an early stage company. There is no assurance that the development efforts of any such early stage company will be successful or, if successful, will be completed within budget or the time period originally estimated. Substantial amounts of financing may be necessary to complete such development and there is no assurance that such funds will be available from any particular source, including institutional private placements or the public markets. The percentage of early stage companies that survive and prosper tends to be small. In addition, less mature companies could be more susceptible to irregular accounting or other fraudulent practices. Furthermore, to the extent there is any public market for the securities held by Clients, securities of less established companies may be subject to more abrupt and erratic market price movements than those of larger, more established companies. In addition to investing in less established or early stage companies, Apollo Commodities Management and its affiliates have in the past actively engaged in forming new businesses on behalf of Clients and may continue to deploy this strategy in the future. Unlike investing in an existing company where start-up risks are generally shared with third parties who also

have vested interests in such company (including the company's founders, existing managers or existing equity holders), in the case where Apollo Commodities Management or one or more of its affiliates forms a new business, all such risks are generally borne by Apollo Commodities Management, its affiliates and/or its Clients. In addition, newly-formed businesses face risks similar to those affecting less established or early stage companies as described above and may experience unexpected operational, developmental or financial issues that cannot be adequately resolved. There is no assurance that such new business ventures will become successful.

**Hedging Policies/Risks.** In connection with certain investments, Clients 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 Clients 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 Client than if it had not entered into hedging transactions.

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

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

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

**Uncertainty of Financial Projections.** As part of its due diligence of a potential investment, Apollo Commodities Management or a Client investing in securities or interests in a company generally may do so on the basis of the company's financial

projections. Projected operating results normally will be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from the projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and the performance of any investment in such company.

**Use of Expert Networks.** In connection with the analysis of investment opportunities, Apollo Commodities Management may engage expert networks. Apollo has implemented procedures to address the risk that use of expert networks could result in investment professionals receiving material nonpublic information. However, because Apollo's business operates on an integrated platform without ethical screens or information barriers, if such controls should fail and an investment professional were to obtain material nonpublic information, then Apollo Commodities Management may be restricted in acquiring or disposing of investments on behalf of Clients, which could impact the returns generated for Clients.

**Risks Applicable to Insurance Company Clients of Athene Asset Management, L.P.**

In addition to the risks identified above, insurance company Clients are subject to significant risks relating to the matching of assets and liability characteristics such as interest rate duration and weighted average life. If assumptions relating to these characteristics prove to be incorrect and an insurance company is mismatched, such insurance company's financial condition could be adversely affected, which may have resulting regulatory implications. Furthermore, insurance company portfolios tend to have a significant amount of interest rate-sensitive instruments, such as bonds, which may be adversely affected by changes in interest rates. Interest rates are highly sensitive to many factors, including governmental monetary policies and domestic and international economic and political conditions and other factors beyond AAM's control. Because of the unpredictable nature of losses that may arise under insurance liabilities, liquidity needs could be substantial and may increase at any time. Changes in interest rates could have an adverse effect on the value of an insurance company investment portfolio and future investment income. For example, changes in interest rates could expose such Clients to prepayment risks on mortgage-backed securities. Increases in interest rates will generally decrease the value of investments in fixed-income securities. If increases in interest rates occur during periods when a Client is required to sell investments to satisfy liquidity needs, such Client may experience investment losses. If interest rates decline, reinvested funds will earn less than expected.

**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**

*Affiliated Broker Dealer.* Apollo Global Securities, LLC (“AGS”), a Delaware limited liability company and broker dealer affiliated with the Apollo Managers, is currently registered to perform the following services: (i) conduct private placements; (ii) underwriting; and (iii) provide transaction advisory services. AGS’ private placement services include placement of Apollo Funds and syndicating Apollo transactions. Any engagement of AGS’ services by a Client (subject to its governing documents) generally will not require approval from such Client’s advisory board if the transaction is conducted on an arm’s-length basis. Currently, AGS does not receive fees from Apollo Funds for these services, and AGS’ underwriting services are typically provided to Clients’ portfolio companies. Fees received by AGS in connection with these services are disclosed in the corresponding prospectus or private placement memorandum. Generally, AGS’ role in a syndication is that of a co-manager and not as lead underwriter. Finally, AGS may receive transaction fees in connection with providing transaction advisory services to Clients’ portfolio companies. Certain of these transaction fees may be applied to reduce Management Fees, as described under “Special Fees and Offsets” below.

The relationship between Apollo Commodities Management and AGS may give rise to conflicts of interest between Apollo Commodities Management and (i) Clients with respect to whom AGS provides services, or (ii) Clients who have an interest in any portfolio companies or investment vehicles to whom AGS provides services. Certain management persons of Apollo Commodities Management that are involved in providing portfolio management services to Clients on behalf of Apollo Commodities Management also will be involved in the business and operations of AGS. Such management persons may face conflicts of interest in dedicating time and resources to Clients, which may have a detrimental effect on Client performance. Apollo addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interests of each Client and by providing training to supervised persons with respect to conflicts of interest and how such conflicts are resolved under Apollo’s policies and procedures. Furthermore, while AGS’ services are primarily as described above (*i.e.*, to Apollo, its clients and its clients’ portfolio companies), it is possible that, in the future, AGS may also provide services (including financing, capital market and advisory services) to third parties, including third parties that are competitors of Apollo Commodities Management or one or more their affiliates or any portfolio companies. The expansion of AGS’ services in this manner would present additional conflicts of interest. In the event that AGS provides services to third parties, it may not take into consideration the interests of relevant Clients or portfolio companies. It also may come into possession of information that AGS is prohibited from acting on (including on behalf of a Client) or disclosing to Apollo Commodities Management or any of its affiliates as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interest of a Client or portfolio company.

*Special Fees and Offsets.* Apollo Commodities Management or its affiliates may receive consulting or monitoring fees, investment banking fees, advisory fees, breakup fees, directors’ fees, closing fees, transaction fees related to its or their negotiation of the acquisition and financing of portfolio companies, and similar fees (including interest, commitment fees or other fees received in connection with a bridge financing), whether in cash or in kind, including options, warrants and other non-cash consideration, in connection with certain Clients’

respective actual or contemplated investments in portfolio companies (collectively, “Special Fees”). As discussed further below, a portion of such Special Fees are generally applied to reduce management fees payable by those Clients. The following, however, generally do not constitute Special Fees (and are, therefore, generally not applied to reduce management fees): (i) fees that comprise or constitute Operating Expenses; (ii) salary, fees or other compensation of any nature paid by a portfolio company to any individual (or to such Client’s investment advisor or one of its affiliates with respect to such individual) who acts as an officer of or in an active management role at, such portfolio company (including industry executives, advisors, consultants, operating executives, subject matter experts or other persons acting in a similar capacity employed by Apollo Consulting but excluding investment professionals engaged by Apollo primarily engaged in the investment activities of Clients); (iii) any fees, costs or expenses paid to Apollo Consulting; and (iv) fees, costs and expenses other than transaction fees for transaction advisory services with respect to mergers and acquisition transactions paid to (A) AGS for services rendered to portfolio companies, or (B) another person or entity with respect to services rendered by AGS. Generally, Special Fees (other than monitoring fees and directors’ fees, which fees are paid to other Apollo affiliates) may be paid to AGS; however, as described above, AGS may receive fees that do not constitute Special Fees and, therefore, not all fees received by AGS may be applied, in whole or in part, to reduce Management Fees payable by Clients that participated in the investment.

#### AP Alternative Assets, L.P.

Apollo Commodities Management is affiliated with AP Alternative Assets, L.P., a limited partnership registered under the laws of Guernsey (“AAA”), whose common units are traded on New York Stock Exchange Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V. under the symbol “AAA”. AAA invests its capital through, and is the sole limited partner of, AAA Investments, L.P. (“AAA Investments”). AAA Investments has substantially all of its capital invested (through various subsidiaries) in Athene Holding. AAA’s sole investment, through its investment in AAA Investments, is the majority of the economic equity of Athene Holding.

In accordance with the services agreement among AAA, AAA Investments and Apollo (“AAA Services Agreement”) affiliates of Apollo Management receive a management fee for managing the assets of AAA Investments. The management fee will be paid through December 31, 2014 and services will continue through December 31, 2020. In the event AAA makes a tender offer for all or substantially all of its units where consideration is paid in shares of Athene Holding Ltd. (or an alternative transaction that is no less favorable in all material respects to the AAA unitholders as a whole), the management fee will be paid to Apollo in a lump sum equal to a management fee that would have been due on expiration date on December 31, 2020 using a mutually agreed upon formula and cap. All such management fees are paid pursuant to a derivative contract between AAA Investments and Apollo. Each quarter, management fees earned are translated into an accrued notional number of shares of Athene Holding Ltd., and the accrued notional shares are fair valued. At the option of AAA Investments, all notional shares accrued pursuant to the terms of the derivative contract are payable either in shares of Athene Holding Ltd. or cash equal to the fair value of such shares of Athene Holding Ltd. at the time of the settlement, which occurs on the earlier of a change of control of Athene or October 31, 2017.



AAA Investments' initial \$400 million investment in Athene Holding Ltd. will be subject to carried interest, which will generally entitle affiliates of Apollo Commodities Management to realize a portion of the profits generated by the investment (generally, a percentage of net realized gains). Carried interest from AAA Investments is paid in shares of Athene Holding Ltd. (at fair market value) if there is a distribution in kind of shares of Athene Holding Ltd., or paid in cash if AAA sells the shares of Athene Holding Ltd.

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

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

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

#### Affiliated Apollo Managers

Apollo Commodities Management is affiliated with the Apollo Private Equity Managers as set forth in (1) through (10) below (collectively, the "Apollo Private Equity Managers"); the Apollo Credit Managers as set forth in (11) through (59) below (the "Apollo Credit Managers") and the Apollo Real Estate Managers set forth in (60) through (76) below (the "Apollo Real Estate Managers") and together with the Apollo Private Equity Managers, the Apollo Credit Managers, and Apollo Commodities Management, the "Apollo Managers").

The Apollo Private Equity Managers are:

- (1) Apollo Management, L.P. ("Apollo Management"): Apollo Management is a Delaware limited partnership that is a SEC-registered investment adviser and controls the investment managers set forth in (2) through (9) 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., a Delaware

limited partnership, and its parallel funds and the alternative investment vehicles, feeder funds and special purpose vehicles of any of the foregoing (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., a Delaware limited partnership, and its parallel funds and the alternative investment vehicles, feeder funds and special purpose vehicles of any of the foregoing (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., a Delaware limited partnership, and its parallel funds and the alternative investment vehicles, feeder funds and special purpose vehicles of any of the foregoing (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., a Delaware limited partnership, and its parallel funds and the alternative investment vehicles, feeder funds and special purpose vehicles of any of the foregoing (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., a Delaware limited partnership, and its parallel funds and the alternative investment vehicles, feeder funds and special purpose vehicles of any of the foregoing (collectively, “AIF VII”). AIF VII is a private investment fund whose principal investors are public and private pensions and other financial institutions.

(7) Apollo Management VIII, L.P.: Apollo Management VIII, L.P. is a Delaware limited partnership that acts as the investment manager of Apollo Investment Fund VIII, L.P. a Delaware limited partnership, and its parallel funds and the alternative investment vehicles, feeder funds and special purpose vehicles of any of the foregoing (collectively, “AIF VIII”). AIF VIII is an investment fund whose principal investors are anticipated to be public and private pensions and other financial institutions.

(8) 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., a Luxembourg private limited company, LeverageSource XI S.a.r.l., a Luxembourg private limited liability company and LeverageSource Holdings Series III (Lux) S.a.r.l., a Luxembourg private limited liability company.

(9) Apollo Management (MHE), LLC: Apollo Management (MHE), LLC is a Delaware limited liability company and wholly-owned subsidiary of Apollo Management VII, L.P. that was formed to serve as the investment manager for Apollo Overseas Co-Investors (MHE), L.P., a Delaware limited partnership.

As supervised persons of Apollo Management, the Apollo Private Equity Managers intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any employees of such 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 registered with the SEC as investment advisers relying on Apollo Management's registration with the SEC pursuant to the ABA No-Action Letter.

The funds described in (1) through (9), together with any managed accounts managed by the Apollo Private Equity Managers, are referred to as "Apollo Private Equity Funds."

The Apollo Private Equity Funds generally seek to make investments in (i) control or influential minority equity and equity equivalent positions; and (ii) debt or other securities providing equity-like returns across the capital structure of companies, including distressed debt investments. Investments are sought across a range of industries and markets. The Apollo Private Equity Funds may also invest in securities across the capital structure including senior secured bank debt, second lien, high-yield debt, trade and credit derivatives, and bank loans. In addition, the Apollo Private Equity Funds, either directly or indirectly through a special purpose vehicle, may engage in total return swaps, which allow the Apollo Private Equity Funds to derive the economic benefit of owning an asset without retaining legal ownership of such asset. Finally, in connection with certain investments, the Apollo Private Equity Funds may employ hedging techniques designed to reduce the risks of adverse movements in interest rates, securities prices, and currency exchange rates.

The Apollo Credit Managers are:

(10) Apollo Investment Management, L.P.: Apollo Investment Management, L.P. is a Delaware limited partnership that is separately registered as an investment adviser with the SEC. It acts as the investment manager to Apollo Investment Corporation, a Maryland corporation ("AIC"). AIC is a closed-end, externally managed, non-diversified management investment company that has filed an election to be treated as a business development company under the Investment Company Act of 1940, as amended (the "Investment Company Act"). AIC primarily invests in various forms of debt instruments including secured and unsecured loans, mezzanine investments, and/or equity in private middle-market companies (i.e., companies with annual revenues between \$50 million and \$2 billion). It also may invest in the securities of public companies and structured products such as collateralized loan obligations ("CLOs").

(11) 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 Cayman Islands exempted limited partnership (together with its two feeder funds, Apollo Strategic Value Fund, L.P., a Delaware limited partnership, and Apollo Strategic Value Offshore, Ltd., a Cayman Islands exempted company, "SVF"). Apollo SVF Management, L.P. also acts as investment manager to Apollo Special Opportunities Managed Account, L.P., a Delaware limited

partnership (“SOMA”), a private securities investment fund to a certain single investor managed account pursuant to specifically negotiated investment limitations, and Permal Apollo Value Investment Fund, Ltd. (“Permal”), a business company with limited liability formed under the laws of the British Virgin Islands. SVF, SOMA, and Permal are primarily invested in the securities of leveraged companies in North America and Europe through distressed investments, value-driven investments and special opportunities.

(12) Apollo Value Management, L.P.: Apollo Value Management, L.P. is a Delaware limited partnership that acts as the investment manager to Apollo Value Investment Master Fund, L.P., a Cayman Islands exempted limited partnership (together with its two feeder funds, Apollo Value Investment Fund, L.P., a Delaware limited partnership, and Apollo Value Investment Offshore Fund, Ltd., a Cayman Islands exempted company, 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.

(13) 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 Cayman Islands exempted limited partnership (together with its two feeder funds, Apollo Asia Opportunity Fund, L.P., a Delaware limited partnership, and Apollo Asia Opportunity Offshore Fund, Ltd., a Cayman Islands exempted company, the “Asia Fund”). 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. The Asia Fund is in the process of winding down its business activities. Apollo Asia Management, L.P. also wholly owns Apollo Management Singapore Pte. Ltd.

(14) Apollo Management Singapore Pte. Ltd.: Apollo Management Singapore Pte. Ltd. is a private company limited by shares under the laws of Singapore that acts as investment manager to AIF VII Singapore Pte. Ltd., AION Investments Singapore Private Limited, Apollo Asia Private Credit Master Fund Pte. Ltd., Apollo Credit Singapore Pte. Ltd., private companies limited by shares under the laws of Singapore, and the Asia Fund. It is wholly owned by Apollo Asia Management, L.P. Apollo Management Singapore Pte. Ltd. holds a capital markets service license with the Monetary Authority of Singapore for the regulated activities of fund management and dealing in securities.

(15) Apollo APC Management, L.P.: Apollo APC Management, L.P. is a Delaware limited partnership that serves as the management company to Apollo Asia Private Credit Fund, L.P., a Delaware limited partnership, and any parallel or feeder funds (collectively, the “Asia Private Credit Fund”). The Asia Private Credit Fund seeks investments in private mezzanine and subordinated debt instruments, convertible debt and convertible preferred securities, and private equity and related instruments (including equity warrants) through privately-negotiated transactions located in the Asia-Pacific region (excluding Japan). The Asia Private Credit Fund expects to invest through Apollo Asia Private Credit Master Fund Pte. Ltd., a private company limited by shares under the laws of Singapore.

(16) Apollo Europe Management, L.P.: Apollo Europe Management, L.P. is a Delaware limited partnership that acts as investment manager to Apollo Investment Europe II, L.P., a

Cayman Islands limited partnership (“AIE II”). AIE II primarily invests in the mezzanine debt, other debt and equity of European companies.

(17) Apollo European Credit Management, L.P.: Apollo European Credit Management, L.P. is a Delaware limited partnership that serves as the investment manager for Apollo European Credit Fund, L.P., a Delaware limited partnership, Apollo European Credit Fund (Offshore), L.P., a Cayman Islands exempted limited partnership, and Apollo European Credit Master Fund, L.P., a Cayman Islands exempted limited partnership (collectively, with Apollo European Credit Fund, L.P. and Apollo European Credit Fund (Offshore), L.P., the “European Credit Fund”). The European Credit Fund invests primarily in a variety of fixed-income investment opportunities in Europe.

(18) 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., a Cayman Islands limited partnership (together, “EPF”). EPF invests principally in European non-performing loans.

(19) Apollo EPF Management II, L.P.: Apollo EPF Management II, L.P. is a Delaware limited partnership that acts as investment manager to Apollo European Principal Finance Fund II (Dollar A), L.P., a Cayman Islands exempted partnership, Apollo European Principal Finance Fund II (Euro A), L.P., a Cayman Islands exempted partnership, Apollo European Principal Finance Fund II (Master Dollar B) L.P., a Cayman Islands exempted partnership, Apollo European Principal Finance Fund II (Master Euro B) L.P., a Cayman Islands exempted partnership and to their feeder funds or other parallel funds that may be established (together, “EPF II”). EPF II invests primarily in European non-performing loans. Apollo EPF Management II, L.P. is also the investment manager to the Apollo/Cavenham European Managed Account, L.P. (“Cavenham”), a Cayman Islands exempted limited partnership, that invests in fixed income assets, mezzanine debt instruments, preferred equity, convertible debt, convertible preferred securities, real estate and other tangible property, public and private equity and related instruments.

(20) 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., a Delaware limited partnership (“CLF”). CLF invested primarily in senior secured debt and a broad range of other subordinated debt and debt-related investments. CLF is in the process of winding down its business operations.

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

(22) Apollo Credit Opportunity Management III LLC: Apollo Credit Opportunity Management III LLC is a Delaware limited liability company that serves as the investment manager for Apollo Credit Opportunity Fund III LP, a Delaware limited partnership. Apollo Credit Opportunity Fund III LP primarily invests in event-driven and special situations, distressed debt, leveraged yield strategies, dislocated structured credit and regulatory capital investments, private lending and mezzanine debt, and asset investing. It focuses primarily on North American and European credit opportunities that generally comprise less liquid, idiosyncratic investments.

(23) Apollo Management International LLP: Apollo Management International LLP is an English limited liability partnership, that serves as a non-discretionary subadviser to certain Apollo Credit Managers, Apollo Private Equity Managers, and Apollo Real Estate Managers. Apollo Management International LLP is authorized and regulated by the United Kingdom Financial Conduct Authority (“FCA”).

(24) Apollo International Management, L.P.: Apollo International Management is a Delaware limited partnership. It controls Apollo Alternative Assets, L.P., the investment manager for AAA, certain international management entities that serve as investment managers for accounts that focus on investments in Asia, and sub-advisors to one or more Apollo investment advisors with respect to investments in Canada, Europe and Asia.

(25) Apollo Credit Management (Senior Loans), LLC: Apollo Credit Management (Senior Loans), LLC is a Delaware limited liability company that acts as investment manager to Apollo/Palmetto Loan Portfolio, L.P., Apollo/Palmetto Short-Maturity Loan Portfolio, L.P., and Apollo Credit Senior Loan Fund, L.P., all Delaware limited partnerships (together, “Loan Portfolio Funds”) and a separately managed account. Each Loan Portfolio Fund and the separately managed account generally invests primarily in senior secured floating-rate loans and non-first lien fixed-income investments and other fixed-income investments, including, but not limited to, senior secured bonds.

(26) Apollo Credit Management (Senior Loans) II, LLC: Apollo Credit Management (Senior Loans) II, LLC is a Delaware limited liability company that acts as investment manager to a strategic managed account that invests primarily in senior secured, first lien loans.

(27) Apollo Credit Management, LLC: Apollo Credit Management, LLC is a Delaware limited liability company that is separately registered with the SEC as an investment adviser. It acts as investment manager to Apollo Senior Floating Rate Fund Inc. and Apollo Tactical Income Fund Inc., both of which are Maryland corporations registered with the SEC as closed-end, non-diversified investment companies under the Investment Company Act. Apollo Senior Floating Rate Fund, Inc. is listed on the New York Stock Exchange under the symbol “AFT.” Apollo Tactical Income Fund, Inc. is listed on the New York Stock Exchange under the symbol “AIF.”

(28) Athene Asset Management, L.P. (f/k/a Athene Asset Management, LLC): Athene Asset Management, L.P. (“AAM”) is a Cayman Islands exempted limited partnership that acts as investment manager to certain insurance and reinsurance company subsidiaries of Athene Holding Ltd., a Bermuda holding company (“Athene Holding”), certain reinsurance accounts

related to such subsidiaries and certain insurance companies affiliated with Apollo. AAM is owned by Apollo Life Asset Ltd., a Cayman Islands exempted company, certain members of AAM's management and third party managed accounts. Apollo Life Asset Ltd. is, in turn, wholly owned by Apollo Capital Management. AAM, either directly or through the use of subadvisers, including certain Apollo Credit Managers and Apollo Managers (as defined below), invests primarily in fixed-income and alternative investments.

(29) Apollo Credit Management (CLO), LLC: Apollo Credit Management (CLO), LLC is a Delaware limited liability company that serves as collateral manager to the following CLOs: (i) ALM Loan Funding 2010-1, Ltd.; (ii) ALM Loan Funding 2010-2, Ltd.; (iii) ALM Loan Funding 2010-3, Ltd.; (iv) ALM IV, Ltd.; (v) ALM V, Ltd.; (vi) ALM VI, Ltd.; (vii) ALM VII, Ltd.; (viii) ALM VII (R), Ltd.; (ix) ALM VII (R)-2, Ltd.; (x) ALM VIII, Ltd.; (xi) ALM X, Ltd.; (xii) ALME Loan Funding 2013-1 Limited; and (xiii) ALME II, Ltd.

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

(31) Financial Credit Investment II Manager, LLC: Financial Credit Investment II Manager, LLC is a Delaware limited liability company ("FCI II") that serves as investment manager for Financial Credit Investment II, L.P., a Cayman Islands limited partnership. Financial Credit Investment II, L.P. invests in portfolios of life insurance policies that insure the lives of natural persons and certain other life insurance-linked products.

(32) Apollo Longevity, LLC: Apollo Longevity, LLC is a Delaware limited liability company that serves as sub-adviser to a number of advisors, including AAM and RWN Management, LLC, and as adviser to certain managed accounts. Apollo Longevity, LLC provides non-discretionary investment advice with respect to investments in insurance linked securities, securitizations and other alternative assets.

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

(34) Apollo Centre Street Management, LLC: Apollo Centre Street Management, LLC is a Delaware limited liability company that serves as the investment manager for Apollo Centre Street Partnership, L.P., a Delaware limited partnership. Apollo Centre Street Partnership, L.P. was formed as a strategic partnership and invests in debt securities, bank loans, structured credit, private credit and equity, among other investment instruments.

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

European Strategic Investments (Holdings), L.P., a Cayman Islands limited partnership and Apollo European Strategic Investments, L.P., also a Cayman Islands limited partnership. Apollo European Strategic Investments (Holdings), L.P. and Apollo European Strategic Investments, L.P. were formed as strategic partnerships that may invest in, among other things, distressed securities and restructurings, loans (including senior and subordinated loans, non-performing loans, bank loans and loans to private companies), debt securities and structured products.

(36) Apollo European Senior Debt Management, LLC: Apollo European Senior Debt Management, LLC is a Delaware limited liability company that serves as the investment manager to A-A European Senior Debt Fund, L.P., a Delaware limited partnerships formed to invest in senior debt instruments including secured bank loans, high yield bonds and other fixed income investments.

(37) Apollo SPN Management, LLC: Apollo SPN Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo SPN Investments I, L.P., Apollo SPN Investments II, L.P. and Apollo SPN Investments III, L.P., Cayman Islands limited partnerships formed as strategic partnerships to invest across Apollo's private equity, real estate and credit strategies.

(38) Gulf Stream Asset Management, LLC: Gulf Stream Asset Management, LLC ("GSAM") is a North Carolina limited liability company that provides discretionary investment advisory services to, and serves as collateral manager for, special purpose vehicles that issue CLOs. GSAM provides investment advice to the CLOs regarding institutional leveraged loans, high-yield debt, corporate debt, structured credit products, derivatives, private debt securities and other loans, credit and debt instruments. The CLOs seek to achieve their investment objectives by investing primarily in senior, secured loans made to companies whose debt is rated below investment grade (*i.e.*, senior loans) and investments with similar characteristics. GSAM provides investment advisory services to ten CLOs: (i) Gulf Stream Compass CLO 2002-1; (ii) Gulf Stream Compass CLO 2003-1; (iii) Gulf Stream Compass CLO 2004-1; (iv) Gulf Stream Compass CLO 2005-1; (v) Gulf Stream Compass CLO 2005-II; (vi) Gulf Stream Sextant CLO 2006-1; (vii) Gulf Stream Rashinban CLO 2006-1; (viii) Gulf Stream Sextant CLO 2007-1; (ix) Gulf Stream Compass CLO 2007-1; and (x) Neptune Finance CCS.

(39) AION Capital Management Limited: AION Capital Management Limited is a private Mauritius company limited by shares that serves as the investment manager to AION Capital Partners Limited, a private Mauritius company limited by shares. AION Capital Partners Limited is a joint venture with ICICI Venture Funds Management Company Limited formed to make investments in businesses with a significant nexus to India. AION Capital Management Limited is a wholly-owned subsidiary of Apollo India Credit Opportunity Management, LLC, a Delaware limited liability company. Apollo India Credit Opportunity Management, LLC is wholly-owned by Apollo Capital Management.

(40) Apollo ST Fund Management LLC: Apollo ST Fund Management LLC, a Delaware limited liability company, is indirectly controlled by Apollo Capital Management. Apollo ST Fund Management LLC serves as the investment manager to:



- (i) Apollo Credit Master Fund Ltd., a Cayman Islands exempted company ("Credit Master Fund"), together with its two feeder funds, Apollo Credit Fund LP, a Delaware limited partnership ("Credit Onshore Fund"), Apollo Offshore Credit Fund Ltd., a Cayman Islands exempted company ("Credit Offshore Fund"), which invest primarily in leveraged loans;
- (ii) Apollo Credit Funding I Ltd., a Cayman Islands exempted company, which operates as a market value CLO and invests directly or indirectly in loans, other financial instruments, warehouse facilities, Apollo Funds (as defined below) seed investments and other opportunities. The Credit Master Fund invests a portion of its capital in shares of Apollo Credit Funding I Ltd.;
- (iii) Apollo Structured Credit Recovery Master Fund II Ltd., a Cayman Islands exempted company, together with its two feeder funds, Apollo Structured Credit Recovery Fund II L.P., a Delaware limited partnership ("Structured Credit Recovery Onshore Fund II") and Apollo Offshore Structured Credit Recovery Fund II Ltd., a Cayman Islands exempted company ("Structured Credit Recovery Offshore Fund II"), both of which invest primarily in CLOs, commercial mortgage-backed securities ("CMBS") and residential mortgage-backed securities ("RMBS");
- (iv) Stone Tower Credit Solutions Master Fund Ltd., a Cayman Islands exempted company, together with its two feeder funds, Stone Tower Credit Solutions Fund LP, a Delaware limited partnership ("Credit Solutions Onshore Fund"), and Stone Tower Credit Solutions Fund Ltd., a Cayman Islands exempted company ("Credit Solutions Offshore Fund"), which invested primarily in private financings and stressed debt but is in the process of winding down its business operations;
- (v) Apollo Credit Strategies Master Fund Ltd., a Cayman Islands exempted company, together with its two feeder funds, Apollo Credit Strategies Fund LP, a Delaware limited partnership ("Credit Strategies Onshore Fund") and Apollo Offshore Credit Strategies Fund Ltd., a Cayman Islands exempted company ("Credit Strategies Offshore Fund"), is a long/short credit fund investing primarily in the US and in Europe; and
- (vi) a number of separately managed accounts that invest primarily in leveraged loans, high-yield bonds, stressed and distressed debt, and private financings.

(41) Apollo ST Debt Advisors LLC: Apollo ST Debt Advisors LLC is a Delaware limited liability company, and is indirectly controlled by Apollo Capital Management. Apollo ST Debt Advisors LLC provides discretionary investment advice as the investment and collateral manager primarily to structured investment funds, including the following CLOs and collateralized debt obligations ("CDOs"): (i) Cornerstone CLO Ltd.; (ii) Granite Ventures II Ltd.; (iii) Granite Ventures III Ltd.; (iv) Stone Tower CLO II Ltd.; (v) Stone Tower CLO III Ltd.; (vi) Stone Tower CLO IV Ltd.; (vii) Stone Tower CLO V Ltd.; (viii) Stone Tower CLO VI Ltd.; (ix) Stone Tower CLO VII Ltd.; (x) Stone Tower CLO VIII Ltd.; (xi) Integral Funding Ltd.; (xii) Rampart CLO 2006-1 Ltd.; (xiii) Rampart CLO 2007-1 Ltd.; (xiv) Stone Tower CDO Ltd.; (xv) Stone Tower

CDO II Ltd.; (xvi) Stone Tower CDO III Ltd.; (xvii) Broderick CDO 2 Ltd.; (xviii) Broderick CDO 3 Ltd.; (xix) Longshore CDO Funding 2007-3, Ltd.; (xx) Whitehawk CDO Funding, Ltd.; and (xxi) Witherspoon Funding, Ltd. Apollo ST Debt Advisors LLC also serves as the manager to a number of separately managed accounts.

(42) Apollo Structured Credit Recovery Management III LLC: Apollo Structured Credit Recovery Management III LLC is a Delaware limited liability company that serves as the investment manager for Apollo Structured Recovery Fund III LP, a Delaware limited partnership (“Structured Credit Recovery Onshore Fund III”), Apollo Offshore Structured Credit Recovery Fund III Ltd, an exempted company incorporated in the Cayman Islands with limited liability (“Structured Credit Recovery Offshore Fund III”), and Apollo Structured Credit Recovery Master Fund III LP an exempted limited partnership organized in the Cayman Islands (together with Structured Credit Recovery Onshore Fund III and Structured Credit Recovery Offshore Fund III, “SCRF III”). SCRF III invests primarily in a diversified portfolio of various tranches of CLOs, CMBS, RMBS, other asset-backed securities (“ABS”), CDOs and notes of legacy structured investment vehicles (“SIVs”).

(43) Apollo SK Strategic Management, LLC: Apollo SK Strategic Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo SK Strategic Investments, L.P., a Cayman Islands limited partnership formed as a strategic partnership to invest in a broad mandate including, among other things, yield-based and opportunistic credit in the U.S. and Europe.

(44) Apollo Credit Income Management LLC: Apollo Credit Income Management LLC is a Delaware limited liability company that serves as the investment manager for the Apollo Credit Income Master Fund, LP, a Cayman Islands limited partnership, Apollo Credit Income Fund LP, a Delaware limited partnership, and Apollo Credit Income Offshore Fund, Ltd., a Cayman Islands limited company (collectively with the Apollo Credit Income Master Fund, LP and Apollo Credit Income Fund, LP, the “Credit Income Funds”). The Credit Income Funds invest primarily in public and private non-investment grade bonds, secured loans, second lien debt, swaps and other securities with fixed-income characteristics.

(45) Apollo Palmetto Athene Management, LLC: Apollo Palmetto Athene Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo Palmetto Athene Partnership, L.P., a Cayman Islands exempted limited partnership. Apollo Palmetto Athene Partnership, L.P. is a limited partner of Palmetto Athene Holdings (Cayman), L.P., a Cayman Islands limited partnership, which holds shares of Athene Holding.

(46) Apollo Franklin Management, LLC: Apollo Franklin Management, LLC is a Delaware limited liability company that serves as the investment manager to Apollo Franklin Partnership, L.P., a Delaware limited partnership. Apollo Franklin Partnership, L.P. was formed as a strategic partnership to invest in loans, high yield bonds, credit default swaps, stressed or distressed credit assets, securities related to debtor-in-possession financing, rescue financing, exit financing, mezzanine debt, and stock or equity linked securities.

(47) Apollo BSL Management, LLC: Apollo BSL Management, LLC is a Delaware limited liability company that serves as the investment manager for a strategic managed account that invests primarily in senior secured, first lien loans.

(48) Apollo Zeus Strategic Management, LLC: Apollo Zeus Strategic Management, LLC is a Delaware limited liability company that serves as the investment manager for Apollo Zeus Strategic Investments, L.P., a Cayman Islands limited partnership. Apollo Zeus Strategic Investments, L.P. was formed as a strategic partnership that primarily invests in event-driven and special situations, distressed debt, leveraged yield strategies, dislocated structured credit and regulatory capital investments, private lending, mezzanine debt, and asset investing.

(49) Apollo Credit Short Opportunities Management, LLC: Apollo Credit Short Opportunities Management, LLC is a Delaware limited liability company that serves as the investment manager for Apollo Credit Short Opportunities Fund, L.P., a Cayman Islands limited partnership. Apollo Credit Short Opportunities Fund, L.P. seeks to provide short exposure to the broad credit markets.

(50) Apollo Capital Spectrum Management, LLC: Apollo Capital Spectrum Management, LLC is a Delaware limited liability company that serves as the investment manager for Apollo Capital Spectrum Fund, L.P., a Cayman Islands limited partnership. Apollo Capital Spectrum Fund, L.P. was formed to invest in equity and equity-like securities of companies that: (i) are complex (i.e., structured credit exposure, complex organizational charts, or unique assets); (ii) have a misunderstood catalyst, an earnings inflection, balance sheet event or corporate action; or (iii) are more volatile than average traded equities due to the employment of significant financial leverage or the nature of their holders.

(51) Apollo International Management (Canada) ULC: Apollo International Management (Canada) ULC is a British Columbia unlimited liability corporation serves as an investment manager for accounts that will focus on strategic investments in Canada.

(52) Apollo Emerging Markets, LLC: Apollo Emerging Markets, LLC is a Delaware limited liability company that serves as an investment manager for accounts that focus on strategic investments in emerging markets.

(53) Apollo Total Return Management LLC: Apollo Total Return Management LLC is a Delaware limited liability company that serves as the investment manager for Apollo Total Return Master Fund LP, a Cayman Islands limited partnership (the “Total Return Master Fund”), the Apollo Total Return Fund (Onshore) LP, a Delaware limited partnership (the “Total Return Onshore Fund”), the Apollo Total Return Fund (Offshore) Ltd., an exempted company incorporated in the Cayman Islands (the “Total Return Offshore Fund”), and the Apollo Total Return Fund (Exempt) LP, a Delaware limited partnership (the “Total Return Exempt Fund”). The Total Return Exempt Fund, Total Return Master Fund, Total Return Onshore Fund and Total Return Offshore Fund shall collectively be referred to as the “Apollo Total Return Fund”. The Apollo Total Return Fund was formed to make credit investments including, but not limited to, loans, high yield bonds, catastrophe bonds and certain credit derivatives such as credit default swaps; stressed or distressed credit assets; securities related to debtor-in-possession financing, rescue financing or exit financing; corporate credit; mezzanine debt; residential mortgage-

backed securities; commercial mortgage-backed securities; asset-backed securities; illiquid opportunistic investments; emerging market investments; insurance-related investments; municipal credit; stock or equity-linked securities received following a corporate reorganization or restructuring process; non-performing loans; structured credit assets.

(54) Apollo Lincoln Fixed Income Management, LLC: Apollo Lincoln Fixed Income Management, LLC is a Delaware limited liability company that serves as the investment manager for a strategic partnership that invests primarily in a broad range of credit asset classes, including, but not limited to, corporate stressed assets, distressed debt, event-driven and special situations, asset-backed investing and private lending.

(55) Apollo Lincoln Private Credit Management, LLC: Apollo Lincoln Private Credit Management, LLC is a Delaware limited liability company that serves as the investment manager for a strategic partnership that invests primarily in opportunistic credit investments across public and private markets primarily in corporate stressed, distressed, event-driven, special situations, asset-backed and private debt securities.

(56) Apollo Emerging Markets Absolute Return Management, LLC: Apollo Emerging Markets Absolute Return Management LLC, a Delaware limited liability company, was formed to serve as the investment manager for Apollo Emerging Markets Absolute Return Fund LP, a Delaware limited partnership, Apollo Emerging Markets Absolute Return Fund Ltd., a Cayman Islands exempted limited company, and Apollo Emerging Markets Absolute Return Master Fund LP, a Cayman Islands limited partnership (collectively, with Apollo Emerging Markets Absolute Return Fund LP and Apollo Emerging Markets Absolute Return Fund Ltd., the “Apollo Emerging Markets Absolute Return Fund”). Apollo Emerging Markets Absolute Return Fund LP and Apollo Emerging Markets Absolute Return Fund Ltd. invest substantially all of their assets in Apollo Emerging Markets Absolute Return Master Fund LP, which makes strategic investments in emerging markets.

(57) Apollo Europe Management III, LLC: Apollo Europe Management III, LLC, a Delaware limited liability company, was formed to serve as the investment manager for Apollo Investment Europe III, L.P., a Cayman Islands exempted limited partnership. Apollo Investment Europe III, L.P. will invest primarily in the securities of issuers based primarily in Europe (determined by reference to headquarters, assets, operations or revenues).

(58) Apollo Capital Management: Apollo Capital Management is an indirect subsidiary of AGM that is primarily engaged in managing Apollo’s credit business and controls the Apollo Credit Managers listed in (10) - (57) above. Apollo Capital Management is a Delaware limited partnership that is registered with the SEC as an investment adviser. Unless otherwise stated, the Apollo Credit Managers are registered with the SEC as investment advisers relying on Apollo Capital Management’s investment adviser registration with the SEC pursuant to the ABA No-Action Letter. In addition, Apollo Capital Management has been engaged by AAM to serve as sub-manager to one or more accounts to be designated by certain affiliated and unaffiliated third party insurance companies.

As supervised persons of Apollo Capital Management, the Apollo Credit Managers intend to conduct their activities in accordance with the Advisers Act and the rules thereunder. Any

employees of the Apollo Credit Managers and other persons acting on their behalf are and shall be subject to the supervision and control of Apollo Capital Management.

The Apollo Real Estate Managers are:

(59) 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 (60) through (75) below. In addition, AGREM has been engaged by AAM to serve as sub-manager to one or more accounts as may be designated by certain affiliated and unaffiliated third party insurance companies.

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

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

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

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

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

(65) AGRE NA Management, LLC (“AGRE NA”): AGRE NA is a Delaware limited liability company that acts as investment manager to AGRE U.S. Real Estate Fund, L.P., a Delaware limited partnership, and its alternative investment vehicle, AGRE USREF AIV-I, L.P., a Cayman Islands exempted limited partnership. AGRE U.S. Real Estate Fund, L.P. pursues investment opportunities to recapitalize, restructure and acquire real estate assets, portfolios and companies primarily in the United States. AGRE USREF AIV-I, L.P. will make direct and indirect investments, including investments in other AGRE U.S. Real Estate Fund, L.P. alternative investment vehicles, that are suitable for AGRE U.S. Real Estate Fund, L.P.

(66) AGRE Asia Pacific Legacy Management, LLC (“AGRE Asia Legacy”): AGRE Asia Legacy is a Delaware limited liability company that serves as investment manager to CPI Capital Partners Asia Pacific, L.P., a Cayman Islands exempted limited partnership, and its parallel funds. 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.

(67) AGRE Asia Pacific Management, LLC (“AGRE Asia”): AGRE Asia is a Delaware limited liability company that serves as investment manager to AGRE Asia Pacific Real Estate Fund, L.P., a Cayman Islands exempted limited partnership. AGRE Asia Pacific Real Estate Fund, L.P. pursues opportunistic real estate and real estate-related investments to recapitalize, restructure and acquire real estate assets, portfolios, operating platforms and companies throughout the Asia Pacific region.

(68) AGRE Europe Legacy Management, LLC (“AGRE Europe Legacy”): AGRE Europe Legacy is a Delaware limited liability company that serves as investment manager to CPI Capital Partners Europe, L.P., an English limited partnership, and CPI Capital Partners Europe (NFR), L.P., an English limited partnership. 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 Europe.

(69) AGRE Europe Management, LLC (“AGRE Europe”): AGRE Europe is a Delaware limited liability company that serves as the investment manager to Apollo GSS Holdings (Cayman), L.P., a Cayman Islands exempted limited partnership, which was formed to invest in a partnership with a UK-based property firm in a strategic real estate opportunity in Europe. AGRE Europe is also the managing member of London Prime Apartments Guernsey Holdings Limited, a Guernsey company limited by shares, which invests indirectly in a Guernsey joint venture that owns a portfolio of residential properties in London.

(70) AGRE-E Legacy Management, LLC (“AGRE-E”): AGRE-E is a Delaware limited liability company that 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 to 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.

(71) AGRE-E2 Legacy Management, LLC (“AGRE-E2”): AGRE-E2 is a Delaware limited liability company. AGRE-E2 also serves as asset manager to 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.

(72) CPI CEE Management LLC (“CPI CEE”): CPI CEE is a Delaware limited liability company that serves as managing shareholder to CPI CEE Limited, CPI CEE Co-Invest Limited, CPI CEE Co-Invest 2 Limited, and CPI CEE Co-Invest 3 Limited, a collection of Jersey limited company 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 that is focused on retail properties.

(73) 2012 CMBS-I Management, LLC (“2012 CMBS-I”): 2012 CMBS-I is a Delaware limited liability company that serves as investment manager to, and provides non-discretionary investment advice to, 2012 CMBS-I Fund, L.P., a Delaware limited partnership. 2012 CMBS-I Fund, L.P. was formed to target investments in certain eligible collateralized MBS and/or short-term fixed-income investments.

(74) 2012 CMBS-II Management LLC (“2012 CMBS-II”): 2012 CMBS-II is a Delaware limited liability company that serves as investment manager to, and provides non-discretionary investment advice to, 2012 CMBS-II Fund, L.P., a Delaware limited partnership. 2012 CMBS-II Fund, L.P. was formed to target investments in certain eligible collateralized MBS and/or short-term fixed-income investments.

(75) 2012 CMBS-III Management, LLC (“2012 CMBS-III”): 2012 CMBS-III is a Delaware limited liability company that serves as investment manager to, and provides non-discretionary investment advice to 2012 CMBS-III Fund, L.P., a Delaware limited partnership. 2012 CMBS-III Fund, L.P. was formed to target investments in certain eligible collateralized MBS and/or short-term fixed-income investments.

As supervised persons of AGREM, ACREFI, CMBS Management, CMBS Management II, AGRE-CRE, AGRE NA Legacy, AGRE NA, AGRE Asia Legacy, AGRE Asia, AGRE Europe Legacy, AGRE Europe, AGRE-E, AGRE-E2, CPI CEE, 2012 CMBS-I, 2012 CMBS-II, and 2012 CMBS-III intend to conduct their activities in accordance with the Advisers Act, and the rules thereunder. Any employees of such Apollo Real Estate Managers, and any other persons acting on their behalf, are and shall be subject to the supervision and control of AGREM. ACREFI, CMBS Management, CMBS Management II, AGRE-CRE, AGRE NA Legacy, AGRE NA, AGRE Asia Legacy, AGRE Asia, AGRE Europe Legacy, AGRE Europe, AGRE-E, AGRE-E2, CPI CEE, 2012 CMBS-I, 2012 CMBS-II and 2012 CMBS-III are registered with the SEC as investment advisers relying on AGREM’s investment adviser registration with the SEC pursuant to the ABA No-Action Letter.

Certain inherent conflicts of interest arise from the fact that: (1) Apollo Commodities Management will provide investment management services to more than one Client; (2) Clients may have one or more overlapping investment objectives; and (3) Apollo Commodities Management is affiliated with other Apollo Managers that provide investment management services to other Apollo Funds that may also have overlapping investment objectives. Also, the portfolio strategies employed by Apollo Commodities Management for current and future

Clients and by Apollo Managers for other Apollo Funds could conflict with the strategies employed by Apollo Commodities Management for current and future Clients, and may affect the prices and availability of the securities and other assets in which such Clients invest. Certain Clients have similar investment strategies, and participation in specific investment opportunities may be appropriate for more than one Client. In such cases, participation in investment opportunities will be allocated pursuant to Apollo Commodities Management's allocation policy and procedures, as further discussed in Item 6. Such considerations may result in allocations of certain investments among the Clients of Apollo Commodities Management and certain other Apollo Funds on an other than *pari passu* basis.

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

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



companies, the officers, directors, partners, members, managers, employees and shareholders of Apollo Commodities Management or their respective affiliates may be subject to derivative or other similar claims brought by shareholders of such companies. The fees, costs and expenses (whether or not advanced) and other liabilities resulting from such indemnification obligations are generally Operating Expenses and will be paid or otherwise borne by Clients (including by satisfaction out of unpaid capital contributions of their respective limited partners, shareholders or other investors). The application of the foregoing standards may result in limited partners having a more limited right of action in certain cases than they would in the absence of such standards. In the case of “gross negligence,” this standard of care has been held in some jurisdictions to involve conduct that is closer to willful misconduct. Further, members of advisory boards are held only to a duty of good faith, and generally will be considered to have acted in good faith even if considering only the interests of the investor and/or other person on whose behalf the advisory board member is serving. As a result of these considerations, even though such exculpation and indemnification provisions in a Client’s governing documents will not act as a waiver on the part of such Client’s investors of any of their rights under applicable U.S. securities laws or other laws the applicability of which is not permitted to be waived, the application of the foregoing standards may result in such Client bearing significant financial losses even where such losses were caused by the negligence (even if heightened) of such covered persons. Such financial losses may have an adverse effect on the returns to the applicable Client’s investors and, if the Client’s assets are insufficient to satisfy such Client’s indemnification obligations, its investors may be required to return amounts distributed to them, subject to any limitations set forth in such Client’s governing documents.

Certain Clients have advisory boards that consist of the representatives of certain investors in such Clients. Any approval or consent given by such advisory boards tends to be binding on such Clients and all of their investors. Advisory boards are also generally authorized to give approvals or consents required under the Advisers Act, including under Section 206(3) of the Advisers Act. To the extent that an investor is not represented by a member of a Client’s advisory board, such investor will have no influence over matters submitted to the advisory board for approval. Although Apollo Commodities Management has adopted policies and procedures designed to manage conflicts among Clients, members of the advisory boards may themselves have conflicts of interest that do not disqualify such members from voting or consenting to matters submitted for consideration or review to the advisory boards on which they serve. For example, in a cross trade situation where Apollo Commodities Management or one of its affiliates arranges for a Client to purchase an investment from, or sell an investment to, another Client, if an advisory board member has an interest in both Clients involved in the cross trade, such member may favor one Client with whom its interests are more closely aligned over the other Client. In addition, if the member has an interest adverse to Apollo Commodities Management, it may not act in the best interest of the Client that it represents. While Apollo Commodities Management may adopt policies or procedures to address such conflicts in the future, they have not done so to date, and it may not be possible to entirely eliminate such conflicts.

Apollo Commodities Management and its personnel may have conflicts in allocating their time and services among Clients. Personnel of Apollo Commodities Management may provide services to other Apollo Funds and Apollo’s other existing and potential business activities. It is possible that the investments held by such other Apollo Funds may be competitors of Clients.

A principal or employee of Apollo Commodities Management or a related person may, from time to time, serve as a director or acquire observer rights with respect to portfolio companies, the securities of which are purchased on behalf of Clients. In the event Apollo Commodities 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 Commodities 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.

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

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

From time to time, various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of Apollo Commodities Management, its affiliates, and its personnel. Apollo Commodities Management will endeavor to resolve conflicts with respect to investment opportunities in a manner it deems equitable to the extent possible under the prevailing facts and circumstances. Apollo Commodities Management's affiliates may invest, on behalf of themselves, in securities and other instruments that would be appropriate for, are held by, or may fall within the investment guidelines of a Client. Apollo Commodities Management's affiliates may give advice or take action for their own accounts that may differ from, conflict with, or be adverse to, advice given to or action taken for Clients. These activities may adversely affect the prices and availability of other securities or instruments held by or potentially considered for, one or more Clients. Potential conflicts also may arise due to the fact

that Apollo Commodities Management's affiliates may have investments in some Clients but not in others, or may have different levels of investments in the various Clients and that each of the Clients may pay different levels of fees.

Apollo, together with the Apollo Funds, engages in a broad range of business activities and invests in portfolio companies whose operations may be substantially similar to and/or competitive with the portfolio companies in which Clients have invested. The performance and operation of such competing businesses could conflict with and adversely affect the performance and operation of Clients' portfolio companies, and may adversely affect the prices and availability of business opportunities or transactions available to such portfolio companies. Clients will not be acquiring an interest in such Apollo Funds or competing portfolio companies, nor will they be entitled to a share of any profits generated by such entities. Apollo will seek to resolve conflicts in a manner that Apollo determines in its sole discretion to be fair and equitable.

In addition, Apollo Commodities Management 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, Clients with similar strategies may not hold the same securities or instruments or achieve the same performance. Apollo Commodities 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 Commodities Management and its affiliates also 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 Commodities 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 Commodities 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. Apollo Commodities Management recognizes that conflicts may arise under such circumstances and will endeavor to treat all Clients fairly and equitably. To that end, Apollo Commodities Management has adopted procedures that are designed to enable Apollo Commodities Management to address such conflicts and to ensure that Clients are treated fairly and equitably. No Client may acquire securities or other interests of a class that is senior or junior to a class of securities of an issuer already held by another Client unless the disclosure and governing documents for each of the affected Clients contemplate such an investment practice and contain appropriate risk and conflict disclosures.

The Apollo Funds, other than the publicly traded funds managed by subsidiaries of Apollo, are covered under Apollo's professional liability insurance policy and do not separately maintain

professional liability insurance. To the extent a claim arises relating to any of the insureds during a policy period that erodes some or all of the limits under Apollo's policy, there will be less coverage, or potentially no coverage, available for all of the insureds under the policy for the remainder of the policy period.

### AAM

AAM is affiliated with Apollo Commodities Management and controlled by Apollo. Certain members of AAM's management, including its Chief Executive Officer, have equity ownership interests in both AAM and Athene Holding and certain members of AAM's management are officers of Athene Holding and/or its subsidiaries (together, the "Athene Group").

AAM acts as investment manager to certain insurance and reinsurance company subsidiaries of Athene Holding, certain reinsurance and stable value wrap accounts related to such subsidiaries and certain third party Clients. AAM, either directly or through the use of subadvisers, including certain Apollo Credit Managers and Apollo Managers, invests primarily in fixed income and alternative investments on behalf of its Clients. The portfolios of AAM's Clients generally are different from one another for various reasons, including, without limitation, (i) allocation factors as discussed in Item 6, above, (ii) the applicability and/or interpretation of laws, including state insurance laws, to Clients, (iii) the maturity of Client portfolios, (iv) the length of time for which AAM has managed a Client's portfolio, (v) efforts to match the assets in a Client's portfolio to liabilities of the Client, and (vi) risk management factors.

Pursuant to the terms of various investment management agreements, AAM currently charges Athene Group Clients monthly management fees that are based on a percentage of assets under management ("Athene Management Fee"). The Athene Management Fee is generally payable to AAM monthly or quarterly in arrears. In addition to the Athene Management Fee, AAM allocates certain AAM employee expenses to Athene Holding and/or its subsidiaries for services provided to these applicable entities by such employees, such as risk management, corporate governance, executive management, legal, marketing and information technology services. Athene Holding has also agreed to pay (i) for any management fees and cost reimbursement expenses associated with subsidiaries of Athene Holding and/or their reinsurance clients (the "Applicable Clients") that are not paid by the Applicable Clients and (ii) an additional fee so that the total amount paid by the Athene Group with respect to all investment assets of the Applicable Clients equals forty (40) basis points per annum on the applicable market values (subject to certain limited exceptions). From time to time, Athene Holding or a subsidiary of Athene Holding may agree to amend the investment management agreement between the applicable entity and AAM, which may include paying AAM higher management fees and/or entering into similar arrangements with other Apollo Managers. Moreover, as further described below, Apollo may be able to cause Athene Holding to agree to raise AAM's fees with respect to Athene Holding and/or its subsidiaries. Such amendments or similar arrangements would be subject to the Conflicts Test (as described below).

In addition to the Athene Management Fee, AAM generally has the authority to hire subadvisers and to agree to the fees and other remuneration payable to such subadvisers (subject to the Conflicts Test). In connection therewith, AAM has hired certain Apollo Managers to act as subadvisers 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. In such instances, Apollo's fees (subject to the Conflicts Test) may not be the lowest fees available for similar sub-advisory or investment management services offered by Apollo Managers or unrelated advisors.

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

Members of the Athene Group have invested in, and in the future may invest in, alternative investments, including the Apollo Funds. Examples of existing or past investments in Apollo Funds include, but are not limited to: (i) leveraged CMBS vehicles; (ii) two life-settlements funds; (iii) a European senior debt fund; (iv) a vehicle focusing on Asian micro-loans; (v) a vehicle formed to acquire prime London real-estate; (vi) equity tranches of collateralized loan obligation issuers; (vii) equity investments in levered loan vehicles; (viii) a natural resource fund; (ix) a US CRE equity fund; (x) a vehicle formed to acquire US REO-to-rent real estate; (xi) a vehicle formed to acquire German real-estate; (xii) a European opportunistic investment fund; (xiii) a publicly traded commercial real estate REIT; and (xiv) investment vehicles set up to hold co-investments contributed to the Athene Group as equity capital by an affiliate of AAA. Apollo will be entitled to receive various forms of consideration with respect to each fund, including management fees, portfolio fees, closing fees, carried interest and/or employment expense reimbursement and such fees may not be the lowest fees available for similar services offered by Apollo or unrelated advisors.

Prior to October 31, 2012, Apollo Alternative Assets, L.P. and Apollo Management Holdings, L.P. collectively charged Athene Holding a quarterly monitoring fee of 0.50% of the capital and surplus of Athene Holding plus out of pocket expenses as compensation for Apollo's advisory and management services to Athene Holding. As of and following October 31, 2012, Apollo Alternative Assets, L.P., Apollo Management Holdings, L.P., and Apollo Global Securities LLC (collectively, the "Apollo TASA Parties"), agreed to terminate and settle over a period of time fees owed to Apollo under the services agreement (the "Services Agreement"). Under the revised structure, Apollo collectively charged or charges Athene Holding (and its subsidiary, Athene Life Re Ltd.) out of pocket expenses and (i) until December 31, 2012, a quarterly monitoring fee in cash equal to 0.50% of Athene Holding's capital and surplus as the end of the applicable quarter minus an amount equal to the number of Athene Holding's shares issued in connection with an equity contribution from AAA Guarantor – Athene, L.P. and its subsidiary, Apollo Life Re Ltd. (collectively, the "AAA Investor") (other than the shares issued to satisfy a remaining commitment of the AAA Investor that existed prior to the date of the contribution) multiplied by \$13.46 (collectively, the "Quarterly Fee") and (ii) from the first quarter of 2013 until December

31, 2014, a fee equal to the Quarterly Fee multiplied by 2.5, with such fee being paid in shares of Athene Holding (or equivalent derivatives). In the event of a sale of Athene Holding or a qualified initial public offering (each as defined in the Services Agreement, a “CiC Event”) occurs prior to December 31, 2014, a lump sum will be paid for the number of remaining quarters (up to eight) based on the monitoring fee paid in the quarter preceding the CiC Event. Athene Holding and Athene Life Re Ltd. agreed to the multiplier to accelerate the fees that would otherwise accrue from January 1, 2015 through July 15, 2019, in order to facilitate a potential initial public offering. On February 6, 2013, Athene Holding and the Apollo TASA Parties agreed to shorten the term of the Services Agreement to December 31, 2014 from July 15, 2019.

On January 1, 2013, Athene Holding and Athene Life Re Ltd. entered into an equity swap transaction with Apollo in connection with the quarterly monitoring fee payable by Athene Holding and Athene Life Re Ltd. pursuant to the Services Agreement. All such monitoring fees are paid pursuant to a derivative contract between Athene Holding and Apollo. Each quarter, monitoring fees earned are translated into an accrued notional number of shares of Athene Holding, and the accrued notional shares of Athene Holding are fair valued. At Athene Holding’s option after a change of control or initial public offering of the Company, all notional shares accrued pursuant to the terms of the derivative contract are payable either in shares of Athene Holding or cash equal to the fair value of such shares of Athene Holding at the time of settlement. Settlement occurs on the earlier of a change in control of Athene Holding or October 31, 2017.

Due to the voting structure of Athene Holding and because Apollo controls forty-five percent (45%) of the voting control over Athene Holding, including membership of Apollo employees constituting one less than the majority of the Board of Directors, the potential exists for Apollo to cause members of the Athene Group to enter into transactions that may benefit Apollo (including AAM) at the possible detriment to Athene Holding’s shareholders. In order to mitigate any potential conflicts of interest that may arise, the Seventh Amended and Restated Bylaws of Athene Holding (the “Shareholders Agreement”) governs a conflicts committee (“Conflicts Committee”) of the Board of Directors of Athene Holding. The purpose of the Conflicts Committee is to provide consent, if appropriate, to certain conflicts of interest regarding transactions involving Athene Holding and/or its subsidiaries and Apollo and its affiliates, including AAM. The Conflicts Committee consists of the Chief Executive Officer of Athene Holding and AAM, and four directors who are not affiliated with Apollo or employed by the Athene Group. Apollo’s ability to designate Conflicts Committee members on account of membership of the board of Athene Holding could significantly influence the Conflicts Committee with respect to Athene Holding, including with respect to conflicts with Apollo and with respect to businesses that may compete directly with or do business with Apollo businesses.

Not all potential Apollo conflicts are subject to the approval of the Conflicts Committee (for example, non-material transactions or transactions that are less likely to be on terms that are less advantageous to the Athene Group than can be obtained through arms-length negotiations are not required to be reviewed by the Conflicts Committee). However, the Seventh Amended and Restated By-Laws of Athene Holding require that entering into new (or amending existing) transactions between Apollo (and its subsidiaries) and Athene Holding (and its subsidiaries) be, at the time such transaction is approved, (i) fair and reasonable, taking into account the totality of

the relationship between the parties involved (including other transactions that may be or have been particularly favorable or advantageous to the Athene Group), or (ii) on an arms-length basis, or (iii) approved by the disinterested directors of Athene Holding, or (iv) approved by the holders of a majority of the issued and outstanding Class A common shareholders of Athene Holding, or (v) approved by the Conflicts Committee (the “Conflicts Test”). Additionally, Athene Holding must maintain a log of all contracts, agreements and arrangements that its board of directors, acting in its sole discretion, deems to involve a potential conflict of interest with Apollo, and shareholders may review such log from time to time upon reasonable request.

Because certain Apollo Funds and portfolio companies have similar investment programs and/or engage in similar business objectives and strategies as Athene Holding, Apollo may identify opportunities that are appropriate and fall within the investment or business objectives of Athene Holding as well as the Apollo Funds and portfolio companies. Such opportunities may be similar to opportunities that could be identified by unrelated, third-parties and fees related to such Apollo identified opportunities may not be the lowest fees available.

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

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

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

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

give rise to conflicts of interest regarding the management strategy taken toward such securities held by Athene Holding or such other AAM clients and the Apollo Funds.

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

Certain directors, officers and employees of AAM may be awarded shares of Athene Holding as incentive compensation, which may create an incentive to favor Clients within the Athene Group (as defined below), for example by allocating attractive investment opportunities to such Clients or dedicating additional time and resources to such Clients, each of which may have a detrimental effect on the performance of other Clients of AAM. Certain of the Athene Holding shares awarded to personnel of AAM will vest based in part on the performance of Athene Holding, which may create an incentive to make more speculative investments on behalf of the Clients within the Athene Group than they might otherwise make in the absence of such incentive compensation. AAM addresses this conflict of interest by providing in its Code of Ethics that all supervised persons have a duty to act in the best interest of each Client, providing training to supervised persons with respect to conflicts of interest and how such conflicts are to be resolved under Apollo's policies and procedures, and by establishing investment allocation procedures. In addition, with respect to U.S. insurance company Clients, AAM generally is required to comply with specific insurance laws relating to permitted investments as set forth in the applicable investment management agreements.

#### MidCap Financial LLC

MidCap Financial LLC ("Midcap") is indirectly owned by subsidiaries of Athene Holding Ltd. through AAA Investments (Co-Invest VII), L.P. ("AAA Co-Invest VII"). Midcap originates opportunities in the healthcare industry, including providing senior debt capital to healthcare middle market companies. Investment opportunities sourced by MidCap may be appropriate for Clients and therefore, investment professionals from MidCap and Apollo may communicate from time to time about such investment opportunities. To address the conflict of interest that could arise by such an arrangement, Apollo has enacted policies and procedures to monitor for these potential conflicts. The Chief Compliance Officer or designee will also periodically review MidCap's procedures to further limit the risk of Apollo receiving confidential information from MidCap.

#### Family Offices

Our three managing partners have established family offices to provide investment advisory, accounting, administrative and other services to their respective family accounts (including certain charitable accounts) in connection with their personal investment activities unrelated to their investments in Apollo entities. Each of the family offices employs its own professional staff at its own expense, and each of them conducts its day-to-day operations independently of Apollo. The managing partners generally do not participate in decisions to invest in specific securities, but they do make decisions relating to allocations among strategies, asset classes,



sectors and internal and external portfolio managers. For this purpose, the managing partners generally have access to position-level data concerning the investments held in the family office accounts. The investment activities of the family offices, and the involvement of the managing partners in these activities, could give rise to potential conflicts between the personal financial interests of the managing partners and the interests of Clients (for example, if the family offices were to hold debt obligations or securities in a portfolio company in which a Client owned equity or subordinated debt and that was experiencing financial distress). Apollo Global Management has adopted certain procedures designed to mitigate some of these potential conflicts (for example, by requiring investment professionals employed by the family offices to refrain from making direct investments in portfolio companies that are controlled by Clients or that are the subject of announced transactions involving Clients).

#### Other Related Persons

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

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. Please see Item 6 for a more detailed description of Apollo's policies for allocating investment opportunities.

#### Selection of Service Providers

Except as may otherwise be provided under the terms of a Client's governing documents, Apollo Commodities Management or one or more of its affiliates will generally select Clients' service providers and will determine the compensation of such providers without review by or the consent of an advisory board or other independent party. Clients, regardless of the relationship to Apollo Commodities Management, its affiliates or the person performing the services, bear the fees, costs and expenses related to such services. This may create an incentive for Apollo Commodities Management or an applicable affiliate to select an affiliated service provider or to select service providers based on the potential benefit to Apollo Commodities Management, rather than to Clients. For example, Apollo Commodities Management may select service providers that use its or its affiliates' premises, for which Apollo Commodities Management or one of its affiliates does not currently, but may in the future, receive overhead, rent or other fees, costs and expenses in connection with such on-site arrangement. Furthermore, Apollo Commodities Management or one or more of its affiliates may engage the same service provider to provide services to a Client that also provides services to Apollo Commodities Management or any such affiliate, which creates a potential conflict of interest to the extent the interests of such parties are not aligned. For example, a law firm may at the same time act as legal counsel to a Client, its general partner or similar person, its investment advisor or other affiliates of Apollo

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

## **ITEM 11**

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

#### Code of Ethics.

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

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

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

#### Personal Trading Restrictions.

The Code requires that Covered Persons’ personal investment activities comply with all applicable laws and regulations. In addition, Covered Persons are required to obtain prior approval for all securities transactions (including, but not limited to, investments in private placements and limited offerings) 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 generally will not be granted for securities of companies on Apollo's Restricted List. Further, approval generally will 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 \$10 billion. This "market-capitalization band" may be changed from time to time.

#### Personal Securities Holdings and Transaction Reports.

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

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

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

#### Material, Non-Public Information.

The Code includes policies and procedures concerning "inside information" (the "Insider Trading Policies") that are designed to prevent the misuse of material, non-public information. Covered Persons are required to certify to their compliance with the Code, including the Insider Trading Policies, on a periodic basis. The Insider Trading Policies prohibit Apollo Commodities Management and Covered Persons from trading for Clients or themselves, or recommending

trading, in securities of a company while in possession of material, non-public information (“Inside Information”) about the company, and from disclosing such information to any person not entitled to receive it.

By reason of their various activities, Apollo Managers may have access to Inside Information and, as a result, be restricted from effecting transactions in certain investments that might otherwise have been initiated. For example, there may be certain cases where the Apollo Managers or their personnel receive Inside Information due to their various activities on behalf of Apollo Funds, which could result in either limited liquidity or in Apollo Commodities Management or its personnel being prohibited from using such information for the benefit of Clients. By way of another example, Apollo’s investment professionals must obtain approval from Compliance prior to engaging any expert network and must send affirmations indicating the investment professional did not receive material nonpublic information and did not breach any duty of confidentiality. Apollo’s investment professionals receive initial and annual training in the use of expert networks and paid consultants. The Apollo Managers seek to minimize those cases whenever possible, consistent with applicable law and the Insider Trading Policies, but there can be no assurance that such efforts will be successful and that such restrictions will not occur.

#### Other Provisions of the Code.

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

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

Apollo Commodities Management and its personnel do not purchase any securities for their own accounts from, or sell any securities for their own accounts to, Clients. However, from time to time, subject to applicable Client investment guidelines and restrictions, Apollo Commodities Management may direct one Client to sell securities to another Client through an internal cross transaction. These “cross transactions” also may occur with other Apollo Funds. Cross trades may be executed with the assistance of a broker-dealer or as an “internal cross” where the Clients’ custodian(s) is instructed to book the transaction at a price determined in accordance with Apollo’s valuation policies. No fees will be charged to Clients in connection with the completion of a cross trade. Cross trades may be viewed as principal transactions due to the ownership interest in the Client by Apollo Commodities Management and its personnel.

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

To the extent that any such cross transaction may be viewed as a principal transaction due to the ownership interest in the Client by Apollo Commodities Management and its personnel, Apollo Commodities Management will comply with the requirements of Section 206(3) of the Advisers Act and its internal policies and procedures. Specifically, Apollo Commodities Management's investment professionals must provide notice to, and obtain the approval of, the Chief Compliance 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 Commodities Management's valuation procedures were followed when pricing the transaction, including obtaining a third-party valuation when appropriate; and (iii) in the case of principal trades, that notice of the specific trade was provided to the Client and written consent from the Client was obtained.

Apollo Commodities Management does not co-invest in any of the Apollo Funds. However, Apollo's principals, officers and employees and certain of Apollo's affiliates may have direct and indirect investments of their own capital in the Apollo Funds through, for example, employee co-investment vehicles, direct investments, deferred compensation agreements, and carried interest. Additionally, Apollo Commodities Management may become an investor in a Client as a result of management fee waiver programs. The existence of the carried interest in the case of certain Clients may create an incentive for Apollo Commodities Management to make more speculative investments on behalf of such Clients than it might otherwise make in the absence of such performance-based compensation. The terms of the carried interest could give Apollo Commodities Management an incentive to make decisions regarding the timing and structure of realization transactions that are not applicable to the interests of investors. See Item 6 "Performance-Based Fees and Side-by-Side Management."

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

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

*Potential Duties to Other Shareholders.* The Apollo Managers, including Apollo Capital Management, Apollo Management and Apollo Commodities Management, are affiliates of AGM. The class A shares of AGM are publicly traded on the New York Stock Exchange. As a result, the Apollo Managers may have duties or incentives relating to the interests of AGM's shareholders that may differ from, and that could conflict with, the interests of the Clients and their investors, such as conflicts arising from the allocation of expenses, Special Fee offsets and investment opportunities (specifically, opportunities in the financial services industry). The

Apollo Managers, consistent with their fiduciary duties, will endeavor to resolve such conflicts in a manner they deem fair and equitable to the extent possible under the prevailing facts and circumstances. The Apollo Managers will seek to allocate investment opportunities in the financial services industry between AGM and Clients in accordance with their respective governing documents and will evaluate such opportunities in accordance with Apollo's allocation policies and procedures. In the past, the application of such policies has resulted in the allocation by Apollo Managers of certain investment opportunities relating to the alternative investment management business to AGM rather than to Clients (for example, the acquisition of other financial service businesses), and the Apollo Managers may allocate such opportunities in a similar manner in the future.

## **ITEM 12**

### **Brokerage Practices**

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

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

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

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

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

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

### **ITEM 13**

#### **Review of Accounts**

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

The Investment Practices Committee of Apollo (the "IPC") meets on a quarterly basis to review portfolio management, investment processes and related documents evidencing compliance with written policies and procedures for Clients, along with all Apollo Funds. Generally, the IPC provides oversight of issues relating to the investment and trading of Clients and the Apollo Funds, such as allocations and best execution. The IPC ensures certain management reports and

certifications are reviewed by members of Apollo's Compliance, Finance, Operations and Legal Departments.

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

#### **ITEM 14**

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

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

#### **ITEM 15**

##### **Custody**

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

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

#### **ITEM 16**

##### **Investment Discretion**

Apollo Commodities Management has full discretionary authority to determine the type, amount and price of securities or investments to be bought and sold on behalf of Clients, including the selection of, and commissions paid to brokers. Apollo Commodities Management's discretionary authority to invest Clients', including ANRP's, assets will be subject to the terms



of the investment management agreement and the investment policies, goals and limitations set forth in the Client's offering documents.

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

## **ITEM 17**

### **Voting Client Securities**

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

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

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

## **ITEM 18**

### **Financial Information**

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

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

This Item 19 is not applicable.