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Apollo Global Management LLC
Form 10-Q
November 03, 2017
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2017 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission File Number: 001-35107

APOLLO GLOBAL MANAGEMENT, LLC
(Exact name of Registrant as specified in its charter)

Delaware 20-8880053
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
9 West 57th Street, 43rd Floor
New York, New York 10019
(Address of principal executive offices) (Zip Code)
(212) 515-3200
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Emerging growth company

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

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Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 2, 2017 there were 193,540,853 Class A shares and 1 Class B share outstanding.

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Forward-Looking Statements

This quarterly report may contain forward-looking statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements include, but are not limited to, discussions related to Apollo’s expectations regarding the performance of its business, liquidity and capital resources and the other non-historical statements in the discussion and analysis. These forward-looking statements are based on management’s beliefs, as well as assumptions made by, and information currently available to, management. When used in this quarterly report, the words “believe,” “anticipate,” “estimate,” “expect,” “intend” and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are subject to certain risks, uncertainties and assumptions, including risks relating to our dependence on certain key personnel, our ability to raise new private equity, credit or real assets funds, market conditions generally, our ability to manage our growth, fund performance, changes in our regulatory environment and tax status, the variability of our revenues, net income and cash flow, our use of leverage to finance our businesses and investments by our funds and litigation risks, among others. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in the Company’s

Annual Report on Form 10-K filed with the United States Securities and Exchange Commission (the “SEC”) on February 13, 2017 (the “2016 Annual Report”); as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other filings. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Terms Used in This Report

In this quarterly report, references to “Apollo,” “we,” “us,” “our” and the “Company” refer collectively to Apollo Global Management, LLC, a Delaware limited liability company, and its subsidiaries, including the Apollo Operating Group and all of its subsidiaries, or as the context may otherwise require;

“AMH” refers to Apollo Management Holdings, L.P., a Delaware limited partnership, that is an indirect subsidiary of Apollo Global Management, LLC;

“Apollo funds”, “our funds” and references to the “funds” we manage, refer to the funds (including the parallel funds and alternative investment vehicles of such funds), partnerships, accounts, including strategic investment accounts or “SIAs,” alternative asset companies and other entities for which subsidiaries of the Apollo Operating Group provide investment management or advisory services;

“Apollo Operating Group” refers to (i) the limited partnerships through which our Managing Partners currently operate our businesses and (ii) one or more limited partnerships formed for the purpose of, among other activities, holding certain of our gains or losses on our principal investments in the funds, which we refer to as our “principal investments”;

“Assets Under Management”, or “AUM”, refers to the assets of the funds, partnerships and accounts to which we provide investment management, advisory, or certain other investment-related services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our AUM equals the sum of:

the fair value of the investments of the private equity funds, partnerships and accounts we manage or advise plus (i) the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments;

(ii) the net asset value, or “NAV,” of the credit funds, partnerships and accounts for which we provide investment management or advisory services, other than certain collateralized loan obligations (“CLOs”) and collateralized debt obligations (“CDOs”), which have a fee-generating basis other than the mark-to-market value of the underlying assets, plus used or available leverage and/or capital commitments;

(iii) the gross asset value or net asset value of the real assets funds, partnerships and accounts we manage, and the structured portfolio company investments of the funds, partnerships and accounts we manage or advise, which includes the leverage used by such structured portfolio company investments;

(iv) the incremental value associated with the reinsurance investments of the portfolio company assets we manage or advise; and

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the fair value of any other assets that we manage or advise for the funds, partnerships and accounts to which we provide investment management, advisory, or certain other investment-related services, plus unused credit (v) facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification or other conditions before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above.

Our AUM measure includes Assets Under Management for which we charge either nominal or zero fees. Our AUM measure also includes assets for which we do not have investment discretion, including certain assets for which we earn only investment-related service fees, rather than management or advisory fees. Our definition of AUM is not based on any definition of Assets Under Management contained in our operating agreement or in any of our Apollo fund management agreements. We consider multiple factors for determining what should be included in our definition of AUM. Such factors include but are not limited to (1) our ability to influence the investment decisions for existing and available assets; (2) our ability to generate income from the underlying assets in our funds; and (3) the AUM measures that we use internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, our calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. Our calculation also differs from the manner in which our affiliates registered with the SEC report “Regulatory Assets Under Management” on Form ADV and Form PF in various ways;

“Fee-Generating AUM” consists of assets of the funds, partnerships and accounts to which we provide investment management, advisory, or certain other investment-related services and on which we earn management fees, monitoring fees or other investment-related fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts. Management fees are normally based on “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” “adjusted assets,” “stockholders’ equity,” “invested capital” or “capital contributions,” each as defined in the applicable management agreement. Monitoring fees, also referred to as advisory fees, with respect to the structured portfolio company investments of the funds, partnerships and accounts we manage or advise, are generally based on the total value of such structured portfolio company investments, which normally includes leverage, less any portion of such total value that is already considered in Fee-Generating AUM;

“Non-Fee-Generating AUM” refers to AUM that does not produce management fees or monitoring fees. This measure generally includes the following:

- (i) fair value above invested capital for those funds that earn management fees based on invested capital;
- (ii) net asset values related to general partner and co-investment interests;
- (iii) unused credit facilities;
- (iv) available commitments on those funds that generate management fees on invested capital;
- (v) structured portfolio company investments that do not generate monitoring fees; and
- (vi) the difference between gross asset and net asset value for those funds that earn management fees based on net asset value.

“Carry-Eligible AUM” refers to the AUM that may eventually produce carried interest income. All funds for which we are entitled to receive a carried interest income allocation are included in Carry-Eligible AUM, which consists of the following:

- “Carry-Generating AUM”, which refers to invested capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is currently above its hurdle rate or preferred return, and profit of such funds, partnerships and accounts is being allocated to the general partner in accordance with the applicable limited partnership agreements or other governing agreements;
- “AUM Not Currently Generating Carry”, which refers to invested capital of the funds, partnerships and accounts we (ii) manage, advise, or to which we provide certain other investment-related services, that is currently below its hurdle rate or preferred return; and

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“Uninvested Carry-Eligible AUM”, which refers to capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is available for investment or (iii) reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements, which capital is not currently part of the NAV or fair value of investments that may eventually produce carried interest income allocable to the general partner.

“AUM with Future Management Fee Potential” refers to the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund; We use AUM as a performance measure of our funds’ investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs. Non-Fee-Generating AUM includes assets on which we could earn carried interest income;

“Advisory” refers to certain assets advised by Apollo Asset Management Europe PC LLP, a wholly-owned subsidiary of Apollo Asset Management Europe LLP (collectively, “AAME”). The AAME entities are subsidiaries of Apollo. Until AAME receives full authorization by the UK Financial Conduct Authority (“FCA”), references to AAME in this report mean AAME and Apollo Management International LLP, an existing FCA authorized and regulated subsidiary of Apollo in the United Kingdom;

“capital deployed” or “deployment” is the aggregate amount of capital that has been invested during a given period (which may, in certain cases, include leverage) by (i) our drawdown funds, (ii) SIAs that have a defined maturity date and (iii) funds and SIAs in our real assets debt strategy;

“carried interest”, “carried interest income” and “incentive income” refer to interests granted to Apollo by an Apollo fund that entitle Apollo to receive allocations, distributions or fees which are based on the performance of such fund or its underlying investments;

“Contributing Partners” refer to those of our partners and their related parties (other than our Managing Partners) who indirectly beneficially own (through Holdings) Apollo Operating Group units;

“drawdown” refers to commitment-based funds and certain SIAs in which investors make a commitment to provide capital at the formation of such funds and SIAs and deliver capital when called as investment opportunities become available. It includes assets of Athene Holding Ltd. (“Athene Holding”) and its subsidiaries (collectively “Athene”) managed by Athene Asset Management, L.P. (“Athene Asset Management” or “AAM”) that are invested in commitment-based funds;

“gross IRR” of a private equity fund represents the cumulative investment-related cash flows (i) for a given investment for the fund or funds which made such investment, and (ii) for a given fund, in the relevant fund itself (and not any one investor in the fund), in each case, on the basis of the actual timing of investment inflows and outflows (for unrealized investments assuming disposition on September 30, 2017 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the fund’s investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund’s investors. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor;

“gross IRR” of a credit fund represents the annualized return of a fund based on the actual timing of all cumulative fund cash flows before management fees, carried interest income allocated to the general partner and certain other fund expenses. Calculations may include certain investors that do not pay fees. The terminal value is the net asset value as of the reporting date. Non-U.S. dollar denominated (“USD”) fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor;

“gross IRR” of a real assets fund represents the cumulative investment-related cash flows in the fund itself (and not any one investor in the fund), on the basis of the actual timing of cash inflows and outflows (for unrealized investments assuming disposition on September 30, 2017 or other date specified) starting on the date that each investment closes, and the return is annualized and compounded before management fees, carried interest, and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the fund’s investments as a whole

without regard to whether all of the returns would, if distributed, be payable to the fund's investors. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor;

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“gross return” of a credit or real assets fund is the monthly or quarterly time-weighted return that is equal to the percentage change in the value of a fund’s portfolio, adjusted for all contributions and withdrawals (cash flows) before the effects of management fees, incentive fees allocated to the general partner, or other fees and expenses. Returns of Athene sub-advised portfolios and CLOs represent the gross returns on invested assets, which exclude cash. Returns over multiple periods are calculated by geometrically linking each period’s return over time;

“Holdings” means AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership through which our Managing Partners and Contributing Partners indirectly beneficially own their interests in the Apollo Operating Group units;

“inflows” represents (i) at the individual segment level, subscriptions, commitments, and other increases in available capital, such as acquisitions or leverage, net of inter-segment transfers, and (ii) on an aggregate basis, the sum of inflows across the private equity, credit and real assets segments;

“liquid/performing” includes CLOs and other performing credit vehicles, hedge fund style credit funds, structured credit funds and SIAs, as well as sub-advised managed accounts owned by or related to Athene. Certain commitment-based SIAs are included as the underlying assets are liquid;

“Managing Partners” refer to Messrs. Leon Black, Joshua Harris and Marc Rowan collectively and, when used in reference to holdings of interests in Apollo or Holdings, includes certain related parties of such individuals;

“net IRR” of a private equity fund means the gross IRR applicable to a fund, including returns for related parties which may not pay fees or carried interest, net of management fees, certain fund expenses (including interest incurred or earned by the fund itself) and realized carried interest all offset to the extent of interest income, and measures returns at the fund level on amounts that, if distributed, would be paid to investors of the fund. To the extent that a fund exceeds all requirements detailed within the applicable fund agreement, the estimated unrealized value is adjusted such that a percentage of up to 20.0% of the unrealized gain is allocated to the general partner of such fund, thereby reducing the balance attributable to fund investors. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor;

“net IRR” of a credit fund represents the annualized return of a fund after management fees, carried interest income allocated to the general partner and certain other fund expenses, calculated on investors that pay such fees. The terminal value is the net asset value as of the reporting date. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor;

“net IRR” of a real assets fund represents the cumulative cash flows in the fund (and not any one investor in the fund), on the basis of the actual timing of cash inflows received from and outflows paid to investors of the fund (assuming the ending net asset value as of September 30, 2017 or other date specified is paid to investors), excluding certain non-fee and non-carry bearing parties, and the return is annualized and compounded after management fees, carried interest, and certain other expenses (including interest incurred by the fund itself) and measures the returns to investors of the fund as a whole. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor;

“net return” of a credit or real assets fund represents the gross return after management fees, incentive fees allocated to the general partner, or other fees and expenses. Returns of Athene sub-advised portfolios and CLOs represent the gross or net returns on invested assets, which exclude cash. Returns over multiple periods are calculated by geometrically linking each period’s return over time;

“our manager” means AGM Management, LLC, a Delaware limited liability company that is controlled by our Managing Partners;

“permanent capital vehicles” refers to (a) assets that are owned by or related to Athene (“ATH”) or AGER Bermuda Holding Ltd. (“AGER”), (b) assets that are owned by or related to MidCap FinCo Designated Activity Company (“MidCap”) and managed by Apollo, (c) assets of publicly traded vehicles managed by Apollo such as Apollo

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Investment Corporation (“AINV”), Apollo Commercial Real Estate Finance, Inc. (“ARI”), Apollo Tactical Income Fund Inc. (“AIF”), and Apollo Senior Floating Rate Fund Inc. (“AFT”), in each case that do not have redemption provisions or a requirement to return capital to investors upon exiting the investments made with such capital, except as required by applicable law and (d) a non-traded business development company from which Apollo earns certain investment-related service fees. The investment management agreements of AINV, AIF and AFT have one year terms, are reviewed annually and remain in effect only if approved by the boards of directors of such companies or by the affirmative vote of the holders of a majority of the outstanding voting shares of such companies, including in either case, approval by a majority of the directors who are not “interested persons” as defined in the Investment Company Act of 1940. In

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addition, the investment management agreements of AINV, AIF and AFT may be terminated in certain circumstances upon 60 days' written notice. The investment management agreement of ARI has a one year term and is reviewed annually by ARI's board of directors and may be terminated under certain circumstances by an affirmative vote of at least two-thirds of ARI's independent directors. The investment management or advisory arrangements between MidCap and Apollo and Athene and Apollo, may also be terminated under certain circumstances. The agreement pursuant to which Apollo earns certain investment-related service fees from a non-traded business development company may be terminated under certain limited circumstances;

"private equity fund appreciation (depreciation)" refers to gain (loss) and income for the traditional private equity funds (as defined below), Apollo Natural Resources Partners, L.P. ("ANRP I"), Apollo Natural Resources Partners II, L.P. ("ANRP II"), Apollo Special Situations Fund, L.P. and AION Capital Partners Limited ("AION") for the periods presented on a total return basis before giving effect to fees and expenses. The performance percentage is determined by dividing (a) the change in the fair value of investments over the period presented, minus the change in invested capital over the period presented, plus the realized value for the period presented, by (b) the beginning unrealized value for the period presented plus the change in invested capital for the period presented. Returns over multiple periods are calculated by geometrically linking each period's return over time;

"private equity investments" refer to (i) direct or indirect investments in existing and future private equity funds managed or sponsored by Apollo, (ii) direct or indirect co-investments with existing and future private equity funds managed or sponsored by Apollo, (iii) direct or indirect investments in securities which are not immediately capable of resale in a public market that Apollo identifies but does not pursue through its private equity funds, and (iv) investments of the type described in (i) through (iii) above made by Apollo funds;

"Realized Value" refers to all cash investment proceeds received by the relevant Apollo fund, including interest and dividends, but does not give effect to management fees, expenses, incentive compensation or carried interest to be paid by such Apollo fund;

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

"Strategic Investor" refers to the California Public Employees' Retirement System, or "CalPERS";

"Total Invested Capital" refers to the aggregate cash invested by the relevant Apollo fund and includes capitalized costs relating to investment activities, if any, but does not give effect to cash pending investment or available for reserves;

"Total Value" represents the sum of the total Realized Value and Unrealized Value of investments;

"traditional private equity funds" refers to Apollo Investment Fund I, L.P. ("Fund I"), AIF II, L.P. ("Fund II"), a mirrored investment account established to mirror Fund I and Fund II for investments in debt securities ("MIA"), Apollo Investment Fund III, L.P. (together with its parallel funds, "Fund III"), Apollo Investment Fund IV, L.P. (together with its parallel fund, "Fund IV"), Apollo Investment Fund V, L.P. (together with its parallel funds and alternative investment vehicles, "Fund V"), Apollo Investment Fund VI, L.P. (together with its parallel funds and alternative investment vehicles, "Fund VI"), Apollo Investment Fund VII, L.P. (together with its parallel funds and alternative investment vehicles, "Fund VII"), Apollo Investment Fund VIII, L.P. (together with its parallel funds and alternative investment vehicles, "Fund VIII") and Apollo Investment Fund IX, L.P. (together with its parallel funds and alternative investment vehicles, "Fund IX");

"Unrealized Value" refers to the fair value consistent with valuations determined in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"), for investments not yet realized and may include pay in kind, accrued interest and dividends receivable, if any. In addition, amounts include committed and funded amounts for certain investments; and

"Vintage Year" refers to the year in which a fund's final capital raise occurred, or, for certain funds, the year in which a fund's investment period commences as per its governing agreements.

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

APOLLO GLOBAL MANAGEMENT, LLC

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

AS OF SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

(dollars in thousands, except share data)

	As of September 30, 2017	As of December 31, 2016
Assets:		
Cash and cash equivalents	\$930,848	\$806,329
Cash and cash equivalents held at consolidated funds	10,195	7,335
Restricted cash	4,165	4,680
U.S. Treasury securities, at fair value	198,900	—
Investments	1,708,064	1,494,744
Assets of consolidated variable interest entities:		
Cash and cash equivalents	44,226	41,318
Investments, at fair value	1,170,550	913,827
Other assets	63,723	46,666
Carried interest receivable	1,577,984	1,257,105
Due from related parties	287,352	254,853
Deferred tax assets	591,754	572,263
Other assets	164,588	118,860
Goodwill	88,852	88,852
Intangible assets, net	19,153	22,721
Total Assets	\$6,860,354	\$5,629,553
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	\$79,062	\$57,465
Accrued compensation and benefits	144,664	52,754
Deferred revenue	155,081	174,893
Due to related parties	643,401	638,126
Profit sharing payable	710,873	550,148
Debt	1,361,044	1,352,447
Liabilities of consolidated variable interest entities:		
Debt, at fair value	972,632	786,545
Other liabilities	85,403	68,034
Other liabilities	116,211	81,613
Total Liabilities	4,268,371	3,762,025
Commitments and Contingencies (see note 14)		
Shareholders' Equity:		
Apollo Global Management, LLC shareholders' equity:		
Preferred shares (11,000,000 and 0 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively)	264,398	—
Class A shares, no par value, unlimited shares authorized, 193,540,853 and 185,460,294 shares issued and outstanding at September 30, 2017 and December 31, 2016, respectively	—	—
Class B shares, no par value, unlimited shares authorized, 1 share issued and outstanding at September 30, 2017 and December 31, 2016	—	—
Additional paid in capital	1,627,767	1,830,025

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Accumulated deficit	(560,613)	(986,186)
Accumulated other comprehensive loss	(2,061)	(8,723)
Total Apollo Global Management, LLC shareholders' equity	1,329,491	835,116
Non-Controlling Interests in consolidated entities	149,736	90,063
Non-Controlling Interests in Apollo Operating Group	1,112,756	942,349
Total Shareholders' Equity	2,591,983	1,867,528
Total Liabilities and Shareholders' Equity	\$6,860,354	\$5,629,553

See accompanying notes to condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
 CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
 (dollars in thousands, except share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Revenues:				
Management fees from related parties	\$301,443	\$274,313	\$852,291	\$775,171
Advisory and transaction fees from related parties, net	16,209	29,801	54,905	102,699
Carried interest income from related parties	346,580	199,617	833,459	407,134
Total Revenues	664,232	503,731	1,740,655	1,285,004
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	108,853	92,591	316,011	290,013
Equity-based compensation	24,485	26,163	70,332	74,203
Profit sharing expense	137,296	90,152	339,679	179,767
Total Compensation and Benefits	270,634	208,906	726,022	543,983
Interest expense	13,303	12,832	39,497	30,505
General, administrative and other	68,149	58,566	189,918	187,285
Placement fees	5,397	1,953	12,560	5,781
Total Expenses	357,483	282,257	967,997	767,554
Other Income:				
Net gains from investment activities	68,932	17,746	102,936	50,287
Net gains from investment activities of consolidated variable interest entities	845	800	11,085	2,817
Income from equity method investments	47,488	23,213	102,877	64,356
Interest income	1,504	1,192	2,929	3,073
Other income (loss), net	25,387	(40)	44,776	485
Total Other Income	144,156	42,911	264,603	121,018
Income before income tax provision	450,905	264,385	1,037,261	638,468
Income tax provision	(16,542)	(29,667)	(54,926)	(62,508)
Net Income	434,363	234,718	982,335	575,960
Net income attributable to Non-Controlling Interests	(231,411)	(140,099)	(542,507)	(340,077)
Net Income Attributable to Apollo Global Management, LLC	202,952	94,619	439,828	235,883
Net income attributable to Preferred Shareholders	(4,383)	—	(9,155)	—
Net Income Attributable to Apollo Global Management, LLC Class A Shareholders	\$198,569	\$94,619	\$430,673	\$235,883
Distributions Declared per Class A Share	\$0.52	\$0.37	\$1.46	\$0.90
Net Income Per Class A Share:				
Net Income Available to Class A Share – Basic	\$1.00	\$0.50	\$2.19	\$1.24
Net Income Available to Class A Share – Diluted	\$1.00	\$0.50	\$2.19	\$1.24
Weighted Average Number of Class A Shares Outstanding – Basic	192,882,082	184,438,515	190,014,240	183,602,982
Weighted Average Number of Class A Shares Outstanding – Diluted	192,882,082	184,438,515	190,014,240	183,602,982

See accompanying notes to condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
 CONDENSED CONSOLIDATED STATEMENTS OF
 COMPREHENSIVE INCOME (UNAUDITED)
 FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
 (dollars in thousands, except share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net Income	\$434,363	\$234,718	\$982,335	\$575,960
Other Comprehensive Income, net of tax:				
Currency translation adjustments, net of tax	5,643	1,144	14,583	3,103
Net gain from change in fair value of cash flow hedge instruments, net of tax	27	26	78	79
Net income on available-for-sale securities	290	900	189	450
Total Other Comprehensive Income, net of tax	5,960	2,070	14,850	3,632
Comprehensive Income	440,323	236,788	997,185	579,592
Comprehensive Income attributable to Non-Controlling Interests	(236,410)	(140,644)	(550,695)	(341,539)
Comprehensive Income Attributable to Apollo Global Management, LLC	\$203,913	\$96,144	\$446,490	\$238,053

See accompanying notes to condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES
IN SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(dollars in thousands, except share data)

Apollo Global Management, LLC Shareholders

	Class A Shares	Class B Shares	Preferred Shares	Additional Paid in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Apollo Global Management, LLC Shareholders' Equity	Non-Controlling Interests in Consolidated Entities	Non-Controlling Interests in Apollo Operating Group	Total Share Equity
Balance at January 1, 2016	181,078,937	1	\$—	\$2,005,509	\$(1,348,384)	\$(7,620)	\$649,505	\$86,561	\$652,915	\$1,387,455
Dilution impact of issuance of Class A shares	—	—	—	340	—	—	340	—	—	340
Capital increase related to equity-based compensation	—	—	—	53,910	—	—	53,910	—	—	53,910
Capital contributions	—	—	—	—	—	—	—	12,933	—	12,933
Distributions	—	—	—	(172,095)	—	—	(172,095)	(10,555)	(194,371)	(376,921)
Payments related to issuances of Class A shares for equity-based awards	4,245,086	—	—	41	(35,297)	—	(35,256)	—	—	(35,256)
Repurchase of Class A Shares	(954,447)	—	—	(12,902)	—	—	(12,902)	—	—	(12,902)
Exchange of AOG Units for Class A shares	374,223	—	—	1,539	—	—	1,539	—	(1,251)	283
Net income	—	—	—	—	235,883	—	235,883	3,891	336,186	575,960
Currency translation adjustments, net of tax	—	—	—	—	—	1,683	1,683	1,670	(250)	3,103
Net gain from change in fair value of cash flow hedge instruments	—	—	—	—	—	37	37	—	42	79
Net loss on available-for-sale securities	—	—	—	—	—	450	450	—	—	450
	184,743,799	1	\$—	\$1,876,342	\$(1,147,798)	\$(5,450)	\$723,094	\$94,500	\$793,271	\$1,517,265

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Balance at September 30, 2016										
Balance at January 1, 2017	185,460,294	1 \$—	\$1,830,025	\$(986,186)	\$(8,723)	\$835,116	\$90,063	\$942,349	\$1	
Adoption of new accounting guidance	—	—	—	22,901	—	22,901	—	—	22,901	
Dilution impact of issuance of Class A shares	—	—	(295)	—	—	(295)	—	—	(295)	
Equity issued in connection with Preferred shares offering	—	—264,398	—	—	—	264,398	—	—	264,398	
Capital increase related to equity-based compensation	—	—	52,442	—	—	52,442	—	—	52,442	
Capital contributions	—	—	—	—	—	—	43,758	—	43,758	
Distributions	—	—(9,155)	—(288,726)	—	—	—(297,881)	—(4,570)	—(329,172)	—(631,629)	
Payments related to issuances of Class A shares for equity-based awards	2,096,389	—	—	—(28,001)	—	—(28,001)	—	—	—(28,001)	
Repurchase of Class A shares	—(233,248)	—	—(6,903)	—	—	—(6,903)	—	—	—(6,903)	
Exchange of AOG Units for Class A shares	6,217,418	—	41,224	—	—	41,224	—	—(30,631)	10,610	
Net income	—	—9,155	—	430,673	—	439,828	8,967	533,540	982,965	
Currency translation adjustments, net of tax	—	—	—	—	6,436	6,436	11,518	—(3,371)	14,583	
Net gain from change in fair value of cash flow hedge instruments	—	—	—	—	37	37	—	41	78	
Net income on available-for-sale securities	—	—	—	—	189	189	—	—	189	
Balance at September 30, 2017	193,540,853	1 \$264,398	\$1,627,767	\$(560,613)	\$(2,061)	\$1,329,491	\$149,736	\$1,112,756	\$2,000,000	

See accompanying notes to condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
 CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
 (dollars in thousands, except share data)

	For the Nine Months Ended September 30,	
	2017	2016
Cash Flows from Operating Activities:		
Net income	\$982,335	\$575,960
Adjustments to reconcile net income to net cash provided by operating activities:		
Equity-based compensation	70,332	74,203
Depreciation and amortization	15,241	14,139
Unrealized gains from investment activities	(107,803)	(50,084)
Income from equity method investments	(102,877)	(64,356)
Change in fair value of contingent obligations	4,619	11,736
Deferred taxes, net	49,817	52,184
Other non-cash amounts included in net income, net	1,310	(10,766)
Cash flows due to changes in operating assets and liabilities:		
Carried interest receivable	(325,786)	(348,815)
Due from related parties	(47,536)	(49,863)
Accounts payable and accrued expenses	21,597	24,306
Accrued compensation and benefits	91,910	65,602
Deferred revenue	(17,285)	29,168
Due to related parties	(12,776)	68,726
Profit sharing payable	179,703	168,741
Other assets and other liabilities, net	(14,409)	(8,082)
Cash distributions of earnings from equity method investments	41,335	17,079
Satisfaction of contingent obligation	(23,597)	(10,096)
Apollo Fund and VIE related:		
Net realized and unrealized (gains) losses from investing activities and debt	(10,111)	621
Change in cash held at consolidated variable interest entities	2,157	4,139
Purchases of investments	(517,652)	(396,810)
Proceeds from sale of investments	385,035	422,922
Changes in other assets and other liabilities, net	1,925	(17,483)
Net Cash Provided by Operating Activities	\$667,484	\$573,171
Cash Flows from Investing Activities:		
Purchases of fixed assets	\$(5,929)	\$(4,921)
Purchase of investments	(14,774)	(44,530)
Purchase of U.S. Treasury securities	(198,868)	—
Cash contributions to equity method investments	(116,233)	(188,572)
Cash distributions from equity method investments	80,360	68,685
Issuance of related party loans	(5,834)	(3,906)
Repayment of related party loans	17,700	—
Other investing activities	(626)	919
Net Cash Used in Investing Activities	\$(244,204)	\$(172,325)
Cash Flows from Financing Activities:		
Issuance of Preferred shares (net of issuance costs)	\$264,398	\$—
Distributions to Preferred Shareholders	(9,155)	—

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Principal repayments of debt	(30) (200,000)
Issuance of debt	—	532,706
Satisfaction of tax receivable agreement	(17,895) —
Purchase of Class A shares	(18,463	) (13,003)
Payments related to issuances of Class A shares for RSUs	(28,001	) (35,297)
Distributions paid	(288,726	) (172,095)
Distributions paid to Non-Controlling Interests in Apollo Operating Group	(329,172	) (194,371)
Other financing activities	(2,949	) (11,926)
Apollo Fund and VIE related:		
Issuance of debt	534,595	—
Principal repayment of debt	(442,640) —
Distributions paid to Non-Controlling Interests in consolidated entities	(347	) (4,133)
Contributions from Non-Controlling Interests in consolidated entities	42,484	12,897
Net Cash Used in Financing Activities	\$(295,901)	\$(85,222)
Net Increase in Cash and Cash Equivalents	127,379	315,624
Cash and Cash Equivalents, Beginning of Period	813,664	617,322
Cash and Cash Equivalents, End of Period	\$941,043	\$932,946
Supplemental Disclosure of Cash Flow Information:		
Interest paid	\$32,207	\$20,045
Interest paid by consolidated variable interest entities	9,026	13,911
Income taxes paid	8,070	5,806
Supplemental Disclosure of Non-Cash Investing Activities:		
Non-cash contributions to equity method investments	\$—	\$1,231
Non-cash distributions from equity method investments	(26,167	) (4,496)
Non-cash purchases of other investments, at fair value	25,091	—
Supplemental Disclosure of Non-Cash Financing Activities:		
Capital increases related to equity-based compensation	\$52,442	\$53,910
Other non-cash financing activities	(296	) 364
Adjustments related to exchange of Apollo Operating Group units:		
Deferred tax assets	\$46,539	\$1,807
Due to affiliates	(35,946	) (1,519)
Additional paid in capital	(10,593	) (288)
Non-Controlling Interest in Apollo Operating Group	30,631	1,251

See accompanying notes to condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

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

1. ORGANIZATION

Apollo Global Management, LLC (“AGM”, together with its consolidated subsidiaries, the “Company” or “Apollo”) is a global alternative investment manager whose predecessor was founded in 1990. Its primary business is to raise, invest and manage private equity, credit and real assets funds as well as strategic investment accounts, on behalf of pension, endowment and sovereign wealth funds, as well as other institutional and individual investors. For these investment management services, Apollo receives management fees generally related to the amount of assets managed, transaction and advisory fees and carried interest income related to the performance of the respective funds that it manages. Apollo has three primary business segments:

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

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

• Real assets—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.

Organization of the Company

The Company was formed as a Delaware limited liability company on July 3, 2007 and completed a reorganization of its predecessor businesses on July 13, 2007 (the “2007 Reorganization”). The Company is managed and operated by its manager, AGM Management, LLC, which in turn is indirectly wholly-owned and controlled by Leon Black, Joshua Harris and Marc Rowan, its Managing Partners.

As of September 30, 2017, the Company owned, through six intermediate holding companies that include APO Corp., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, APO Asset Co., LLC, a Delaware limited liability company that is a disregarded entity for U.S. federal income tax purposes, APO (FC), LLC, an Anguilla limited liability company that is treated as a corporation for U.S. federal income tax purposes, APO (FC II), LLC, an Anguilla limited liability company that is treated as a corporation for U.S. federal income tax purposes, APO UK (FC), Limited, a United Kingdom incorporated company that is treated as a corporation for U.S. federal income tax purposes, and APO (FC III), LLC, a Cayman Islands limited liability company (collectively, the “Intermediate Holding Companies”), 48.1% of the economic interests of, and operated and controlled all of the businesses and affairs of, the Apollo Operating Group through its wholly-owned subsidiaries.

AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership (“Holdings”), is the entity through which the Managing Partners and certain of the Company’s other partners (the “Contributing Partners”) indirectly beneficially own interests in each of the partnerships that comprise the Apollo Operating Group (“AOG Units”). As of September 30, 2017, Holdings owned the remaining 51.9% of the economic interests in the Apollo Operating Group. The Company consolidates the financial results of the Apollo Operating Group and its consolidated subsidiaries. Holdings’ ownership interest in the Apollo Operating Group is reflected as a Non-Controlling Interest in the accompanying condensed consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with U.S. GAAP for interim financial information and instructions to the Quarterly Report on Form 10-Q. The condensed consolidated financial statements and these notes are unaudited and exclude some of the disclosures required in annual financial statements. Management believes it has made all necessary adjustments (consisting only of normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing its condensed consolidated financial statements are reasonable and prudent. The operating results presented

for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with the annual financial statements included in the 2016 Annual Report.

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned or majority-owned subsidiaries, the consolidated entities which are considered to be variable interest entities (“VIEs”) and for which the

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Company is considered the primary beneficiary, and certain entities which are not considered VIEs but which the Company controls through a majority voting interest.

Intercompany accounts and transactions, if any, have been eliminated upon consolidation.

Certain reclassifications, when applicable, have been made to the prior period's condensed consolidated financial statements and notes to conform to the current period's presentation and are disclosed accordingly.

Consolidation

The types of entities with which Apollo is involved generally include subsidiaries (e.g., general partners and management companies related to the funds the Company manages), entities that have all the attributes of an investment company (e.g., funds) and securitization vehicles (e.g., CLOs). Each of these entities is assessed for consolidation on a case by case basis depending on the specific facts and circumstances surrounding that entity. Pursuant to the consolidation guidance, the Company first evaluates whether it holds a variable interest in an entity. Fees that are customary and commensurate with the level of services provided, and where the Company does not hold other economic interests in the entity that would absorb more than an insignificant amount of the expected losses or returns of the entity, would not be considered a variable interest. Apollo factors in all economic interests including proportionate interests through related parties, to determine if such interests are considered a variable interest. As Apollo's interests in many of these entities are solely through market rate fees and/or insignificant indirect interests through related parties, Apollo is not considered to have a variable interest in many of these entities and no further consolidation analysis is performed. For entities where the Company has determined that it does hold a variable interest, the Company performs an assessment to determine whether each of those entities qualify as a VIE.

The determination as to whether an entity qualifies as a VIE depends on the facts and circumstances surrounding each entity and therefore certain of Apollo's funds may qualify as VIEs under the variable interest model whereas others may qualify as voting interest entities ("VOEs") under the voting interest model. The granting of substantive kick-out rights is a key consideration in determining whether a limited partnership or similar entity is a VIE and whether or not that entity should be consolidated.

Under the variable interest model, Apollo consolidates those entities where it is determined that the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary when it has a controlling financial interest in the VIE, which is defined as possessing both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. Apollo determines whether it is the primary beneficiary of a VIE at the time it becomes initially involved with the VIE and reconsiders that conclusion continuously. Investments and redemptions (either by Apollo, related parties of Apollo or third parties) or amendments to the governing documents of the respective entity may affect an entity's status as a VIE or the determination of the primary beneficiary.

Assets and liabilities of the consolidated VIEs are primarily shown in separate sections within the condensed consolidated statements of financial condition. Changes in the fair value of the consolidated VIEs' assets and liabilities and related interest, dividend and other income and expenses are presented within net gains from investment activities of consolidated variable interest entities in the condensed consolidated statements of operations. The portion attributable to Non-Controlling Interests is reported within net income attributable to Non-Controlling Interests in the condensed consolidated statements of operations. For additional disclosures regarding VIEs, see note 4.

Under the voting interest model, Apollo consolidates those entities it controls through a majority voting interest. Apollo does not consolidate those VOEs in which substantive kick-out rights have been granted to the unrelated investors to either dissolve the fund or remove the general partner.

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions.

Except for the Company's debt obligations (as described in note 9), Apollo's financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. See "Investments, at Fair Value" below. While Apollo's valuations of portfolio investments are based on assumptions that Apollo believes are reasonable under the circumstances, the actual realized gains or losses will depend on, among other factors, future operating results, the value of the assets and market conditions at the

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time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based. Financial instruments' carrying values generally approximate fair value because of the short-term nature of those instruments or variable interest rates related to the borrowings.

Fair Value Hierarchy

U.S. GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

Level I - Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments included in Level I include listed equities and debt. The Company does not adjust the quoted price for these financial instruments, even in situations where the Company holds a large position and the sale of such position would likely deviate from the quoted price.

Level II - Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Financial instruments that are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives where the fair value is based on observable inputs. These financial instruments exhibit higher levels of liquid market observability as compared to Level III financial instruments.

Level III - Pricing inputs are unobservable for the financial instrument and includes situations where there is little observable market activity for the financial instrument. The inputs into the determination of fair value may require significant management judgment or estimation. Financial instruments that are included in this category generally include general and limited partner interests in corporate private equity and real assets funds, opportunistic credit funds, distressed debt and non-investment grade residual interests in securitizations and CDOs and CLOs where the fair value is based on observable inputs as well as unobservable inputs.

When a security is valued based on broker quotes, the Company subjects those quotes to various criteria in making the determination as to whether a particular financial instrument would qualify for classification as Level II or Level III. These criteria include, but are not limited to, the number and quality of the broker quotes, the standard deviations of the observed broker quotes, and the percentage deviation from independent pricing services.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument when the fair value is based on unobservable inputs.

Transfers between levels of the fair value hierarchy are recognized as of the end of the reporting period.

Private Equity Investments

The value of liquid investments in Apollo's private equity funds, where the primary market is an exchange (whether foreign or domestic) is determined using period end market prices. Such prices are generally based on the close price on the date of determination.

Valuation approaches used to estimate the fair value of investments in Apollo's private equity funds that are less liquid include the market approach and the income approach. The market approach provides an indication of fair value based

on a comparison of the subject company to comparable publicly traded companies and transactions in the industry. The market approach is driven more by current market conditions, including actual trading levels of similar companies and, to the extent available, actual

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transaction data of similar companies. Judgment is required by management when assessing which companies are similar to the subject company being valued. Consideration may also be given to such factors as the Company's historical and projected financial data, valuations given to comparable companies, the size and scope of the Company's operations, the Company's strengths, weaknesses, expectations relating to the market's receptivity to an offering of the Company's securities, applicable restrictions on transfer, industry and market information and assumptions, general economic and market conditions and other factors deemed relevant. The income approach provides an indication of fair value based on the present value of cash flows that a business or security is expected to generate in the future. The most widely used methodology in the income approach is a discounted cash flow method. Inherent in the discounted cash flow method are assumptions of expected results, the determination of a terminal value and a calculated discount rate.

Credit Investments

The majority of investments in Apollo's credit funds are valued based on quoted market prices and valuation models. Quoted market prices are valued based on the average of the "bid" and the "ask" quotes provided by multiple brokers wherever possible without any adjustments. Apollo will designate certain brokers to use to value specific securities. In order to determine the designated brokers, Apollo considers the following: (i) brokers with which Apollo has previously transacted, (ii) the underwriter of the security and (iii) active brokers indicating executable quotes. In addition, when valuing a security based on broker quotes wherever possible Apollo tests the standard deviation amongst the quotes received and the variance between the concluded fair value and the value provided by a pricing service. When broker quotes are not available Apollo considers the use of pricing service quotes or other sources to mark a position. When relying on a pricing service as a primary source, Apollo (i) analyzes how the price has moved over the measurement period, (ii) reviews the number of brokers included in the pricing service's population and (iii) validates the valuation levels with Apollo's pricing team and traders.

Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value utilizing a model based approach to determine fair value. Valuation approaches used to estimate the fair value of illiquid credit investments also may include the market approach and the income approach, as previously described above. The valuation approaches used consider, as applicable, market risks, credit risks, counterparty risks and foreign currency risks.

Real Assets Investments

The estimated fair value of commercial mortgage-backed securities ("CMBS") in Apollo's real assets funds is determined by reference to market prices provided by certain dealers who make a market in these financial instruments. Broker quotes are only indicative of fair value and may not necessarily represent what the funds would receive in an actual trade for the applicable instrument. Additionally, the loans held-for-investment are stated at the principal amount outstanding, net of deferred loan fees and costs for certain investments. The loans in Apollo's real assets funds are evaluated for possible impairment on a quarterly basis. For Apollo's real assets funds, valuations of non-marketable underlying investments are determined using methods that include, but are not limited to (i) discounted cash flow estimates or comparable analysis prepared internally, (ii) third party appraisals or valuations by qualified real estate appraisers and (iii) contractual sales value of investments/properties subject to bona fide purchase contracts. Methods (i) and (ii) also incorporate consideration of the use of the income, cost, or sales comparison approaches of estimating property values.

Certain of the private equity, credit, and real assets funds may also enter into foreign currency exchange contracts, total return swap contracts, credit default swap contracts, and other derivative contracts, which may include options, caps, collars and floors. Foreign currency exchange contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. If securities are held at the end of this period, the changes in value are recorded in income as unrealized. Realized gains or losses are recognized when contracts are settled. Total return swap and credit default swap contracts are recorded at fair

value as an asset or liability with changes in fair value recorded as unrealized appreciation or depreciation. Realized gains or losses are recognized at the termination of the contract based on the difference between the close-out price of the total return or credit default swap contract and the original contract price. Forward contracts are valued based on market rates obtained from counterparties or prices obtained from recognized financial data service providers.

Valuation Process

On a quarterly basis, Apollo utilizes valuation committees consisting of members from senior management, to review and approve the valuation results related to the investments of the funds it manages. For certain publicly traded vehicles managed by the Company, a review is performed by an independent board of directors. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management

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

identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Financial Instruments held by Consolidated VIEs

The Company measures both the financial assets and financial liabilities of the consolidated CLOs in its condensed consolidated financial statements using the fair value of the financial assets of the consolidated CLOs, which are more observable than the fair value of the financial liabilities of the consolidated CLOs. As a result, the financial assets of the consolidated CLOs are measured at fair value and the financial liabilities are measured in consolidation as: (i) the sum of the fair value of the financial assets and the carrying value of any non-financial assets that are incidental to the operations of the CLOs less (ii) the sum of the fair value of any beneficial interests retained by the Company (other than those that represent compensation for services) and the Company's carrying value of any beneficial interests that represent compensation for services. The resulting amount is allocated to the individual financial liabilities (other than the beneficial interest retained by the Company) using a reasonable and consistent methodology. Under the measurement alternative, net income (loss) attributable to Apollo Global Management, LLC reflects the Company's own economic interests in the consolidated CLOs including (i) changes in the fair value of the beneficial interests retained by the Company and (ii) beneficial interests that represent compensation for collateral management services. The consolidated VIEs hold investments that could be traded over-the-counter. Investments in securities that are traded on a securities exchange or comparable over-the-counter quotation systems are valued based on the last reported sale price at that date. If no sales of such investments are reported on such date, and in the case of over-the-counter securities or other investments for which the last sale date is not available, valuations are based on independent market quotations obtained from market participants, recognized pricing services or other sources deemed relevant, and the prices are based on the average of the "bid" and "ask" prices, or at ascertainable prices at the close of business on such day. Market quotations are generally based on valuation pricing models or market transactions of similar securities adjusted for security-specific factors such as relative capital structure priority and interest and yield risks, among other factors. When market quotations are not available, a model based approach is used to determine fair value.

As previously noted, the Company measures the debt obligations of the consolidated CLOs on the basis of the fair value of the financial assets of the consolidated CLOs.

Fair Value Option

Apollo has elected the fair value option for the Company's investment in Athene Holding, the assets and liabilities of certain of its consolidated VIEs (including CLOs), the Company's U.S. Treasury securities with original maturities greater than three months when purchased, and certain of the Company's other investments. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition. Apollo has applied the fair value option for certain corporate loans, other investments and debt obligations held by the consolidated VIEs that otherwise would not have been carried at fair value. See notes 3, 4, and 5 for further disclosure on the investments in Athene Holding and financial instruments of the consolidated VIEs and other investments for which the fair value option has been elected.

Cash and Cash Equivalents

Apollo considers all highly liquid short-term investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include money market funds and U.S. treasury securities with original maturities of three months or less when purchased. Interest income from cash and cash equivalents is recorded in interest income in the condensed consolidated statements of operations. The carrying values of the money

market funds and U.S. treasury securities of \$428.1 million as of September 30, 2017, which approximate their fair values due to their short-term nature and are categorized as Level I within the fair value hierarchy. Substantially all of the Company's cash on deposit is in interest bearing accounts with major financial institutions and exceed insured limits.

U.S. Treasury securities, at fair value

U.S. Treasury securities, at fair value includes U.S. Treasury bills with original maturities greater than three months when purchased. These securities are recorded at fair value. Interest income on such securities is separately presented from the overall change in fair value and is recognized in interest income in the condensed consolidated statements of operations. Any

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remaining change in fair value of such securities, that is not recognized as interest income, is recognized in net gains from investment activities in the condensed consolidated statements of operations.

Investments, at Fair Value

Investments, at fair value represent investments of the consolidated funds, investments of the consolidated VIEs and certain financial instruments for which the fair value option has been elected.

The unrealized gains and losses resulting from changes in the fair value of the consolidated VIEs are reflected as net gains from investment activities of consolidated variable interest entities in the condensed consolidated statements of operations.

Net gains from investment activities in the condensed consolidated statements of operations include both realized gains and losses and the change in unrealized gains and losses in the Company's investments, at fair value between the opening reporting date and the closing reporting date.

Equity Method Investments

For investments in entities over which the Company exercises significant influence but which do not meet the requirements for consolidation and for which the Company has not elected the fair value option, the Company uses the equity method of accounting, whereby the Company records its share of the underlying income or loss of such entities. The Company's share of the underlying net income or loss of such entities is recorded in income from equity method investments in the condensed consolidated statements of operations. The carrying amounts of equity method investments are recorded in investments in the condensed consolidated statements of financial condition. As the underlying entities that the Company manages and invests in are, for U.S. GAAP purposes, primarily investment companies which reflect their investments at estimated fair value, the carrying value of the Company's equity method investments in such entities approximates fair value.

Revenues

Revenues are reported in three separate categories that include (i) advisory and transaction fees from related parties, net, which relate to the investments of the funds the Company manages and may include individual monitoring agreements the Company has with the portfolio companies and debt investment vehicles of the private equity funds and credit funds it manages; (ii) management fees from related parties, which are based on committed capital, invested capital, net asset value, gross assets or as otherwise defined in the respective agreements; and (iii) carried interest income from related parties, which is normally based on the performance of the funds the Company manages that are subject to preferred return.

Management Fees from Related Parties—Management fees for private equity, credit, and real assets funds are recognized in the period during which the related services are performed in accordance with the contractual terms of the related agreement, and are generally based upon (1) a percentage of the capital committed during the commitment period, and thereafter based on the remaining invested capital of unrealized investments, or (2) net asset value, gross assets or as otherwise defined in the respective agreements. Included in management fees are certain expense reimbursements where the Company is considered the principal under the agreements and is required to record the expense and related reimbursement revenue on a gross basis.

Advisory and Transaction Fees from Related Parties, Net—Advisory and transaction fees, including directors' fees, are recognized when the underlying services rendered are substantially completed in accordance with the terms of the transaction and advisory agreements. Additionally, during the normal course of business, the Company incurs certain costs related to certain transactions that are not consummated ("broken deal costs"). These costs (e.g., research costs, due diligence costs, professional fees, legal fees and other related items) are determined to be broken deal costs upon management's decision to no longer pursue the transaction. In accordance with the related fund agreement, in the event the deal is deemed broken, all of the costs are reimbursed by the funds and then included as a component of the calculation of the Management Fee Offset (described below). If a deal is successfully completed, Apollo is reimbursed by the fund or fund's portfolio company for all costs incurred and no offset is generated. As the Company acts as an

agent for the funds it manages, any transaction costs incurred and paid by the Company on behalf of the respective funds relating to successful or broken deals are recorded net on the Company's condensed consolidated statements of operations, and any receivable from the respective funds is recorded in due from related parties on the condensed consolidated statements of financial condition.

Advisory and transaction fees from related parties, net, also includes underwriting fees. Underwriting fees include gains, losses and fees, net of syndicate expenses, arising from securities offerings in which one of the Company's subsidiaries participates in the underwriter syndicate. Underwriting fees are recognized at the time the underwriting is completed and the

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income is reasonably assured and are included in the condensed consolidated statements of operations. Underwriting fees recognized but not received are recorded in other assets on the condensed consolidated statements of financial condition.

As a result of providing advisory services to certain private equity and credit portfolio companies, Apollo is generally entitled to receive fees for transactions related to the acquisition, in certain cases, and disposition of portfolio companies as well as ongoing monitoring of portfolio company operations and directors' fees. The amounts due from portfolio companies are recorded in due from related parties, which is discussed further in note 13. Under the terms of the limited partnership agreements for certain funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage of such advisory and transaction fees, net of applicable broken deal costs ("Management Fee Offset"). Advisory and transaction fees from related parties are presented net of the Management Fee Offset in the condensed consolidated statements of operations.

Carried Interest Income from Related Parties—Apollo is entitled to an incentive return that can normally amount to as much as 20% of the total returns on a fund's capital, depending upon performance. Performance fees are assessed as a percentage of the investment performance of the funds. The carried interest income from related parties for any period is based upon an assumed liquidation of the fund's net assets on the reporting date, and distribution of the net proceeds in accordance with the fund's income allocation provisions. Carried interest receivable is presented separately in the condensed consolidated statements of financial condition. The carried interest income from related parties may be subject to reversal to the extent that the carried interest income recorded exceeds the amount due to the general partner based on a fund's cumulative investment returns. When applicable, the accrual for potential repayment of previously received carried interest income, which is a component of due to related parties, represents all amounts previously distributed to the general partner that would need to be repaid to the Apollo funds if these funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual general partner obligation, however, would not become payable or realized until the end of a fund's life.

Carried interest income from related parties also includes a quarterly performance fee on the pre-incentive fee net investment income ("AINV Part I Fees") of AINV. For purposes of the AINV Part I Fees, the net investment income of AINV includes interest income, dividend income and certain other income but excludes any realized and unrealized capital gains or losses. Such AINV Part I Fees are paid quarterly and are not subject to repayment.

Deferred Revenue—Apollo earns management fees subject to the Management Fee Offset (described above). When advisory and transaction fees are earned by the management company, the Management Fee Offset reduces the management fee obligation of the fund. When the Company receives cash for advisory and transaction fees, a certain percentage of such advisory and/or transaction fees, as applicable, is allocated as a credit to reduce future management fees, otherwise payable by such fund. Such credit is recorded as deferred revenue in the condensed consolidated statements of financial condition. A portion of any excess advisory and transaction fees may be required to be returned to the limited partners of certain funds upon such fund's liquidation. As the management fees earned by the Company are presented on a gross basis, any Management Fee Offsets calculated are presented as a reduction to advisory and transaction fees from related parties in the condensed consolidated statements of operations.

Additionally, Apollo earns advisory fees pursuant to the terms of the advisory agreements with certain of the portfolio companies that are owned by the funds Apollo manages. When Apollo receives a payment from a portfolio company that exceeds the advisory fees earned at that point in time, the excess payment is recorded as deferred revenue in the condensed consolidated statements of financial condition. The advisory agreements with the portfolio companies vary in duration and the associated fees are received monthly, quarterly or annually. Deferred revenue is reversed and recognized as revenue over the period that the agreed upon services are performed.

Under the terms of the funds' partnership agreements, Apollo is normally required to bear organizational expenses over a set dollar amount and placement fees or costs in connection with the offering and sale of interests in the funds it manages to investors. The placement fees are payable to placement agents, who are independent third parties that

assist in identifying potential investors, securing commitments to invest from such potential investors, preparing or revising offering and marketing materials, developing strategies for attempting to secure investments by potential investors and/or providing feedback and insight regarding issues and concerns of potential investors, when a limited partner either commits or funds a commitment to a fund. In certain instances the placement fees are paid over a period of time. Based on the management agreements with the funds, Apollo considers placement fees and organizational costs paid in determining if cash has been received in excess of the management fees earned. Placement fees and organizational costs are normally the obligation of Apollo but can be paid for by the funds. When these costs are paid by the fund, the resulting obligations are included within deferred revenue. The deferred revenue balance will also be reduced during future periods when management fees are earned but not paid.

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Compensation and Benefits

401(k) Savings Plan

The Company sponsors a 401(k) savings plan (the “401(k) Plan”) whereby U.S.-based employees are entitled to participate in the 401(k) Plan based upon satisfying certain eligibility requirements. Effective January 1, 2017, the Company matches 50% of eligible annual employee contributions up to 3% of the eligible employees’ annual compensation. Matching contributions vest after three years of service.

Profit Sharing

Profit sharing expense and profit sharing payable primarily consist of a portion of carried interest earned from certain funds that is allocated to employees, former employees and Contributing Partners. Profit sharing amounts are recognized on an accrued basis as the related carried interest income is earned. Accordingly, profit sharing amounts can be reversed during periods when there is a decline in carried interest income that was previously recognized.

Profit sharing amounts are generally not paid until the related carried interest is distributed to the general partner upon realization of the fund’s investments. Under certain profit sharing arrangements, a portion of the carried interest distributed to the general partner is allocated by issuance of restricted shares, rather than cash to employees. Prior to distribution of the carried interest to the general partner, the Company records the value of the restricted shares expected to be granted in other assets and other liabilities within the condensed consolidated statements of financial condition. Upon distribution of the carried interest to the general partner, the general partner expects to purchase the Class A restricted shares on behalf of employees and simultaneously grant those shares to the employee. Such shares are recorded as equity-based compensation expense over the relevant service period.

Additionally, profit sharing amounts previously distributed may be subject to clawback from employees, former employees and Contributing Partners. When applicable, the accrual for potential clawback of previously distributed profit sharing amounts, which is a component of due from related parties on the condensed consolidated statements of financial condition, represents all amounts previously distributed to employees, former employees and Contributing Partners that would need to be returned to the general partner if the Apollo funds were to be liquidated based on the fair value of the underlying funds’ investments as of the reporting date. The actual general partner receivable, however, would not become realized until the end of a fund’s life.

Profit sharing payable also includes contingent consideration obligations that were recognized in connection with certain Apollo acquisitions. Changes in the fair value of the contingent consideration obligations are reflected in the Company’s condensed consolidated statements of operations as profit sharing expense.

The Company has a performance based incentive arrangement for certain Apollo partners and employees designed to more closely align compensation on an annual basis with the overall realized performance of the Company. This arrangement enables certain partners and employees to earn discretionary compensation based on carried interest realizations earned by the Company in a given year, which amounts are reflected in profit sharing expense in the accompanying condensed consolidated financial statements.

General, Administrative and Other

General, administrative and other primarily includes professional fees, occupancy, depreciation and amortization, travel, information technology, and administration expenses. For the three and nine months ended September 30, 2016, the presentation of professional fees, occupancy, and depreciation and amortization was combined with general, administrative and other on the condensed consolidated statements of operations to conform to the current presentation.

Use of Estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated financial statements, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Apollo’s most

significant estimates include goodwill, intangible assets, income taxes, carried interest income from related parties, contingent consideration obligation related to an acquisition, non-cash compensation, and fair value of investments and debt. Actual results could differ materially from those estimates.

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Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued guidance to establish a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity’s revenue across industries, transactions, and geographies. The new guidance requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services (i.e., the transaction price). When determining the transaction price under the new guidance, an entity may include variable consideration only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The new guidance also requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The new guidance will apply to all entities. In August 2015, the FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amended guidance defers the effective date of the new guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017.

Upon adoption, the guidance currently applied by the Company in which it recognizes carried interest income on an assumed liquidation basis at each reporting date will no longer be permitted. The Company expects the recognition of carried interest income from incentive fees, which are a form of variable consideration, to be deferred until such fees are probable to not be significantly reversed. Incentive fees are carried interest income that is not a capital allocation to the general partner or investment manager.

Carried interest income that is a capital allocation to the general partner or investment manager, represents the remaining portion of carried interest income on the Company’s consolidated statements of operations. The determination of which carried interests are considered capital allocations is primarily based on the terms of the agreement. In connection with the adoption of the new revenue guidance, the Company will apply a new accounting policy for its carried interest income that is a capital allocation. The Company intends to account for such carried interest income as a financial instrument under the equity method of accounting. The pattern and amount of recognition under the new policy is not expected to differ materially from the Company’s existing recognition for such fees. Such carried interest income will be reported as a separate line item within revenue (i.e., separate from incentive fees). As capital allocation related carried interest income and the related general partner investment are considered to be a single unit of account under the Company’s new accounting policy, the equity method income associated with the general partner interests will be combined with the associated carried interest income and reported within revenue. The Company is currently in the process of implementing the new revenue guidance and is continuing to evaluate the effect this guidance will have on other revenue streams, including management fees and advisory and transaction fees, as well as any principal versus agent considerations for reporting revenue gross versus net. The Company will adopt the new revenue recognition guidance effective January 1, 2018.

In February 2016, the FASB issued guidance that amends the accounting for leases. The amended guidance requires recognition of a lease asset and a lease liability by lessees for leases classified as operating leases. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee have not significantly changed from existing guidance and accounting applied by a lessor is largely unchanged from existing guidance. The amended guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2018. Early application is permitted for all entities.

The Company expects its total assets and total liabilities on its condensed consolidated statements of financial condition to increase upon adoption of this guidance as a result of recording a lease asset and lease liability related to our operating leases. The Company is continuing to evaluate the impact that this guidance will have on its condensed consolidated financial statements. The Company expects to adopt the new leasing guidance on January 1, 2019.

In March 2016, the FASB issued amended guidance on stock compensation. The amendments are intended to simplify several aspects of the accounting for share-based payment transactions, including the accounting for excess tax benefits, forfeitures, and cash flows. The amended guidance requires that all excess tax benefits and deficiencies related to share-based payment transactions be recognized through the income tax provision (benefit) in the condensed consolidated statement of operations. Further, the amended guidance permits an entity to make an accounting policy election either to estimate the number of forfeitures expected to occur or to account for forfeitures when they occur. The amended guidance also requires excess tax benefits related to share-based payment transactions to be presented as operating activities and employee taxes paid to be presented as financing activities in the condensed consolidated statement of cash flows. The amended guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. The Company adopted the guidance during the first quarter of 2017.

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Amendments relating to the recognition of excess tax benefits in the condensed consolidated statements of operations and impacts to the condensed consolidated statements of cash flows have been applied prospectively, with the exception of a \$22.9 million cumulative effect adjustment, as of January 1, 2017, to deferred tax assets with a corresponding decrease to accumulated deficit relating to previously unrecognized excess tax benefits.

For forfeitures, the Company made an accounting policy election to no longer estimate forfeitures in determining the number of equity-based awards that are expected to vest. Under the Company's new policy, forfeitures are accounted for when they occur. Any adjustments have been reflected prospectively as of January 1, 2017.

In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain cash receipts and payments are classified in the statements of cash flows. The guidance is effective for interim and annual periods beginning after December 15, 2017. The Company early adopted the guidance during the first quarter of 2017.

Adoption of this guidance did not have an impact on the Company's condensed consolidated financial statements.

In October 2016, the FASB issued guidance that amends the consolidation guidance issued in February 2015. Under the amended guidance a decision maker will need to consider only its proportionate indirect interest in a VIE that is held through a related party under common control. Under the originally issued guidance, a decision maker treats the interest of the related party under common control in the VIE as if the decision maker held the interest itself. The amended guidance is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2016. The Company adopted the guidance during the first quarter of 2017. Adoption of this guidance did not have an impact on the Company's condensed consolidated financial statements.

In November 2016, the FASB issued guidance to reduce diversity in practice in the classification and presentation of changes in restricted cash on the statements of cash flows. The new guidance requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash. Entities will also be required to reconcile such total to amounts on the Company's condensed consolidated statements of financial condition and disclose the nature of the restrictions. The guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. The Company is in the process of evaluating the impact that this guidance will have on its condensed consolidated financial statements.

3. INVESTMENTS

The following table represents Apollo's investments:

	As of September 30, 2017	As of December 31, 2016
Investments, at fair value	\$852,350	\$708,080
Equity method investments	855,714	786,664
Total Investments	\$1,708,064	\$1,494,744

Investments, at Fair Value

Investments, at fair value, consist of investments for which the fair value option has been elected and include the Company's investment in Athene Holding, investments held by the Company's consolidated funds, investments in debt of unconsolidated CLOs, and other investments held by the Company. See note 5 for further discussion regarding investments, at fair value.

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Net Gains from Investment Activities

The following table presents the realized and net change in unrealized gains on investments, at fair value for the three and nine months ended September 30, 2017 and 2016:

	For the Three		For the Nine	
	Months Ended		Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Realized gains on sales of investments	\$162	\$472	\$14	\$375
Net change in unrealized gains due to changes in fair value ⁽¹⁾	68,770	17,274	102,922	49,912
Net gains from investment activities	\$68,932	\$17,746	\$102,936	\$50,287

(1) Primarily relates to the Company's investment in Athene Holding. See note 5 for further information regarding the Company's investment in Athene Holding.

Equity Method Investments

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

Equity method investments as of September 30, 2017 and December 31, 2016 consisted of the following:

	Equity Held as of	
	September ⁽⁵⁾ 30, 2017	December ⁽⁵⁾ 31, 2016
Private Equity ⁽¹⁾⁽²⁾	\$495,409	\$428,581
Credit ⁽¹⁾⁽³⁾	330,918	327,012
Real Assets	29,387	31,071
Total equity method investments ⁽⁴⁾	\$855,714	\$786,664

As of September 30, 2017, equity method investments include Fund VIII (Private Equity) and MidCap (Credit) of \$340.3 million and \$79.9 million, respectively, representing an ownership percentage of 2.2% and 4.3%, (1) respectively. As of December 31, 2016, equity method investments include Fund VIII (Private Equity) and MidCap (Credit) of \$260.9 million and \$79.5 million, respectively, representing an ownership percentage of 2.2% and 4.3%, respectively.

The equity method investment in AP Alternative Assets, L.P. ("AAA") was \$51.8 million and \$66.8 million as of September 30, 2017 and December 31, 2016, respectively. The value of the Company's investment in AAA was (2) \$51.9 million and \$64.9 million based on the quoted market price as of September 30, 2017 and December 31, 2016, respectively.

The equity method investment in AINV was \$56.6 million and \$58.6 million as of September 30, 2017 and December 31, 2016, respectively. The value of the Company's investment in AINV was \$54.3 million and (3) \$52.1 million based on the quoted market price as of September 30, 2017 and December 31, 2016, respectively.

(4) Certain funds invest across multiple segments. The presentation in the table above is based on the classification of the majority of such funds' investments.

(5) Some amounts are included a quarter in arrears.

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As of September 30, 2017 and for the three and nine months ended September 30, 2017, no equity method investment held by Apollo met the significance criteria as defined by the SEC. Although the following disclosure is not required by the significance criteria for the three and nine months ended September 30, 2017, the Company chose to continue to include this information as it was disclosed in its 2016 Annual Report. The following table presents summarized financial information of Athene Holding for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017 ⁽¹⁾ 2016		For the Nine Months Ended September 30, 2017 ⁽¹⁾ 2016	
	(in millions)			
Statements of Operations				
Revenues	\$1,763	\$1,272	\$4,448	\$3,039
Expenses	1,426	1,234	3,320	2,708
Income before income tax provision (benefit)	337	38	1,128	331
Income tax provision (benefit)	11	(88)	54	(73)
Net income available to Athene Holding common shareholders	\$326	\$126	\$1,074	\$404

The financial statement information for the three and nine months ended September 30, 2017 is presented a quarter (1) in arrears and is comprised of the financial information for the three and nine months ended June 30, 2017, which represents the latest available financial information as of the date of this report.

4. VARIABLE INTEREST ENTITIES

As described in note 2, the Company consolidates entities that are VIEs for which the Company has been designated as the primary beneficiary. There is no recourse to the Company for the consolidated VIEs' liabilities.

Consolidated Variable Interest Entities

Apollo has consolidated VIEs in accordance with the policy described in note 2. Through its role as investment manager of these VIEs, the Company determined that Apollo has the power to direct the activities that most significantly impact the economic performance of these VIEs. Additionally, Apollo determined that its interests, both directly and indirectly from these VIEs, represent rights to returns that could potentially be significant to such VIEs.

As a result, Apollo determined that it is the primary beneficiary and therefore should consolidate the VIEs.

Consolidated CLOs

Certain CLOs are consolidated by Apollo as the Company is considered to hold a controlling financial interest through direct and indirect interests in these CLOs exclusive of management and performance based fees received. Through its role as collateral manager of these VIEs, the Company determined that Apollo has the power to direct the activities that most significantly impact the economic performance of these VIEs. These CLOs were formed for the sole purpose of issuing collateralized notes to investors. The assets of these VIEs are primarily comprised of senior secured loans and the liabilities are primarily comprised of debt.

The assets of these consolidated CLOs are not available to creditors of the Company. In addition, the investors in these consolidated CLOs have no recourse against the assets of the Company. The Company measures both the financial assets and the financial liabilities of the CLOs using the fair value of the financial assets as further described in note 2. The Company has elected the fair value option for financial instruments held by its consolidated CLOs, which includes investments in loans and corporate bonds, as well as debt obligations and contingent obligations held by such consolidated CLOs. Other assets include amounts due from brokers and interest receivables. Other liabilities include payables for securities purchased, which represent open trades within the consolidated VIEs and primarily relate to corporate loans that are expected to settle within the next 60 days. From time to time, Apollo makes investments in certain consolidated CLOs denominated in foreign currencies. As of September 30, 2017 and December 31, 2016, the Company held investments of \$46.6 million and \$41.3 million, respectively, in consolidated

foreign currency denominated CLOs, which eliminate in consolidation.

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Net Gains from Investment Activities of Consolidated Variable Interest Entities

The following table presents net gains from investment activities of the consolidated VIEs for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
	(1)	(1)	(1)	(1)
Net gains (losses) from investment activities	\$(272)	\$9,466	\$9,244	\$7,341
Net gains (losses) from debt	635	(7,745)	3,319	(9,182)
Interest and other income	9,977	11,404	26,420	34,913
Interest and other expenses	(9,495)	(12,325)	(27,898)	(30,255)
Net gains from investment activities of consolidated variable interest entities	\$845	\$800	\$11,085	\$2,817

(1) Amounts reflect consolidation eliminations.

Senior Secured Notes, Subordinated Notes and Secured Borrowings—Included within debt are amounts due to third-party institutions by the consolidated VIEs. The following table summarizes the principal provisions of the debt of the consolidated VIEs as of September 30, 2017 and December 31, 2016:

	As of September 30, 2017			As of December 31, 2016		
	Principal Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years	Principal Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Senior Secured Notes ⁽²⁾⁽³⁾	\$794,748	1.68 %	12.4	\$704,976	1.83 %	12.3
Subordinated Notes ⁽²⁾⁽³⁾	98,602	N/A	(1) 22.7	87,794	N/A	(1) 19.2
Secured Borrowings ⁽⁴⁾	90,461	3.00 %	9.5	—	N/A	N/A
Total	\$983,811			\$792,770		

(1) The subordinated notes do not have contractual interest rates but instead receive distributions from the excess cash flows of the VIEs.

(2) The fair value of Senior Secured Notes, Subordinated Notes and Secured Borrowings as of September 30, 2017 and December 31, 2016 was \$972.6 million and \$786.5 million, respectively.

(3) The debt at fair value of the consolidated VIEs is collateralized by assets of the consolidated VIEs and assets of one vehicle may not be used to satisfy the liabilities of another vehicle. As of September 30, 2017 and December 31, 2016, the fair value of the assets of the consolidated VIEs was \$1,278.5 million and \$1,001.8 million, respectively. This collateral consisted of cash and cash equivalents, investments, at fair value, and other assets.

(4) Secured borrowings consist of a consolidated VIE's obligation through a repurchase agreement redeemable at maturity with a third party lender. The fair value of the secured borrowings as of September 30, 2017 was \$90.5 million.

The consolidated VIEs' debt obligations contain various customary loan covenants. As of September 30, 2017, the Company was not aware of any instances of non-compliance with any of these covenants.

Variable Interest Entities Which are Not Consolidated

The Company holds variable interests in certain VIEs which are not consolidated, as it has been determined that Apollo is not the primary beneficiary.

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The following table presents the carrying amounts of the assets and liabilities of the VIEs for which Apollo has concluded that it holds a significant variable interest, but that it is not the primary beneficiary as of September 30, 2017 and December 31, 2016. In addition, the table presents the maximum exposure to losses relating to these VIEs.

	As of September 30, 2017	As of December 31, 2016
Assets:		
Cash	\$334,339	\$231,922
Investments	7,389,027	7,253,872
Receivables	68,390	37,541
Total Assets	\$7,791,756	\$7,523,335
Liabilities:		
Debt and other payables	\$3,089,584	\$2,818,459
Total Liabilities	\$3,089,584	\$2,818,459

Apollo Exposure⁽¹⁾ \$282,240 \$272,191

Represents Apollo's direct investment in those entities in which Apollo holds a significant variable interest and certain other investments. Additionally, cumulative carried interest income is subject to reversal in the event of (1) future losses. The maximum amount of future reversal of carried interest income from all of Apollo's funds, including those entities in which Apollo holds a significant variable interest, was \$3.6 billion and \$2.9 billion as of September 30, 2017 and December 31, 2016, respectively, as discussed in note 14.

5. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The following tables summarize the Company's financial assets and financial liabilities recorded at fair value by fair value hierarchy level as of September 30, 2017 and December 31, 2016.

	As of September 30, 2017				Cost
	Level I ⁽¹⁾	Level II ⁽¹⁾	Level III	Total	
Assets					
U.S. Treasury securities, at fair value	\$198,900	\$—	\$—	\$198,900	\$198,868
Investments, at fair value:					
Investments of consolidated Apollo funds	1,077	237	664	1,978	1,827
Other investments	—	—	64,726	64,726	62,464
Investment in Athene Holding ⁽²⁾	—	785,646	—	785,646	387,526
Total investments, at fair value	1,077	785,883	65,390	852,350	⁽⁷⁾ 451,817
Investments of VIEs, at fair value ⁽³⁾	—	1,029,599	135,577	1,165,176	
Investments of VIEs, valued using NAV	—	—	—	5,374	
Total investments of VIEs, at fair value	—	1,029,599	135,577	1,170,550	
Derivative assets	—	439	—	439	
Total Assets	\$199,977	\$1,815,921	\$200,967	\$2,222,239	
Liabilities					
Liabilities of consolidated Apollo funds	\$21	\$596	\$—	\$617	
Liabilities of VIEs, at fair value ⁽³⁾⁽⁵⁾	—	972,632	12,416	985,048	
Contingent consideration obligations ⁽⁶⁾	—	—	87,300	87,300	
Derivative liabilities ⁽⁴⁾	—	1,439	—	1,439	

Total Liabilities	\$21	\$974,667	\$99,716	\$1,074,404
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	As of December 31, 2016				Cost
	Level I ⁽¹⁾	Level II ⁽¹⁾	Level III	Total	
Assets					
Investments, at fair value:					
Investments of consolidated Apollo funds	\$3,336	\$1,475	\$567	\$5,378	\$5,463
Other investments	—	—	45,154	45,154	47,690
Investment in Athene Holding ⁽²⁾	—	657,548	—	657,548	387,526
Total investments, at fair value	3,336	659,023	45,721	708,080	⁽⁷⁾ 440,679
Investments of VIEs, at fair value ⁽³⁾	—	816,167	92,474	908,641	
Investments of VIEs, valued using NAV	—	—	—	5,186	
Total investments of VIEs, at fair value	—	816,167	92,474	913,827	
Derivative assets	—	1,360	—	1,360	
Total Assets	\$3,336	\$1,476,550	\$138,195	\$1,623,267	
Liabilities					
Liabilities of VIEs, at fair value ⁽³⁾⁽⁵⁾	\$—	\$786,545	\$11,055	\$797,600	
Contingent consideration obligations ⁽⁶⁾	—	—	106,282	106,282	
Derivative liabilities ⁽⁴⁾	—	1,167	—	1,167	
Total Liabilities	\$—	\$787,712	\$117,337	\$905,049	

(1) All Level I and Level II assets and liabilities were valued using third party pricing, with the exception of the investment in Athene Holding.

(2) See note 13 for further disclosure regarding the investment in Athene Holding.

(3) See note 4 for further disclosure regarding VIEs.

(4) Derivative liabilities are presented as a component of Other liabilities in the condensed consolidated statements of financial condition.

(5) Other liabilities include contingent obligations classified as Level III.

(6) See note 14 for further disclosure regarding contingent consideration obligations.

(7) See note 3 to our condensed consolidated financial statements for further detail regarding our investments at fair value and reconciliation to the condensed consolidated statements of financial condition.

There were no transfers of financial assets or liabilities between Level I and Level II for the three and nine months ended September 30, 2017 and 2016.

The following tables summarize the changes in fair value in financial assets measured at fair value for which Level III inputs have been used to determine fair value for the three months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017			
	Investments of Consolidated Apollo Funds	Other Investments	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	\$624	\$53,098	\$170,666	\$224,388
Purchases	—	10,075	21,729	31,804
Sales of investments/distributions	—	—	(21,119)	(21,119)
Net realized gains	—	—	154	154

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Changes in net unrealized gains	40	18	1,791	1,849
Cumulative translation adjustment	—	1,535	3,145	4,680
Transfer out of Level III	—	—	(40,789	) (40,789)
Balance, End of Period	\$664	\$ 64,726	\$ 135,577	\$ 200,967
Change in net unrealized gains included in net gains from investment activities related to investments still held at reporting date	\$40	\$ 18	\$ —	\$58
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	—	1,330	1,330

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	For the Three Months Ended September 30, 2016				
	Investments of Consolidated Apollo Funds	Other Investments	Investment in Athene Holding	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	\$2,853	\$ 44,753	\$ 542,437	\$ 112,690	\$ 702,733
Purchases	—	334	—	11,040	11,374
Sale of investments/distributions	(1,361)	—	—	(11,204)	(12,565)
Net realized gains	15	—	—	86	101
Changes in net unrealized gains (losses)	107	939	16,392	(215)	17,223
Cumulative translation adjustment	—	206	—	1,004	1,210
Transfer into Level III ⁽¹⁾	—	—	—	8,755	8,755
Transfer out of Level III ⁽¹⁾	(1,293)	—	—	(15,622)	(16,915)
Balance, End of Period	\$321	\$ 46,232	\$ 558,829	\$ 106,534	\$ 711,916
Change in net unrealized gains included in net gains from investment activities related to investments still held at reporting date	\$51	\$ 939	\$ 16,392	\$ —	\$ 17,382
Change in net unrealized losses included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	—	—	(358)	(358)

Transfers between Level II and III were a result of subjecting the broker quotes on these financial assets to various (1) criteria which include the number and quality of broker quotes, the standard deviation of obtained broker quotes and the percentage deviation from independent pricing services.

The following tables summarize the changes in fair value in financial assets measured at fair value for which Level III inputs have been used to determine fair value for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30, 2017			
	Investments of Consolidated Apollo Funds	Other Investments	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	\$567	\$ 45,154	\$ 92,474	\$ 138,195
Purchases	—	14,774	107,969	122,743
Sale of investments/distributions	(8)	—	(53,920)	(53,928)
Net realized gains (losses)	(14)	—	340	326
Changes in net unrealized gains (losses)	59	(386)	9,600	9,273
Cumulative translation adjustment	—	5,184	10,334	15,518
Transfer into Level III ⁽¹⁾	60	—	9,569	9,629
Transfer out of Level III ⁽¹⁾	—	—	(40,789)	(40,789)
Balance, End of Period	\$664	\$ 64,726	\$ 135,577	\$ 200,967
Change in net unrealized gains (losses) included in net gains from investment activities related to investments still held at reporting date	\$45	\$ (386)	\$ —	\$(341)
	—	—	9,351	9,351

Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date

Transfers between Level II and III were a result of subjecting the broker quotes on these financial assets to various (1) criteria which include the number and quality of broker quotes, the standard deviation of obtained broker quotes and the percentage deviation from independent pricing services.

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	For the Nine Months Ended September 30, 2016				
	Investments of Consolidated Apollo Funds	Other Investments	Investment in Athene Holding	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	\$1,634	\$ 434	\$ 510,099	\$ 100,941	\$613,108
Purchases	1,382	44,530	—	60,832	106,744
Sale of investments/distributions	(1,803)	—	—	(54,496)	(56,299)
Net realized gains (losses)	(96)	—	—	3,132	3,036
Changes in net unrealized gains (losses)	224	528	48,730	(2,629)	46,853
Cumulative translation adjustment	—	740	—	2,469	3,209
Transfer into Level III ⁽¹⁾	1,495	—	—	30,173	31,668
Transfer out of Level III ⁽¹⁾	(2,515)	—	—	(33,888)	(36,403)
Balance, End of Period	\$321	\$ 46,232	\$ 558,829	\$ 106,534	\$711,916
Change in net unrealized gains included in net gains from investment activities related to investments still held at reporting date	\$56	\$ 528	\$ 48,730	\$ —	\$49,314
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	—	—	441	441

Transfers between Level II and III were a result of subjecting the broker quotes on these financial assets to various (1) criteria which include the number and quality of broker quotes, the standard deviation of obtained broker quotes and the percentage deviation from independent pricing services.

The following table summarizes the changes in fair value in financial liabilities measured at fair value for which Level III inputs have been used to determine fair value for the three months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,					
	2017			2016		
	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total
Balance, Beginning of Period	\$12,007	\$ 86,900	\$98,907	\$11,671	\$ 70,967	\$82,638
Payments/extinguishment	—	(6,776)	(6,776)	—	(3,109)	(3,109)
Changes in net unrealized losses ⁽¹⁾	409	7,176	7,585	136	13,361	13,497
Balance, End of Period	\$12,416	\$ 87,300	\$99,716	\$11,807	\$ 81,219	\$93,026
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to liabilities still held at reporting date	\$409	\$ —	\$409	\$136	\$ —	\$136

(1) Changes in fair value of contingent consideration obligations are recorded in profit sharing expense in the condensed consolidated statements of operations.

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The following table summarizes the changes in fair value in financial liabilities measured at fair value for which Level III inputs have been used to determine fair value for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30,			2016			
	2017	2016	2016	2016	2016	2016	
	Liabilities of Consolidated Apollo Funds	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total	Liabilities of Consolidated VIEs	Contingent Consideration Obligations	Total
Balance, Beginning of Period	\$—	\$ 11,055	\$ 106,282	\$ 117,337	\$ 11,411	\$ 79,579	\$ 90,990
Additions	97	—	—	97	—	—	—
Payments/extinguishment	(94)	—	(23,597)	(23,691)	—	(10,096)	(10,096)
Net realized gains	(10)	—	—	(10)	—	—	—
Changes in net unrealized losses ⁽¹⁾	7	1,361	4,615	5,983	396	11,736	12,132
Balance, End of Period	\$—	\$ 12,416	\$ 87,300	\$ 99,716	\$ 11,807	\$ 81,219	\$ 93,026
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to liabilities still held at reporting date	\$—	\$ 1,361	\$ —	\$ 1,361	\$ 396	\$ —	\$ 396

(1) Changes in fair value of contingent consideration obligations are recorded in profit sharing expense in the condensed consolidated statements of operations.

The following tables summarize the quantitative inputs and assumptions used for financial assets and liabilities categorized as Level III under the fair value hierarchy as of September 30, 2017 and December 31, 2016:

	As of September 30, 2017				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investments of consolidated Apollo funds	\$ 664	Third party pricing ⁽¹⁾	N/A	N/A	N/A
Investments in other	47,602	Third party pricing ⁽¹⁾	N/A	N/A	N/A
	17,124	Other	N/A	N/A	N/A
Investments of consolidated VIEs:					
Corporate loans/bonds/CLO notes	13,548	Third party pricing ⁽¹⁾	N/A	N/A	N/A
Equity securities	122,029	Book value multiple	Book value multiple	0.76x	0.76x
		Discounted cash flow	Discount rate	12.8%	12.8%
Total investments of consolidated VIEs	135,577				
Total Financial Assets	\$ 200,967				
Financial Liabilities					
Liabilities of consolidated VIEs	12,416	Other	N/A	N/A	N/A
Contingent consideration obligation	87,300		Discount rate	17.3%	17.3%

Discounted cash
flow

Total Financial Liabilities \$99,716

(1) These securities are valued primarily using unadjusted broker quotes.

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	As of December 31, 2016				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investments of consolidated Apollo funds	\$567	Third party pricing ⁽¹⁾	N/A	N/A	N/A
Investments in other	45,154	Third party pricing ⁽¹⁾	N/A	N/A	N/A
Investments of consolidated VIEs:					
Bank debt term loans	4,701	Third party pricing ⁽¹⁾	N/A	N/A	N/A
Corporate loans/bonds/CLO notes	15,496	Third party pricing ⁽¹⁾	N/A	N/A	N/A
Equity securities	72,277	Transaction	N/A	N/A	N/A
Total investments of consolidated VIEs	92,474				
Total Financial Assets	\$138,195				
Financial Liabilities					
Liabilities of consolidated VIEs	\$11,055	Other	N/A	N/A	N/A
Contingent consideration obligation	106,282	Discounted cash flow	Discount rate	13.0% - 17.3%	17.2%
Total Financial Liabilities	\$117,337				

(1) These securities are valued primarily using unadjusted broker quotes.

Investment in Athene Holding

As of September 30, 2017 and December 31, 2016 the fair value of Apollo's investment in Athene Holding was estimated using the closing market price of Athene Holding shares of \$53.84 and \$47.99, respectively, less a discount due to a lack of marketability ("DLOM") of 7.0% and 9.5%, respectively, as applicable. The DLOM was derived based on the average remaining lock up restrictions on the shares of Athene Holding held by Apollo (14.3 months and 23.3 months as of September 30, 2017 and December 31, 2016, respectively) and the estimated volatility in such shares of Athene Holding. Due to the limited trading history in Athene Holding shares, the historical share price volatility of a representative set of Athene Holding's publicly traded insurance peers was calculated over a period equivalent to the remaining average lock up on the shares of Athene Holding held by Apollo and used as a proxy to estimate the projected volatility in Athene Holding's shares. The fair value of Apollo's investment in Athene Holding as of September 30, 2017 and December 31, 2016 after the application of the DLOM was estimated at a price of \$50.19 and \$43.43 per share, respectively.

As of December 31, 2016, Apollo changed the valuation method used to value the opportunistic investment in Athene Holding from the U.S. GAAP book value multiple approach to the use of the closing market price of shares of Athene Holding, adjusted for a DLOM in order to reflect the post IPO sales restriction on such shares of Athene Holding. The DLOM is calculated based on the remaining length of such sales restrictions and the estimated market price volatility of the associated shares.

Investments of Consolidated Apollo Funds

The Company is the sole investor in the Apollo Senior Loan Fund, L.P. and Apollo Alternative Credit Long Short Fund L.P. and therefore consolidates the assets and liabilities of these funds. These funds invest in U.S. denominated senior secured loans, senior secured bonds and other income generating fixed-income investments. Amounts related to these consolidated funds are primarily presented in net gains from investment activities on the condensed consolidated

statements of operations and in investments in the condensed consolidated statements of financial condition.

Other Investments

Other investments primarily consists of Apollo's investments in debt of unconsolidated CLOs. The change in the fair value related to these investments is presented in net gains from investment activities on the condensed consolidated statements of operations.

Consolidated VIEs

Investments

As of September 30, 2017, the significant unobservable inputs used in the fair value measurement of the equity securities include the discount rate applied and the book value multiples applied in the valuation models. These unobservable

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inputs in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of an investment; conversely decreases in the discount rate can significantly increase the fair value of an investment. The discount rate is determined based on the market rates an investor would expect for a similar investment with similar risks. When a comparable multiple model is used to determine fair value, the comparable multiples are generally multiplied by the underlying companies' earnings before interest, taxes, depreciation and amortization ("EBITDA") to establish the total enterprise value of the company. The comparable multiple is determined based on the implied trading multiple of public industry peers.

Liabilities

As of September 30, 2017 and December 31, 2016, the debt obligations of the consolidated CLOs were measured on the basis of the fair value of the financial assets of the CLOs as the financial assets were determined to be more observable and, as a result, categorized as Level II in the fair value hierarchy.

Contingent Consideration Obligations

The significant unobservable input used in the fair value measurement of the contingent consideration obligations is the discount rate applied in the valuation models. This input in isolation can cause significant increases or decreases in fair value. Specifically, when a discounted cash flow model is used to determine fair value, the significant input used in the valuation model is the discount rate applied to present value the projected cash flows. Increases in the discount rate can significantly lower the fair value of the contingent consideration obligations; conversely, a decrease in the discount rate can significantly increase the fair value of the contingent consideration obligations. The discount rate was based on the hypothetical cost of equity in connection with the acquisition of Stone Tower Capital, LLC (together with its related management companies, "Stone Tower"). See note 14 for further discussion of the contingent consideration obligations.

6. CARRIED INTEREST RECEIVABLE

Carried interest receivable from private equity, credit and real assets funds consisted of the following:

	As of September 30, 2017	As of December 31, 2016
Private Equity	\$1,128,460	\$798,465
Credit	413,990	426,114
Real Assets	35,534	32,526
Total carried interest receivable	\$1,577,984	\$1,257,105

The table below provides a roll-forward of the carried interest receivable balance for the nine months ended September 30, 2017:

	Private Equity	Credit	Real Assets	Total
Carried interest receivable, January 1, 2017	\$ 798,465	\$ 426,114	\$ 32,526	\$ 1,257,105
Change in fair value of funds	651,808	165,987	10,585	828,380
Fund distributions to the Company	(321,813)	(178,111)	(7,577)	(507,501)
Carried interest receivable, September 30, 2017	\$ 1,128,460	\$ 413,990	\$ 35,534	\$ 1,577,984

The change in fair value of funds excludes the reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. The general partner obligation is recognized based upon a hypothetical liquidation of a fund's net assets as of the reporting date. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the

respective limited partnership agreement of the fund. See note 13 for further disclosure regarding the general partner obligation.

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The timing of the payment of carried interest due to the general partner or investment manager varies depending on the terms of the applicable fund agreements. Generally, carried interest with respect to the private equity funds and certain credit and real assets funds is payable and is distributed to the fund's general partner upon realization of an investment if the fund's cumulative returns are in excess of the preferred return. For most credit funds, carried interest is payable based on realizations after the end of the relevant fund's fiscal year or fiscal quarter, subject to certain return thresholds, or "high water marks," having been achieved.

7. PROFIT SHARING PAYABLE

Profit sharing payable consisted of the following:

	As of September 30, 2017	As of December 31, 2016
Private Equity	\$ 427,456	\$ 268,170
Credit	269,233	268,855
Real Assets	14,184	13,123
Total profit sharing payable	\$ 710,873	\$ 550,148

The table below provides a roll-forward of the profit sharing payable balance for the nine months ended September 30, 2017:

	Private Equity	Credit	Real Assets	Total
Profit sharing payable, January 1, 2017	\$ 268,170	\$ 268,855	\$ 13,123	\$ 550,148
Profit sharing expense ⁽¹⁾⁽²⁾	266,881	73,909	3,680	344,470
Payments/other	(107,595)	(73,531)	(2,619)	(183,745)
Profit sharing payable, September 30, 2017	\$ 427,456	\$ 269,233	\$ 14,184	\$ 710,873

(1) Includes (i) changes in amounts payable to employees and former employees entitled to a share of carried interest income in Apollo's funds and (ii) changes to the fair value of the contingent consideration obligations recognized in connection with certain Apollo acquisitions. See notes 5 and 14 for further disclosure regarding the contingent consideration obligations.

(2) The Company has recorded a receivable from the Contributing Partners, certain employees and former employees for the potential return of profit sharing distributions that would be due if certain funds were liquidated in the amount of \$43.9 million and \$39.3 million as of September 30, 2017 and December 31, 2016, respectively. Profit sharing expense excludes the potential return of these profit sharing distributions. See note 13 for further discussion regarding the potential return of profit sharing distributions.

8. INCOME TAXES

The Company is treated as a partnership for income tax purposes and is therefore not subject to U.S. federal, state and local income taxes. Certain consolidated entities are, or are treated as, corporations for U.S. and non-U.S. tax purposes and therefore subject to U.S. federal, state, and local corporate income tax. Certain other subsidiaries of the Company are subject to New York City Unincorporated Business Tax ("NYC UBT") attributable to the Company's operations apportioned to New York City. In addition, certain non-U.S. subsidiaries of the Company are subject to income taxes in their local jurisdictions.

The Company's income tax provision totaled \$16.5 million and \$29.7 million for the three months ended September 30, 2017 and 2016, respectively, and \$54.9 million and \$62.5 million for the nine months ended September 30, 2017 and 2016, respectively. The Company's effective tax rate was approximately 3.7% and 11.2% for the three months ended September 30, 2017 and 2016, respectively, and 5.3% and 9.8% for the nine months ended September 30, 2017 and 2016, respectively.

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

The Company's primary jurisdictions in which it operates are the United States, New York State, New York City, California and the United Kingdom. There are no unremitted earnings with respect to the United Kingdom and other foreign entities

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due to the flow-through nature of these entities. In the normal course of business, the Company is subject to examination by federal and certain state, local and foreign tax authorities. With a few exceptions, as of September 30, 2017, the Company's U.S. federal, state, local and foreign income tax returns for the years 2013 through 2016 are open under the general statute of limitations provisions and therefore subject to examination. Currently, the Internal Revenue Service is examining the tax return of certain subsidiaries for the 2011 and 2012 tax years. The State and City of New York are examining certain subsidiaries' tax returns for tax years 2011 to 2013.

The Company has recorded a deferred tax asset for the future amortization of tax basis intangibles as a result of the 2007 Reorganization. The Company recorded additional deferred tax assets as a result of the step-up in tax basis of intangibles from subsequent exchanges of AOG Units for Class A shares. A related tax receivable agreement liability was recorded in due to related parties in the condensed consolidated statements of financial condition for the expected payments under the tax receivable agreement entered into by and among APO Corp., the Managing Partners, the Contributing Partners, and other parties thereto (as amended, the "tax receivable agreement") (see note 13). The increases in the deferred tax asset less the related liability resulted in increases to additional paid in capital which were recorded in the condensed consolidated statements of changes in shareholders' equity for the nine months ended September 30, 2017 and 2016. The amortization period for these tax basis intangibles is 15 years and the deferred tax assets will reverse over the same period.

Pursuant to an exchange agreement between Apollo, Holdings and the other parties thereto (as amended, the "Exchange Agreement"), the holders of the AOG Units (and certain permitted transferees thereof) may, upon notice and subject to the applicable vesting and minimum retained ownership requirements, transfer restrictions and other terms of the Exchange Agreement, exchange their AOG Units for the Company's Class A shares on a one-for-one basis a limited number of times each year, subject to customary conversion rate adjustments for splits, distributions and reclassifications. Pursuant to the Exchange Agreement, a holder of AOG Units must simultaneously exchange one partnership unit in each of the Apollo Operating Group partnerships to effectuate an exchange for one Class A share. As a holder exchanges its AOG Units, the Company's indirect interest in the Apollo Operating Group is correspondingly increased.

The table below presents the impact to the deferred tax asset, tax receivable agreement liability and additional paid in capital related to the exchange of AOG Units for Class A shares during the nine months ended September 30, 2017 and 2016.

	Increase in Deferred Tax Asset	Increase in Tax Receivable Agreement Liability	Increase to Additional Paid In Capital
Exchange of AOG Units for Class A shares			
For the Nine Months Ended September 30, 2017	\$ 46,539	\$ 35,946	\$ 10,593
For the Nine Months Ended September 30, 2016	\$ 1,807	\$ 1,519	\$ 288

9. DEBT

Debt consisted of the following:

	As of September 30, 2017			As of December 31, 2016		
	Outstanding Balance	Fair Value	Annualized Weighted Average Interest Rate	Outstanding Balance	Fair Value	Annualized Weighted Average Interest Rate
2013 AMH Credit Facilities - Term Facility ⁽¹⁾	\$299,627	\$298,875	⁽³⁾ 2.28 %	\$299,543	\$298,500	⁽³⁾ 1.82 %
2024 Senior Notes ⁽¹⁾	495,697	510,604	⁽⁴⁾ 4.00	495,208	498,336	⁽⁴⁾ 4.00

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2026 Senior Notes ⁽¹⁾	495,550	519,618	(4) 4.40	495,165	497,923	(4) 4.40
2014 AMI Term Facility I ⁽²⁾	16,199	16,199	(3) 2.00	14,449	14,449	(3) 2.00
2014 AMI Term Facility II ⁽²⁾	18,283	18,283	(3) 1.75	16,306	16,306	(3) 1.75
2016 AMI Term Facility I ⁽²⁾	20,050	20,050	(3) 1.75	17,852	17,852	(3) 1.75
2016 AMI Term Facility II ⁽²⁾	15,638	15,638	(3) 2.00	13,924	13,924	(3) 2.00
Total Debt	\$1,361,044	\$1,399,267		\$1,352,447	\$1,357,290	

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- (1) Includes impact of any amortization of note discount, as applicable. Outstanding balance is presented net of unamortized debt issuance costs, which are presented in the following table:

	As of September 30, 2017	As of December 31, 2016
2013 AMH Credit Facilities - Term Facility	\$ 373	\$ 457
2024 Senior Notes	\$ 3,637	\$ 4,051
2026 Senior Notes	\$ 4,069	\$ 4,420

- (2) Apollo Management International LLP (“AMI”), a subsidiary of the Company, entered into the following five year credit agreements and proceeds from the borrowings were used to fund the Company’s investment in European CLOs it manages:

Facility	Date	Loan Amount
2014 AMI Term Facility I	July 3, 2014	€3,686
2014 AMI Term Facility II	December 9, 2014	€5,475
2016 AMI Term Facility I	January 18, 2016	€6,970
2016 AMI Term Facility II	June 22, 2016	€3,236

- (3) Fair value is based on obtained broker quotes and these notes would be classified as a Level III liability within the fair value hierarchy based on the number and quality of broker quotes obtained, the standard deviations of the observed broker quotes and the percentage deviation from independent pricing services. For instances where broker quotes are not available, a discounted cash flow method is used to obtain a fair value.

- (4) Fair value is based on obtained broker quotes and these notes would be classified as a Level II liability within the fair value hierarchy based on the number and quality of broker quotes obtained, the standard deviations of the observed broker quotes and the percentage deviation from independent pricing services.

2013 AMH Credit Facilities—On December 18, 2013, AMH and its subsidiaries and certain other subsidiaries of the Company (collectively, the “Borrowers”) entered into new credit facilities (the “2013 AMH Credit Facilities”) with JPMorgan Chase Bank, N.A. The 2013 AMH Credit Facilities provide for (i) a term loan facility to AMH (the “Term Facility”) that includes \$750 million of the term loan from third-party lenders and \$271.7 million of the term loan held by a subsidiary of the Company and (ii) a \$500 million revolving credit facility (the “Revolver Facility”), in each case, with an original maturity date of January 18, 2019. On March 11, 2016, the maturity date of both the Term Facility and the Revolver Facility was extended by two years to January 18, 2021. The extension was determined to be a modification of the 2013 AMH Credit Facilities in accordance with U.S. GAAP.

Interest on the borrowings is based on an adjusted LIBOR rate or alternate base rate, in each case plus an applicable margin, and undrawn revolving commitments bear a commitment fee. In connection with the issuance of the 2024 Senior Notes and the 2026 Senior Notes (as defined below), \$250 million of the proceeds and \$200 million of the proceeds, respectively, were used to repay a portion of the Term Facility outstanding with third party lenders at par. The interest rate on the \$300 million Term Facility as of September 30, 2017 was 2.45% and the commitment fee as of September 30, 2017 on the \$500 million undrawn Revolver Facility was 0.125%. The \$300 million carrying value of debt that is recorded on the condensed consolidated statements of financial condition at September 30, 2017 is the amount for which the Company is obligated to settle the 2013 AMH Credit Facilities.

As of September 30, 2017, the 2013 AMH Credit Facilities were guaranteed by AMH and its subsidiaries, Apollo Management, L.P., Apollo Capital Management, L.P., Apollo International Management, L.P., AAA Holdings, L.P., Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P., Apollo Principal

Holdings X, L.P., Apollo Principal Holdings XI, LLC, Apollo Principal Holdings XII, L.P., ST Holdings GP, LLC and ST Management Holdings, LLC. The 2013 AMH Credit Facilities contain affirmative and negative covenants which limit the ability of the Borrowers, the guarantors and certain of their subsidiaries to, among other things, incur indebtedness and create liens. Additionally, the 2013 AMH Credit Facilities contain financial covenants which require the Borrowers and their subsidiaries to maintain (1) at least \$40 billion of Fee-Generating Assets Under Management and (2) a maximum total net leverage ratio of not more than 4.00 to 1.00 (subject to customary equity cure rights). The 2013 AMH Credit Facilities also contain customary events of default, including events of default arising from non-payment, material misrepresentations, breaches of covenants, cross default to material indebtedness, bankruptcy and changes in control of the Company.

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Borrowings under the Revolver Facility may be used for working capital and general corporate purposes, including, without limitation, permitted acquisitions. In addition, the Borrowers may incur incremental facilities in respect of the Revolver Facility and the Term Facility in an aggregate amount not to exceed \$500 million plus additional amounts so long as the Borrowers are in compliance with a net leverage ratio not to exceed 3.75 to 1.00. As of September 30, 2017 and December 31, 2016, the Revolver Facility was undrawn.

2024 Senior Notes—On May 30, 2014, AMH issued \$500 million in aggregate principal amount of its 4.000% Senior Notes due 2024 (the “2024 Senior Notes”), at an issue price of 99.722% of par. Interest on the 2024 Senior Notes is payable semi-annually in arrears on May 30 and November 30 of each year. The 2024 Senior Notes will mature on May 30, 2024. The discount will be amortized into interest expense on the condensed consolidated statements of operations over the term of the 2024 Senior Notes. The face amount of \$500 million related to the 2024 Senior Notes is the amount for which the Company is obligated to settle the 2024 Senior Notes.

2026 Senior Notes—On May 27, 2016, AMH issued \$500 million in aggregate principal amount of its 4.400% Senior Notes due 2026 (the “2026 Senior Notes”), at an issue price of 99.912% of par. Interest on the 2026 Senior Notes is payable semi-annually in arrears on May 27 and November 27 of each year. The 2026 Senior Notes will mature on May 27, 2026. The discount will be amortized into interest expense on the condensed consolidated statements of operations over the term of the 2026 Senior Notes. The face amount of \$500 million related to the 2026 Senior Notes is the amount for which the Company is obligated to settle the 2026 Senior Notes.

As of September 30, 2017, the 2026 Senior Notes and the 2024 Senior Notes were guaranteed by Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, Apollo Principal Holdings XII, L.P., AMH Holdings (Cayman), L.P. and any other entity that is required to become a guarantor of the notes under the terms of the indentures governing the 2026 Senior Notes and the 2024 Senior Notes (the “Indentures”). The Indentures include covenants that restrict the ability of AMH and, as applicable, the guarantors to incur indebtedness secured by liens on voting stock or profit participating equity interests of their respective subsidiaries or merge, consolidate or sell, transfer or lease assets. The Indentures also provide for customary events of default.

The following table presents the interest expense incurred related to the Company’s debt for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Interest Expense: ⁽¹⁾				
2013 AMH Term Facility	\$2,150	\$1,696	\$6,109	\$6,408
2024 Senior Notes	5,163	5,192	15,489	15,572
2026 Senior Notes	5,628	5,630	16,885	7,744
AMI Term Facilities	362	314	1,014	781
Total Interest Expense	\$13,303	\$12,832	\$39,497	\$30,505

⁽¹⁾ Debt issuance costs incurred in connection with the Term Facility, the 2024 Senior Notes and the 2026 Senior Notes are amortized into interest expense over the term of the debt arrangement.

10. NET INCOME PER CLASS A SHARE

U.S. GAAP requires use of the two-class method of computing earnings per share for all periods presented for each class of common stock and participating security as if all earnings for the period had been distributed. Under the two-class method, during periods of net income, the net income is first reduced for distributions declared on all classes

of securities to arrive at undistributed earnings. During periods of undistributed losses, the undistributed loss is allocated to a participating security only if the security has the right to participate in the earnings of the entity and an objectively determinable contractual obligation to share in net losses of the entity.

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The remaining undistributed earnings are allocated to Class A shares and participating securities to the extent that each security shares in earnings as if all of the earnings for the period had been distributed. Earnings or losses allocated to each class of security are then divided by the applicable number of shares to arrive at basic earnings per share. For the diluted earnings, the denominator includes all outstanding Class A shares and includes the number of additional Class A shares that would have been outstanding if the dilutive Class A shares had been issued. The numerator is adjusted for any changes in income or loss that would result if the dilutive Class A shares were issued. The table below presents basic and diluted net income per Class A share using the two-class method for the three and nine months ended September 30, 2017 and 2016:

	Basic and Diluted			
	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Numerator:				
Net income attributable to Apollo Global Management, LLC Class A Shareholders	\$ 198,569	\$ 94,619	\$ 430,673	\$ 235,883
Distributions declared on Class A shares ⁽¹⁾	(100,641)	(68,356)	(279,307)	(165,802)
Distributions on participating securities ⁽²⁾	(3,265)	(2,404)	(9,419)	(6,293)
Earnings allocable to participating securities	(3,218) ⁽³⁾	(849)	(5,129)	(2,637)
Undistributed income attributable to Class A shareholders: Basic and Diluted	\$ 91,445	\$ 23,010	\$ 136,818	\$ 61,151
Denominator:				
Weighted average number of Class A shares outstanding: Basic and Diluted	192,882,082	184,438,515	190,014,240	183,602,982
Net Income per Class A Share: Basic and Diluted ⁽⁴⁾				
Distributed Income	\$ 0.52	\$ 0.37	\$ 1.46	\$ 0.90
Undistributed Income	0.48	0.13	0.73	0.34
Net Income per Class A Share: Basic and Diluted	\$ 1.00	\$ 0.50	\$ 2.19	\$ 1.24

(1) See note 12 for information regarding the quarterly distributions declared and paid during 2017 and 2016.

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

(3) No allocation of undistributed losses was made to the participating securities as the holders do not have a contractual obligation to share in the losses of the Company with Class A shareholders.

(4) For the three and nine months ended September 30, 2017 and 2016, all of the classes of securities were determined to be anti-dilutive.

The Company has granted RSUs that provide the right to receive, subject to vesting, Class A shares of Apollo Global Management, LLC, pursuant to the Company's 2007 Omnibus Equity Incentive Plan (the "2007 Equity Plan"). Certain RSU grants to employees provide the right to receive distribution equivalents on vested RSUs on an equal basis any time a distribution is declared. The Company refers to these RSU grants as "Plan Grants." For certain Plan Grants, distribution equivalents are paid in January of the calendar year next following the calendar year in which a distribution on Class A shares was declared. In addition, certain RSU grants to employees provide that both vested and unvested RSUs participate in distribution equivalents on an equal basis with the Class A shareholders any time a distribution is declared. The Company refers to these as "Bonus Grants."

Any distribution equivalent paid to an employee will not be returned to the Company upon forfeiture of the award by the employee. Vested and unvested RSUs that are entitled to non-forfeitable distribution equivalents qualify as

participating securities and are included in the Company's basic and diluted earnings per share computations using the two-class method. The holder of an RSU participating security would have a contractual obligation to share in the losses of the entity if the holder is obligated to fund the losses of the issuing entity or if the contractual principal or mandatory redemption amount of the participating security is reduced as a result of losses incurred by the issuing entity. Because the RSU participating securities do not have a mandatory redemption amount and the holders of the participating securities are not obligated to fund losses, neither the vested RSUs nor the unvested RSUs are subject to any contractual obligation to share in losses of the Company.

Holders of AOG Units are subject to the transfer restrictions set forth in the agreements with the respective holders, and may a limited number of times each year, upon notice (subject to the terms of the Exchange Agreement), exchange their AOG

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Units for Class A shares on a one-for-one basis. An AOG Unit holder must exchange one unit in each of the Apollo Operating Group partnerships to effectuate an exchange for one Class A share.

Apollo Global Management, LLC has one Class B share outstanding, which is held by BRH Holdings GP, Ltd. ("BRH"). The voting power of the Class B share is reduced on a one vote per one AOG Unit basis in the event of an exchange of AOG Units for Class A shares, as discussed above. The Class B share has no net income (loss) per share as it does not participate in Apollo's earnings (losses) or distributions. The Class B share has no distribution or liquidation rights. The Class B share has voting rights on a pari passu basis with the Class A shares. The Class B share represented 54.3% and 60.7% of the total voting power of the Company's shares entitled to vote as of September 30, 2017 and 2016, respectively.

The following table summarizes the anti-dilutive securities for the three and nine months ended September 30, 2017 and 2016, respectively.

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Weighted average vested RSUs	210,642	873,973	554,881	1,780,166
Weighted average unvested RSUs	6,196,601	5,867,075	6,334,220	6,054,283
Weighted average unexercised options	210,420	222,920	214,587	222,920
Weighted average AOG Units outstanding	209,522,593	215,869,166	212,224,998	216,034,309
Weighted average unvested restricted shares	400,606	67,101	240,411	85,388

11. EQUITY-BASED COMPENSATION

Equity-based awards granted to employees as compensation are measured based on the grant date fair value of the award. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately.

Equity-based employee awards that require future service are expensed over the relevant service period. Equity-based awards granted to non-employees for services provided to related parties are remeasured to fair value at the end of each reporting period and expensed over the relevant service period.

RSUs

The Company grants RSUs under the 2007 Equity Plan. These grants are accounted for as a grant of equity awards in accordance with U.S. GAAP. The fair value of all grants is based on the grant date fair value, which considers the public share price of the Company's Class A shares subject to certain discounts, as applicable. The following table summarizes the weighted average discounts for Plan Grants and Bonus Grants for the three and nine months ended September 30, 2017 and 2016.

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Plan Grants:				
Discount for the lack of distributions until vested ⁽¹⁾	12.9%	8.2%	12.0%	10.1%
Marketability discount for transfer restrictions ⁽²⁾	4.0%	5.8%	3.5%	5.8%
Bonus Grants:				
Marketability discount for transfer restrictions ⁽²⁾	2.3%	3.0%	2.3%	3.4%

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

(2)Based on the Finnerty Model calculation.

The estimated total grant date fair value is charged to compensation expense on a straight-line basis over the vesting period, which for Plan Grants is generally up to six years, with the first installment vesting one year after grant and quarterly vesting thereafter, and for Bonus Grants is generally annual vesting over three years. The fair value of grants made during the nine months ended September 30, 2017 and 2016 was \$32.3 million and \$2.8 million, respectively.

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In addition, the Company provides for the vesting of RSUs when certain performance metrics have been achieved. In accordance with U.S. GAAP, equity-based compensation expense is recognized only when certain performance metrics are met or deemed probable. Accordingly, for the three and nine months ended September 30, 2017, no equity-based compensation expense was recognized relating to these RSUs.

The following table presents the forfeiture rate and equity-based compensation expense recognized for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Actual forfeiture rate	2.3	% 2.7	% 9.3	% 6.6
Equity-based compensation	\$17,106	\$16,724	\$50,807	\$52,564

The following table summarizes RSU activity for the nine months ended September 30, 2017:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of RSUs Outstanding	
Balance at January 1, 2017	9,391,566	\$ 15.80	2,752,455	12,144,021	(1)
Granted	1,519,021	21.29	—	1,519,021	
Forfeited	(1,016,156)	17.80	—	(1,016,156)
Issued	—	18.29	(3,285,664)	(3,285,664)
Vested	(859,553	) 17.29	859,553	—	
Balance at September 30, 2017	9,034,878	(2)\$ 16.36	326,344	9,361,222	(1)

(1) Amount excludes RSUs which have vested and have been issued in the form of Class A shares.

(2) RSUs were expected to vest over the weighted average period of 2.1 years.

Restricted Share Awards—Athene Holding

The Company has granted Athene Holding restricted share awards to certain employees of the Company. Separately, Athene Holding has also granted restricted share awards to certain employees of the Company. Both awards are collectively referred to as the “AHL Awards”. Certain of the AHL Awards function similarly to options as they are exchangeable for Class A shares of Athene Holding upon payment of a conversion price and the satisfaction of certain other conditions. The awards granted are either subject to time-based vesting conditions that generally vest over three to five years or vest upon achieving certain metrics, such as attainment of certain rates of return and realized cash received by certain investors in Athene Holding upon sale of their shares.

The Company records the AHL Awards in other assets and other liabilities in the condensed consolidated statements of financial condition. The fair value of the asset is amortized through equity-based compensation over the vesting period. The fair value of the liability is remeasured each period with any changes in fair value recorded in compensation expense in the condensed consolidated statements of operations. For AHL Awards granted by Athene Holding, compensation expense related to amortization of the asset is offset, with certain limited exceptions, by related management fees earned by the Company from Athene.

The grant date fair value of the AHL Awards is based on the share price of Athene Holding, less discounts for transfer restrictions. The AHL Awards that function similarly to options were valued using a multiple-scenario model, which considers the price volatility of the underlying share price of Athene Holding, time to expiration and the risk-free rate, while the other awards were valued using the share price of Athene Holding less any discounts for transfer restrictions.

The following table summarizes the management fees, equity-based compensation expense and actual forfeiture rates for the AHL Awards for the three and nine months ended September 30, 2017 and 2016:

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	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Management fees	\$2,393	\$4,015	\$4,531	\$9,179
Equity-based compensation	\$3,528	\$4,093	\$6,983	\$9,441
Actual forfeiture rate	—	% 0.4	% —	% 0.8

Equity-Based Compensation Allocation

Equity-based compensation is allocated based on ownership interests. Therefore, the amortization of equity-based compensation is allocated to shareholders' equity attributable to Apollo Global Management, LLC and the Non-Controlling Interests, which results in a difference in the amounts charged to equity-based compensation expense and the amounts credited to shareholders' equity attributable to Apollo Global Management, LLC in the Company's condensed consolidated financial statements.

Below is a reconciliation of the equity-based compensation allocated to Apollo Global Management, LLC for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30, 2017			
	Total Amount	Non-Controlling Interest % in Apollo Operating Group	Allocated to Non-Controlling Interest in Apollo Operating Group ⁽¹⁾	Allocated to Apollo Global Management, LLC
RSUs, share options and restricted share awards	\$54,901	—	\$ —	\$ 54,901
AHL Awards	6,983	51.9	3,624	3,359
Other equity-based compensation awards	8,448	51.9	4,385	4,063
Total equity-based compensation	\$70,332		8,009	62,323
Less other equity-based compensation awards ⁽²⁾			(8,009)	(9,881)
Capital increase related to equity-based compensation			\$ —	\$ 52,442
	For the Nine Months Ended September 30, 2016			
	Total Amount	Non-Controlling Interest % in Apollo Operating Group	Allocated to Non-Controlling Interest in Apollo Operating Group ⁽¹⁾	Allocated to Apollo Global Management, LLC
RSUs, share options and restricted share awards	\$55,260	—	\$ —	\$ 55,260
AHL Awards	9,441	53.9	5,093	4,348
Other equity-based compensation awards	9,502	53.9	5,127	4,375
Total equity-based compensation	\$74,203		10,220	63,983
Less other equity-based compensation awards ⁽²⁾			(10,220)	(10,073)
Capital increase related to equity-based compensation			\$ —	\$ 53,910

(1) Calculated based on average ownership percentage for the period considering Class A share issuances during the period.

(2) Includes equity-based compensation reimbursable by certain funds and distributions related to forfeited RSUs.

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12. EQUITY

Class A Shares

Class A shares represent limited liability company interests in the Company. Holders of Class A shares are entitled to participate in distributions from the Company on a pro rata basis. Class A shareholders do not elect the Company's manager or the manager's executive committee and have only limited voting rights.

Issuance of Class A Shares

During the nine months ended September 30, 2017 and 2016, the Company issued Class A shares in settlement of vested RSUs. The Company has generally allowed holders of vested RSUs and exercised share options to settle their tax liabilities by reducing the number of Class A shares issued to them, which the Company refers to as "net share settlement." Additionally, the Company has generally allowed holders of share options to settle their exercise price by reducing the number of Class A shares issued to them at the time of exercise by an amount sufficient to cover the exercise price. The net share settlement results in a liability for the Company and a corresponding accumulated deficit adjustment.

The table below summarizes the reduction of Class A shares to be issued to employees in connection with net share settlements under the 2007 Equity Plan and issuances of Class A shares in settlement of vested RSUs and share options for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30, 2017 2016	
Reduction of Class A shares issued ⁽¹⁾	1,196,549	2,407,275
Class A shares issued	2,097,249	2,246,760
Gross value of shares ⁽²⁾	\$76,803	\$96,437

(1) Cash paid for tax liabilities associated with net share settlement was \$28.0 million and \$35.3 million for the nine months ended September 30, 2017 and 2016, respectively.

(2) Based on the closing price of a Class A share at the time of issuance.

Share Repurchase Plan

In February 2016, Apollo adopted a plan to repurchase up to \$250 million in the aggregate of its Class A shares, including up to \$150 million in the aggregate of its outstanding Class A shares through a share repurchase program and up to \$100 million through net share settlement of equity-based awards granted under the 2007 Equity Plan. During the nine months ended September 30, 2017, the Company repurchased and canceled 233,248 Class A shares for \$6.9 million. During the nine months ended September 30, 2016, the Company repurchased and canceled 954,447 Class A shares for \$12.9 million.

Preferred Share Issuance

On March 7, 2017, Apollo issued 11,000,000 6.375% Series A Preferred shares (the "Preferred shares") for gross proceeds of \$275.0 million, or \$264.4 million net of issuance costs. When, as and if declared by the manager of Apollo, distributions on the Preferred shares will be payable quarterly on March 15, June 15, September 15 and December 15 of each year, beginning on June 15, 2017, at a rate per annum equal to 6.375%. Distributions on the Preferred shares are discretionary and non-cumulative.

Subject to certain exceptions, unless distributions have been declared and paid or declared and set apart for payment on the Preferred shares for a quarterly distribution period, during the remainder of that distribution period, Apollo may not declare or pay or set apart payment for distributions on any Class A shares and any other equity securities that the Company may issue in the future ranking, as to the payment of distributions, junior to the Preferred shares ("Junior Shares") and Apollo may not repurchase any Junior Shares. These restrictions are not applicable during the initial distribution period, which is the period from March 7, 2017, the original issue date, to but excluding June 15, 2017.

The Preferred shares may be redeemed at Apollo's option, in whole or in part, at any time on or after March 15, 2022 at a price of \$25.00 per Preferred share, plus declared and unpaid distributions to, but excluding, the redemption date, without

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payment of any undeclared distributions. Holders of Preferred shares will have no right to require the redemption of the Preferred shares and there is no maturity date.

If a certain change of control event or a certain tax redemption event occurs prior to March 15, 2022, the Preferred shares may be redeemed at Apollo's option, in whole but not in part, upon at least 30 days' notice, within 60 days of the occurrence of such change of control event or such tax redemption event, as applicable, at a price of \$25.25 per Preferred share, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. If (i) a change of control event occurs (whether before, on or after March 15, 2022) and (ii) Apollo does not give notice prior to the 31st day following the change of control event to redeem all the outstanding Preferred shares, the distribution rate per annum on the Preferred shares will increase by 5.00%, beginning on the 31st day following such change of control event.

The Preferred shares are not convertible into Class A shares and have no voting rights, except in limited circumstances as provided in the Company's limited liability company agreement. In connection with the issuance of the Preferred shares, certain Apollo Operating Group entities issued for the benefit of Apollo a series of preferred units with economic terms that mirror those of the Preferred shares.

On August 2, 2017, Apollo declared a cash distribution of \$0.398438 per Series A Preferred share. The distributions on the Series A Preferred shares were \$4.4 million and \$9.2 million for the three and nine months ended September 30, 2017, respectively.

Distributions

In addition to other distributions such as payments pursuant to the tax receivable agreement, the table below presents information regarding the quarterly distributions which were made at the sole discretion of the manager of the Company during 2017 and 2016 (in millions, except per share data):

Distribution Declaration Date	Distribution per Class A Share	Distribution Payment Date	Distribution to Class A Shareholders	Distribution to Non-Controlling Interest Holders in the Apollo Operating Group	Total Distributions from Apollo Operating Group	Distribution Equivalents on Participating Securities
February 3, 2016	\$ 0.28	February 29, 2016	\$ 51.4	\$ 60.5	\$ 111.9	\$ 2.1
May 6, 2016	0.25	May 31, 2016	46.0	54.0	100.0	1.8
August 3, 2016	0.37	August 31, 2016	68.4	79.9	148.3	2.4
October 28, 2016	0.35	November 30, 2016	64.9	75.4	140.3	2.1
For the year ended December 31, 2016	\$ 1.25		\$ 230.7	\$ 269.8	\$ 500.5	\$ 8.4
February 3, 2017	\$ 0.45	February 28, 2017	\$ 84.2	\$ 97.0	\$ 181.2	\$ 2.9
April 13, 2017 ⁽¹⁾	—	April 13, 2017	—	20.5	20.5	—
April 28, 2017	0.49	May 31, 2017	94.5	102.9	197.4	3.3
August 2, 2017	0.52	August 31, 2017	100.6	108.8	209.4	3.2
For the nine months ended September 30, 2017	\$ 1.46		\$ 279.3	\$ 329.2	\$ 608.5	\$ 9.4

On April 13, 2017, the Company made a \$0.10 per AOG Unit pro rata distribution to the Non-Controlling Interest (1)holders in the Apollo Operating Group in connection with a payment made under the tax receivable agreement. See note 13 for more information regarding the tax receivable agreement.

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Non-Controlling Interests

The table below presents equity interests in Apollo's consolidated, but not wholly-owned, subsidiaries and funds. Net income and comprehensive income attributable to Non-Controlling Interests consisted of the following:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2017	2016	2017	2016
Net income (loss) attributable to Non-Controlling Interests in consolidated entities:				
Interest in management companies and a co-investment vehicle ⁽¹⁾	\$1,637	\$260	\$3,264	\$4,804
Other consolidated entities	(589)	(482)	5,703	(913)
Net income (loss) attributable to Non-Controlling Interests in consolidated entities	\$1,048	\$(222)	\$8,967	\$3,891
Net income attributable to Non-Controlling Interests in the Apollo Operating Group:				
Net income	\$434,363	\$234,718	\$982,335	\$575,960
Net (income) loss attributable to Non-Controlling Interests in consolidated entities	(1,048)	222	(8,967)	(3,891)
Net income after Non-Controlling Interests in consolidated entities	433,315	234,940	973,368	572,069
Adjustments:				
Income tax provision ⁽²⁾	16,542	29,667	54,926	62,508
NYC UBT and foreign tax benefit ⁽³⁾	(2,595)	(4,419)	(7,014)	(11,715)
Net income in non-Apollo Operating Group entities	16	66	18	85
Net income attributable to Preferred Shareholders	(4,383)	—	(9,155)	—
Total adjustments	9,580	25,314	38,775	50,878
Net income after adjustments	442,895	260,254	1,012,143	622,947
Weighted average ownership percentage of Apollo Operating Group	52.0	% 53.9	% 52.7	% 54.0
Net income attributable to Non-Controlling Interests in Apollo Operating Group	\$230,363	\$140,321	\$533,540	\$336,186
Net Income attributable to Non-Controlling Interests	\$231,411	\$140,099	\$542,507	\$340,077
Other comprehensive income attributable to Non-Controlling Interests	4,999	545	8,188	1,462
Comprehensive Income Attributable to Non-Controlling Interests	\$236,410	\$140,644	\$550,695	\$341,539

(1) Reflects the remaining interest held by certain individuals who receive an allocation of income from certain of the credit funds managed by Apollo.

(2) Reflects all taxes recorded in our condensed consolidated statements of operations. Of this amount, U.S. federal, state, and local corporate income taxes attributable to APO Corp. are added back to income of the Apollo Operating Group before calculating Non-Controlling Interests as the income allocable to the Apollo Operating Group is not subject to such taxes.

(3) Reflects NYC UBT and foreign taxes that are attributable to the Apollo Operating Group and its subsidiaries related to its operations in the U.S. as partnerships and in non-U.S. jurisdictions as corporations. As such, these amounts are considered in the income attributable to the Apollo Operating Group.

13. RELATED PARTY TRANSACTIONS AND INTERESTS IN CONSOLIDATED ENTITIES

Management fees, transaction and advisory fees and reimbursable expenses from the funds the Company manages and their portfolio companies are included in due from related parties in the condensed consolidated statements of financial condition. The Company also typically facilitates the payment of certain operating costs incurred by the funds that it manages as well as their related parties. These costs are normally reimbursed by such funds and are included in due from related parties.

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Due from related parties and due to related parties are comprised of the following:

	As of September 30, 2017	As of December 31, 2016
Due from Related Parties:		
Due from private equity funds	\$ 17,883	\$ 19,089
Due from portfolio companies	40,028	34,339
Due from credit funds	136,856	112,516
Due from Contributing Partners, employees and former employees	66,344	72,305
Due from real assets funds	26,241	16,604
Total Due from Related Parties	\$ 287,352	\$ 254,853
Due to Related Parties:		
Due to Managing Partners and Contributing Partners	\$ 524,593	\$ 506,542
Due to private equity funds	43,059	56,880
Due to credit funds	75,463	66,859
Due to real assets funds	286	281
Distributions payable to employees	—	7,564
Total Due to Related Parties	\$ 643,401	\$ 638,126

Tax Receivable Agreement and Other

Subject to certain restrictions, each of the Managing Partners and Contributing Partners has the right to exchange their vested AOG Units for the Company's Class A shares. Certain Apollo Operating Group entities have made an election under Section 754 of the U.S. Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), which will result in an adjustment to the tax basis of the assets owned by the Apollo Operating Group at the time of the exchange. These exchanges will result in increases in tax deductions that will reduce the amount of tax that APO Corp. will otherwise be required to pay in the future.

The tax receivable agreement provides for the payment to the Managing Partners and Contributing Partners of 85% of the amount of cash savings, if any, in U.S. federal, state, local and foreign income taxes that APO Corp. would realize as a result of the increases in tax basis of assets that resulted from the 2007 Reorganization and exchanges of AOG Units for Class A shares. APO Corp. retains the benefit from the remaining 15% of actual cash tax savings. If the Company does not make the required annual payment on a timely basis as outlined in the tax receivable agreement, interest is accrued on the balance until the payment date. These payments are expected to occur approximately over the next 15 years.

In April 2017, Apollo made a \$17.9 million cash payment pursuant to the tax receivable agreement resulting from the realized tax benefit for the 2016 tax year. Additionally, in connection with this payment, the Company made a corresponding pro rata distribution of \$20.5 million (\$0.10 per AOG Unit) to the Non-Controlling Interest holders in the Apollo Operating Group.

Due from Contributing Partners, Employees and Former Employees

As of September 30, 2017 and December 31, 2016, due from Contributing Partners, Employees and Former Employees includes various amounts due to the Company including employee loans and return of profit sharing distributions. As of September 30, 2017 and December 31, 2016, the balance included interest-bearing employee loans receivable of \$15.3 million and \$26.1 million, respectively. The outstanding principal amount of the loans as well as all accrued and unpaid interest is required to be repaid at the earlier of the eighth anniversary of the date of the relevant loan or at the date of the relevant employee's resignation from the Company.

The Company recorded a receivable from the Contributing Partners and certain employees and former employees for the potential return of profit sharing distributions that would be due if certain funds were liquidated as of

September 30, 2017 and December 31, 2016 of \$43.9 million and \$39.3 million, respectively.

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Indemnity

Carried interest income from certain funds that the Company manages can be distributed to the Company on a current basis, but is subject to repayment by the subsidiary of the Apollo Operating Group that acts as general partner of the fund in the event that certain specified return thresholds are not ultimately achieved. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligation of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular Managing Partner's or Contributing Partner's distributions. Pursuant to an existing shareholders agreement, the Company has agreed to indemnify each of the Company's Managing Partners and certain Contributing Partners against all amounts that they pay pursuant to any of these personal guarantees in favor of certain funds that the Company manages (including costs and expenses related to investigating the basis for or objecting to any claims made in respect of the guarantees) for all interests that the Company's Managing Partners and Contributing Partners have contributed or sold to the Apollo Operating Group.

Accordingly, in the event that the Company's Managing Partners, Contributing Partners and certain investment professionals are required to pay amounts in connection with a general partner obligation for the return of previously made distributions, the Company will be obligated to reimburse the Company's Managing Partners and certain Contributing Partners for the indemnifiable percentage of amounts that they are required to pay even though the Company did not receive the certain distribution to which that general partner obligation related. The Company recorded an indemnification liability of \$10.2 million and \$5.9 million, respectively, as of September 30, 2017 and December 31, 2016.

Due to Private Equity Funds

Based upon a hypothetical liquidation of certain of the private equity funds the Company manages, as of September 30, 2017 and December 31, 2016, the Company has recorded a general partner obligation to return previously distributed carried interest income, which represents amounts due to these funds. There was a general partner obligation to return previously distributed carried interest income of \$42.2 million and \$56.0 million accrued as of September 30, 2017 and December 31, 2016, respectively. The actual determination and any required payment of a general partner obligation would not take place until the final disposition of the fund's investments based on contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement or other governing document of the fund.

Due to Credit Funds

Based upon a hypothetical liquidation of certain of the credit funds the Company manages, as of September 30, 2017 and December 31, 2016, the Company has recorded a general partner obligation to return previously distributed carried interest income, which represents amounts due to these funds. As such, there was a general partner obligation to return previously distributed carried interest income of \$69.3 million and \$60.6 million accrued as of September 30, 2017 and December 31, 2016, respectively. The actual determination and any required payment of a general partner obligation would not take place until the final disposition of the fund's investments based on contractual termination of the fund or as otherwise set forth in the respective limited partnership agreement or other governing document of the fund.

Athene

Athene Holding was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene Holding, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements. Athene Holding became an effective registrant under the Exchange Act on December 9, 2016. Athene Holding currently trades on the New York Stock Exchange (NYSE) under the symbol "ATH".

The Company provides asset management and advisory services to Athene, including asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions, asset diligence hedging and other asset management services.

The Company, through its consolidated subsidiary Athene Asset Management, or AAM, earns 0.40% per year on all assets that it manages in accounts owned by Athene in the U.S. and Bermuda or in accounts supporting reinsurance ceded to U.S. and Bermuda subsidiaries of Athene Holding by third-party insurers (the “Athene North American Accounts”) up to \$65.846 billion

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(the level of assets in the Athene North American Accounts as of December 31, 2016) and 0.30% per year on all assets in excess of \$65.846 billion, respectively, subject to certain discounts and exceptions.

The Company, through its consolidated subsidiary, AAME, provides investment advisory services to Athene with respect to its German group companies. Such German group companies are currently subsidiaries of AGER, a strategic platform established to acquire or reinsure blocks of insurance business in the German and broader European life insurance market. Apollo receives a gross advisory fee of 0.10% per annum on the assets of Athene's German group companies that it advises, with certain limited exceptions.

The Company, through AAM, provides sub-advisory services with respect to a portion of the assets in the Athene North American Accounts. In addition, Apollo, through AAME, sub-advises certain assets of a German subsidiary of Athene (such assets, together with the assets of Athene's other German group companies collectively, the "Athene European Accounts").

From time to time, Athene also invests in funds and investment vehicles that Apollo manages. The Company refers to such assets which are invested directly as "Athene Assets Directly Invested."

The Company broadly refers to "Athene Sub-Advised" AUM as those assets in the Athene North American Accounts which the Company explicitly sub-advises as well as Athene Assets Directly Invested. The Company broadly refers to "AGER Sub-Advised" AUM as those assets in the Athene European Accounts which the Company explicitly sub-advises as well as those assets in the Athene European Accounts which are invested directly in funds and investment vehicles Apollo manages.

With limited exceptions, the sub-advisory fee arrangements between the Company and Athene and the fee arrangements with respect to Athene Assets Directly Invested are presented in the following table:

	As of September 30, 2017	
Athene North American Accounts sub-advised by AAM ⁽¹⁾ :		
Assets up to \$10.0 billion	0.40	%
Assets between \$10.0 billion to \$12.4 billion	0.35	%
Assets between \$12.4 billion to \$16.0 billion	0.40	%
Assets in excess of \$16.0 billion	0.35	%
Athene European Accounts sub-advised by AAME	0.35	%
Athene Assets Directly Invested ⁽²⁾	0% to 1.75%	

(1) The sub-advisory fees with respect to the assets in the Athene North American Accounts are in addition to the fee earned by the Company described above.

(2) With respect to Athene Assets Directly Invested, Apollo earns carried interest of 0% to 20% in addition to the fees presented above. The fees set forth above with respect to the Athene Assets Directly Invested, and the carried interest that Apollo earns on such assets, are in addition to the fees described above, with certain limited exceptions.

Apollo, as general partner of AAA Investments, is generally entitled to a carried interest equal to 20% of the realized returns (net of related expenses, including borrowing costs) on the investments of AAA Investments, except that Apollo is not entitled to receive any carried interest with respect to the shares of Athene Holding that were acquired (and not in satisfaction of prior commitments to buy such shares) by AAA Investments in the contribution of certain assets by AAA to Athene in October 2012. Apollo may elect to receive payment of carried interest receivable from AAA Investments in cash or in common shares of Athene Holding (valued at the fair market value); and if Apollo elects to receive payment of such carried interest in cash, then common shares of Athene Holding shall be distributed

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to Apollo and immediately sold by Apollo to pay for such carried interest in cash. The following table presents the carried interest income earned from AAA Investments:

	For the Three Months Ended September 30, 2017	2016	For the Nine Months Ended September 30, 2017	2016
Carried interest income from AAA Investments, net ⁽¹⁾	\$14.5	\$5.5	\$27.0	\$16.5

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(1) Net of related profit sharing expense.

The following table presents the revenues earned in aggregate from Athene and AGER:

	For the Three Months Ended September 30, 2017	2016	For the Nine Months Ended September 30, 2017	2016
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(in millions)

Revenues earned in aggregate from Athene and AGER, net ⁽¹⁾	\$181.0	\$111.7	\$434.2	\$322.6
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Consisting of management fees, sub-advisory fees, carried interest income from Athene and AGER (net of related profit sharing expense) and changes in the market value of the Athene Holding shares owned directly by Apollo.

(1) These amounts exclude the deferred revenue recognized as management fees associated with the vesting of AHL Awards granted to employees of Apollo as further described in note 11.

The following table presents carried interest receivable and profit sharing payable from AAA Investments:

	As of September 30, 2017	As of December 31, 2016
Carried interest receivable	\$ 187,106	\$ 229,829
Profit sharing payable	53,689	80,579

The Company's economic ownership interest in Athene Holding is comprised of the following:

	As of September 30, 2017	(1)	As of December 31, 2016	(1)
Indirect interest in Athene Holding:				
Interest in AAA	2.2	%	2.2	%
Plus: Interest in AAA Investments	0.1	%	0.1	%
Total Interest in AAA and AAA Investments	2.3	%	2.3	%
Multiplied by: AAA Investments' interest in Athene Holding	26.2	%	39.4	%
Indirect interest in Athene Holding	0.5	%	0.9	%
Plus: Direct interest in Athene Holding	8.3	%	8.0	%
Total interest in Athene Holding	8.8	%	8.9	%

(1) Ownership interest percentages are based on approximate share count as of the reporting date.

AAA Investments Credit Agreement

On April 30, 2015, Apollo entered into a revolving credit agreement with AAA Investments ("AAA Investments Credit Agreement"). Under the terms of the AAA Investments Credit Agreement, the Company shall make available to AAA Investments one or more advances at the discretion of AAA Investments in the aggregate amount not to exceed a balance of \$10.0 million at an applicable rate of LIBOR plus 1.5%. The Company receives an annual commitment fee of 0.125% on the unused portion of the loan. As of September 30, 2017 and December 31, 2016, \$4.0 million had been advanced by the Company and remained outstanding on the AAA Investments Credit Agreement.

Regulated Entities

Apollo Global Securities, LLC ("AGS") is a registered broker dealer with the SEC and is a member of the Financial Industry Regulatory Authority, subject to the minimum net capital requirements of the SEC. AGS was in compliance with these requirements at September 30, 2017. From time to time, this entity is involved in transactions with related parties of Apollo, including portfolio companies of the funds Apollo manages, whereby AGS earns underwriting and transaction fees for its services.

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Other Transactions

The Company recognized \$6.2 million of other income in the condensed consolidated statement of operations from the assignment of a CLO collateral management agreement to a related party during the three months ended September 30, 2017.

14. COMMITMENTS AND CONTINGENCIES

Investment Commitments—As a limited partner, general partner and manager of the Apollo funds, Apollo had unfunded capital commitments as of September 30, 2017 and December 31, 2016 of \$1.5 billion and \$0.6 billion, respectively.

Debt Covenants—Apollo’s debt obligations contain various customary loan covenants. As of September 30, 2017, the Company was not aware of any instances of non-compliance with the financial covenants contained in the documents governing the Company’s debt obligations.

Guarantees—Apollo entered into an agreement to guarantee 20% of a consolidated VIE’s outstanding secured borrowings of \$90.5 million with a third party lending institution. The amount guaranteed by Apollo as of September 30, 2017 was \$18.1 million.

Litigation and Contingencies—Apollo is, from time to time, party to various legal actions arising in the ordinary course of business including claims and lawsuits, reviews, investigations or proceedings by governmental and self-regulatory agencies regarding its business.

Various state attorneys general and federal and state agencies have initiated industry-wide investigations into the use of placement agents in connection with the solicitation of investments, particularly with respect to investments by public pension funds. Certain affiliates of Apollo have received subpoenas and other requests for information from various government regulatory agencies and investors in Apollo’s funds, seeking information regarding the use of placement agents. California Public Employees’ Retirement System (“CalPERS”) announced on October 14, 2009, that it had initiated a special review of placement agents and related issues. The report of the CalPERS’ Special Review was issued on March 14, 2011. That report does not allege any wrongdoing on the part of Apollo or its affiliates. Apollo is continuing to cooperate with all such investigations and other reviews. In addition, on May 6, 2010, the California Attorney General filed a civil complaint against Alfred Villalobos and his company, Arvco Capital Research, LLC (“Arvco”) (a placement agent that Apollo has used) and Federico Buenrostro Jr., the former CEO of CalPERS, alleging conduct in violation of certain California laws in connection with CalPERS’s purchase of securities in various funds managed by Apollo and another asset manager. Apollo is not a party to the civil lawsuit and the lawsuit does not allege any misconduct on the part of Apollo. Likewise, on April 23, 2012, the SEC filed a lawsuit alleging securities fraud on the part of Arvco, as well as Messrs. Buenrostro and Villalobos, in connection with their activities concerning certain CalPERS investments in funds managed by Apollo. This lawsuit also does not allege wrongdoing on the part of Apollo, and alleges that Apollo was defrauded by Arvco, Villalobos, and Buenrostro. On March 14, 2013, the United States Department of Justice unsealed an indictment against Messrs. Villalobos and Buenrostro alleging, among other crimes, fraud in connection with those same activities; again, Apollo is not accused of any wrongdoing and in fact is alleged to have been defrauded by the defendants. The criminal action was set for trial in a San Francisco federal court in July 2014, but was put on hold after Mr. Buenrostro pleaded guilty on July 11, 2014. As part of Mr. Buenrostro’s plea agreement, he admitted to taking cash and other bribes from Mr. Villalobos in exchange for several improprieties, including attempting to influence CalPERS’ investing decisions and improperly preparing disclosure letters to satisfy Apollo’s requirements. There is no suggestion that Apollo was aware that Mr. Buenrostro had signed the letters with a corrupt motive. The government has indicated that they will file new charges against Mr. Villalobos incorporating Mr. Buenrostro’s admissions. On August 7, 2014, the government filed a superseding indictment against Mr. Villalobos asserting additional charges. Trial had been scheduled for February 23, 2015, but Mr. Villalobos passed away on January 13, 2015. Additionally, on April 15, 2013, Mr. Villalobos, Arvco and related entities (the “Arvco Debtors”) brought a civil action in the United States Bankruptcy Court for the District of Nevada (the “Bankruptcy Court”) against Apollo. The action is related to the ongoing bankruptcy proceedings of the Arvco

Debtors. This action alleges that Arvco served as a placement agent for Apollo in connection with several funds associated with Apollo, and seeks to recover purported fees the Arvco Debtors claim Apollo has not paid them for a portion of Arvco's placement agent services. In addition, the Arvco Debtors allege that Apollo has interfered with the Arvco Debtors' commercial relationships with third parties, purportedly causing the Arvco Debtors to lose business and to incur fees and expenses in the defense of various investigations and litigations. The Arvco Debtors also seek compensation from Apollo for these alleged lost profits and fees and expenses. The Arvco Debtors' complaint asserts various theories of recovery under the Bankruptcy Code and common law. Apollo denies the merit of all of the Arvco Debtors' claims and will vigorously contest them. The Bankruptcy Court had stayed this action pending the result in the criminal case against Mr. Villalobos but lifted the stay on May 1, 2015; in light of Mr. Villalobos's death, the criminal case was dismissed. On August 25, 2016, Christina Lovato, in her capacity as the

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Chapter 7 Trustee for the Arvco Debtors, filed an amended complaint. On March 20, 2017, the court granted Apollo's motion to dismiss the equitable claims asserted in the amended complaint, leaving just two breach of contract claims remaining. On October 20, 2017, Apollo moved for summary judgment as to the trustee's remaining claims and a counterclaim by Apollo that seeks indemnification for attorneys' fees and expenses. No estimate of possible loss, if any, can be made at this time.

On June 18, 2014, BOKF N.A. (the "First Lien Trustee"), the successor indenture trustee under the indenture governing the First Lien Notes issued by Momentive Performance Materials, Inc. ("Momentive"), commenced a lawsuit in the Supreme Court for the State of New York, New York County against AGM and members of an ad hoc group of Second Lien Noteholders (including, but not limited to, Euro VI (BC) S.a.r.l.). The First Lien Trustee amended its complaint on July 2, 2014 (the "First Lien Intercreditor Action"). In the First Lien Intercreditor Action, the First Lien Trustee seeks, among other things, a declaration that the defendants violated an intercreditor agreement entered into between holders of the First Lien Notes and holders of the second lien notes. On July 16, 2014, the successor indenture trustee under the indenture governing the 1.5 Lien Notes (the "1.5 Lien Trustee," and, together with the First Lien Trustee, the "Indenture Trustees") filed an action in the Supreme Court of the State of New York, New York County that is substantially similar to the First Lien Intercreditor Action (the "1.5 Lien Intercreditor Action," and, together with the First Lien Intercreditor Action, the "Intercreditor Actions"). AGM subsequently removed the Intercreditor Actions to federal district court, and the Intercreditor Actions were automatically referred to the Bankruptcy Court adjudicating the Momentive chapter 11 bankruptcy cases. The Indenture Trustees then filed motions with the Bankruptcy Court to remand the Intercreditor Actions back to the state court (the "Remand Motions"). On September 9, 2014, the Bankruptcy Court denied the Remand Motions. On August 15, 2014, the defendants in the Intercreditor Actions (including AGM) filed a motion to dismiss the 1.5 Lien Intercreditor Action and a motion for judgment on the pleadings in the First Lien Intercreditor Action (the "Dismissal Motions"). On September 30, 2014, the Bankruptcy Court granted the Dismissal Motions. In its order granting the Dismissal Motions, the Bankruptcy Court gave the Indenture Trustees until mid-November 2014 to move to amend some, but not all, of the claims alleged in their respective complaints. On November 14, 2014, the Indenture Trustees moved to amend their respective complaints pursuant to the Bankruptcy Court's order (the "Motions to Amend"). On January 9, 2015, the defendants filed their oppositions to the Motions to Amend. On January 16, 2015, the Bankruptcy Court denied the Motions to Amend (the "Dismissal Order"), but gave the Indenture Trustees until March 2, 2015 to seek to amend their respective complaints. On March 2, 2015, the First Lien Trustee filed a motion seeking to amend its complaint. On April 10, 2015, the defendants, including AGM and Euro VI (BC) S.a.r.l., filed an opposition to the First Lien Trustee's motion to amend. Instead of moving again to amend its complaint, the 1.5 Lien Trustee chose to appeal the Dismissal Order (the "1.5 Lien Appeal"). On March 30, 2015, the 1.5 Lien Trustee filed its Statement of Issues and Designation of Record on Appeal. On March 31, 2015, because the legal issues presented in the 1.5 Lien Appeal are substantially similar to those presented in the First Lien Intercreditor Action, the parties in the 1.5 Lien Appeal submitted a joint stipulation and proposed order to the District Court staying the briefing schedule on the 1.5 Lien Appeal pending the outcome of the First Lien Trustee's most recent motion to amend. On April 13, 2015, the Defendants filed their Counter-Designation of the Record on Appeal in the 1.5 Lien Appeal. On May 8, 2015, the Bankruptcy Court denied the motion to amend filed on March 2, 2015 by the First Lien Trustee. On May 27, 2015, the First Lien Trustee filed a notice of appeal from the orders of the Bankruptcy Court dismissing the First Lien Intercreditor Action and denying the First Lien Trustee's motions to amend (the "First Lien Appeal"). On June 2, 2015, the First Lien Trustee filed its Statement of Issues and Designation of Record on Appeal. On June 24, 2015, the defendants filed their Counter-Designation of the Record on Appeal in the First Lien Appeal. On July 31, 2015, the 1.5 Lien Trustee sent a letter to the federal district court hearing the 1.5 Lien Appeal asking the court to consolidate the 1.5 Lien Appeal with the First Lien Appeal which had been assigned to a different judge (the "Consolidation Request"). On April 8, 2016, the court granted the Consolidation Request. On May 20, 2016, the Indenture Trustees filed their opening appellate brief.

The Appellees filed their response brief on July 14, 2016, and the Indenture Trustees filed their reply brief on August 5, 2016. On October 2, 2017, the court stayed the Intercreditor Actions pending a decision by the U.S. Court of Appeals for the Second Circuit in an appeal concerning the Momentive chapter 11 bankruptcy cases. On October 20, 2017, the Second Circuit issued its ruling in the appeal concerning the Momentive chapter 11 bankruptcy cases, but no further proceedings have been held in the Intercreditor Actions. Apollo is unable at this time to assess a potential risk of loss. In addition, Apollo does not believe that AGM is a proper defendant in these actions.

As at September 30, 2017, there still were several pending actions concerning transactions related to Caesars Entertainment Corporation (“Caesars Entertainment”), Caesars Entertainment Operating Company, Inc. (“CEOC”) and certain of their respective subsidiaries. However, on October 6, 2017 all of the conditions precedent to the effectiveness of the Plan (as defined below in A.) were fulfilled and the Plan became effective. As a result, the cases referred to below in B., C., D., F., G. and H. have been dismissed with prejudice (the case referred to below in E. had previously been dismissed) and the release of claims running in favor of the Apollo Released Parties (as defined below in A.) have become effective. The descriptions of the cases set forth below are as at September 30, 2017 and are subject to this post-September 30, 2017 update.

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A. In re: Caesars Entertainment Operating Company, Inc. bankruptcy proceedings, No. 15-01145 (N.D. Ill. Bankr.) (the “Illinois Bankruptcy Action”). On January 17, 2017, an order was entered in the Illinois Bankruptcy Action confirming a plan of reorganization for CEOC and its debtor subsidiaries (the “Plan”) which, inter alia, grants broad releases to Apollo and others. The Plan is likely to become effective in the third quarter of 2017 after the conditions to its effectiveness have been satisfied. On the effective date of the Plan (the “Plan Effective Date”), the Apollo Released Parties (as defined below) will be released from the claims in the WSFS Action, the UMB Action, the Trilogy Action, the Danner Action, the BOKF Action, the UMB SDNY Action, the Wilmington Trust Action and the CEOC Action (each as defined below).

Background: On January 12, 2015, three holders of CEOC second lien notes filed an involuntary bankruptcy petition against CEOC in the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Action”). On January 15, 2015, CEOC and certain of its affiliates (collectively the “Debtors”) filed the Illinois Bankruptcy Action under Chapter 11 in the Northern District of Illinois. On February 2, 2015, the court in the Delaware Bankruptcy Action ordered that all bankruptcy proceedings relating to the Debtors should take place in the Illinois Bankruptcy Action. The Illinois Bankruptcy Court held an evidentiary hearing to determine whether the Debtors’ petition date was January 12, 2015 or January 15, 2015; this motion has not yet been ruled on by the Illinois Bankruptcy Court, and pursuant to the Plan this motion will be dismissed as moot. Certain of the Debtors’ creditors indicated in filings with the Illinois Bankruptcy Court that an investigation into certain acts and transactions that predated the Debtors’ bankruptcy filing could lead to claims against a number of parties, including AGM and certain of its affiliates. No such claims were brought by the Debtors’ prepetition creditors against Apollo in the Illinois Bankruptcy Action. On May 13, 2016, the Official Committee of Second Priority Noteholders (the “Second Lien Noteholders Committee”) filed a motion seeking an Order granting it standing to commence, prosecute and settle claims on behalf of the Debtors’ estates (the “Standing Motion”). The proposed complaint filed with the Standing Motion names Apollo and many others as defendants (see also “H” below). On or about September 27, 2016, Caesars Entertainment and the Debtors announced that they had received confirmations from representatives of the Debtors’ major creditor groups of those groups’ support for a term sheet that describes the key economic terms of a proposed consensual chapter 11 plan for the Debtors. On October 4, 2016, the Debtors filed the Third Amended Joint Plan of Reorganization which subsequently was amended and became the Plan. As part of the Plan, and in connection with the merger between Caesars Entertainment and Caesars Acquisition Company (“CAC”), funds managed by Apollo will not retain any of their equity interests in the merged Caesars Entertainment on account of their pre-merger Caesars Entertainment shares. Such equity interests would, instead, be for the benefit of CEOC’s creditors. Funds managed by Apollo will, however, retain their equity interests in the merged Caesars Entertainment on account of their CAC shares. The voting deadline on the Plan was November 21, 2016, and approximately 90% in dollar amount of the Debtors’ creditors voted in favor of the Plan. On October 17, 2016, the Bankruptcy Court granted the Debtors’ requested injunction of the WSFS, Trilogy, Danner, UMB, Wilmington Trust and BOKF Actions (defined below “B”, “C”, “D”, “F” and “G”) (the “105 Injunction”) through the first omnibus hearing after Plan confirmation, and by order dated January 26, 2017 the 105 Injunction was extended to, inter alia, the Plan Effective Date. At the confirmation hearing, no creditor presented any objection to the Plan. As noted above, the Plan was confirmed by the Illinois Bankruptcy Court and will become effective after the conditions to its effectiveness have been satisfied. The Plan provides several parties, including, AGM and certain of its affiliates (collectively referred to as the “Apollo Released Parties”) with a release of claims that the Debtors and the Debtors’ creditors have or may have against any or all of the Apollo Released Parties, including those described below in the WSFS Action, the Trilogy Action, the Danner Action, the UMB Action, the BOKF Action, the Wilmington Trust Action and the CEOC Action.

B. Wilmington Savings Fund Society, FSB v. Caesars Entertainment Corp. et al., No. 10004-CVG (Del. Ch.) (the “WSFS Action”). On August 4, 2014, Wilmington Savings Fund Society, FSB (“WSFS”), as trustee for certain CEOC second-lien notes, sued Caesars Entertainment, CEOC, other Caesars Entertainment-affiliated entities, and certain

of Caesars Entertainment's directors, including Marc Rowan, Eric Press, David Sambur (each an Apollo Partner) and Jeffrey Benjamin (a consultant to Apollo), in Delaware's Court of Chancery (the "Delaware Court"). WSFS (i) asserts claims (against some or all of the defendants) for fraudulent conveyance, breach of fiduciary duty, breach of contract, corporate waste, and aiding and abetting related to certain transactions among CEOC and certain of its subsidiaries and Caesars Entertainment and certain of its affiliates, and (ii) requests (among other things) that the Delaware Court unwind the challenged transactions and award damages. WSFS served a subpoena for documents on Apollo on September 11, 2014, but Apollo's response was stayed during the pendency of motions to dismiss under a September 23, 2014 stipulated order. On March 18, 2015, the Delaware Court denied Defendants' motion to dismiss. Apollo served responses and objections to WSFS'

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subpoena on March 25, 2015. Caesars Entertainment answered the complaint on April 1, 2015. During the pendency of CEOC's bankruptcy proceedings, the WSFS Action has been automatically stayed with respect to CEOC. WSFS additionally advised the Illinois Bankruptcy Court that, during CEOC's bankruptcy proceedings, WSFS would only pursue claims in the WSFS Action relating to whether Caesars Entertainment remains liable on a guarantee of certain of CEOC's second priority notes. On July 17, 2015, WSFS served supplemental subpoenas to several entities affiliated with AGM, and AGM and these entities have substantially completed their production of non-privileged documents responsive to those subpoenas. On March 11, 2016, WSFS filed a motion for partial summary judgment (the "Summary Judgment Motion") on its breach of contract claim against Caesars Entertainment. On April 25, 2016, Caesars Entertainment filed a joint Cross-Motion for Partial Summary Judgment and answering brief in opposition to WSFS' Summary Judgment Motion (the "Cross-Motion"). WSFS filed its joint reply and opposition to Caesars Entertainment's Cross-Motion on May 25, 2016, and Caesars Entertainment filed a reply to WSFS' opposition on June 9, 2016. On June 15, 2016, the Illinois Bankruptcy Court issued a temporary restraining order and preliminary injunction pursuant to Section 105(a) of the Bankruptcy Code enjoining the plaintiffs in the WSFS Action from prosecuting actions against Caesars Entertainment until August 29, 2016. On October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the WSFS Action initially through the first omnibus hearing after Plan confirmation, and now through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the WSFS Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

C. Trilogy Portfolio Company, L.L.C., et al. v. Caesars Entertainment Corp., et al., No. 14-cv-7091 (S.D.N.Y.) (the "Trilogy Action"). On September 3, 2014, institutional investors allegedly holding approximately \$137 million in CEOC unsecured senior notes sued CEOC and Caesars Entertainment in federal court in New York (the "New York Court") for breach of contract and the implied covenant of good faith, Trust Indenture Act ("TIA") violations, and a declaratory judgment challenging the August 2014 private financing transaction in which a portion of outstanding senior unsecured notes were purchased by Caesars Entertainment, and a majority of the noteholders agreed to amend the indenture to terminate Caesars Entertainment's guarantee of the notes and modify certain restrictions on CEOC's ability to sell assets. Caesars Entertainment and CEOC filed a motion to dismiss on November 12, 2014. On January 15, 2015, the New York Court granted the motion with respect to a TIA claim by Trilogy but otherwise denied the motion. On January 30, 2015, plaintiffs filed an amended complaint seeking relief against Caesars Entertainment only, and Caesars Entertainment answered on February 12, 2015. On October 2, 2014, a related putative class action complaint was filed on behalf of the holders of these notes captioned Danner v. Caesars Entertainment Corp., et al., No. 14-cv-7973 (S.D.N.Y.) (the "Danner Action"), against Caesars Entertainment alleging claims similar to those in the Trilogy Action. On February 19, 2015, plaintiffs filed an amended complaint, and Caesars Entertainment answered the amended complaint on February 25, 2015. In March 2015, each of Trilogy and Danner served subpoenas for documents on Apollo. Apollo produced responsive, non-privileged documents in response to those subpoenas. In July 2015, Trilogy and Danner served subpoenas for depositions on Apollo and those depositions were completed on September 22, 2015. On October 23, 2015, Trilogy and Danner filed motions for partial summary judgment, related to TIA and breach of contract claims. On December 29, 2015, the New York Court denied the motions for partial summary judgment. On March 23, 2016, the judge presiding over the Trilogy and Danner Actions announced that she was retiring from the bench effective April 28, 2016. A new judge was assigned to preside over the Trilogy and Danner Actions (in addition to the BOKF, UMB SDNY and Wilmington Trust Actions, defined below). On April 6, 2016, the parties agreed to a renewed summary judgment schedule for the Trilogy, Danner, BOKF, UMB SDNY (as defined below) and Wilmington Trust Actions. The moving parties submitted their briefs to the New York Court on May 10, 2016. Opposition briefs were filed on May 31, 2016. Reply briefs were filed on June 14, 2016. On June 15, 2016, the Illinois Bankruptcy Court issued a temporary restraining order and preliminary injunction pursuant to Section 105(a) of the Bankruptcy Code, enjoining the

plaintiffs in the Trilogy and Danner Actions from prosecuting actions against Caesars Entertainment until August 29, 2016. On October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction, staying the Trilogy and Danner Actions initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the Trilogy and Danner Actions. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

UMB Bank v. Caesars Entertainment Corporation, et al., No. 10393 (Del. Ch.) (the “UMB Action”). On November 25, 2014, UMB Bank, as trustee for certain CEOC notes, sued Caesars Entertainment, CEOC, other Caesars Entertainment-affiliated entities and certain of Caesars Entertainment’s directors, including Marc Rowan, Eric Press, D. David Sambur (each an Apollo Partner) and Jeffrey Benjamin (an Apollo consultant), in the Delaware Court. The UMB Action alleges claims for actual and constructive fraudulent conveyance and transfer, insider preferences, illegal dividends, breach of contract, intentional interference with contractual relations, breach of fiduciary duty, aiding and abetting breach of fiduciary

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duty, usurpation of corporate opportunities, and unjust enrichment. The UMB Action seeks appointment of a receiver for CEOC, a constructive trust and other relief. The UMB Action has been assigned to the same judge overseeing the WSFS Action. The UMB Action has effectively been stayed since April 7, 2016, and on October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the UMB Action initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the UMB Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

Koskie v. Caesars Acquisition Company, et al., No. A-14-711712-C (Clark Cnty Nev. Dist. Ct.) (the “Koskie Action”). On December 30, 2014, Nicholas Koskie brought a shareholder class action on behalf of shareholders of Caesars Acquisition Company (“CAC”) against CAC, Caesars Entertainment, and members of CAC’s Board of Directors, including Marc Rowan and David Sambur (each an Apollo partner). The lawsuit challenges CAC’s and Caesars Entertainment’s plan to merge, alleging that the proposed transaction will not give CAC shareholders fair value. Koskie asserts claims for breach of fiduciary duty relating to the director defendants’ interrelationships with the entities involved the proposed transaction. The case has been dismissed for failure to prosecute, and the time granted to the plaintiff to refile has passed without there being any refileing.

E. BOKF, N.A. v. Caesars Entertainment Corporation, No. 15-156 (S.D.N.Y) (the “BOKF Action”). On March 3, 2015, BOKF, N.A., as trustee for certain CEOC notes, sued Caesars Entertainment in the New York Court. The lawsuit alleges claims for breach of contract, intentional interference with contractual relations and a declaratory judgment, and seeks to enforce Caesars Entertainment’s guarantee of certain CEOC notes. The BOKF Action has been assigned to the same judge in the New York Court as the Trilogy and Danner Actions. On March 25, 2015, Caesars Entertainment filed an answer to the complaint. On May 19, 2015, BOKF sent the New York Court a letter requesting permission to file a partial summary judgment motion on Counts II and V of its complaint, related to the validity and enforceability of Caesars Entertainment’s guarantee of certain notes issued by CEOC and alleged violations of the Trust Indenture Act, 15 U.S.C. §§ 76aaa, et seq. The Trilogy and Danner plaintiffs did not join BOKF’s request to file for partial summary judgment. On May 28, 2015, the New York Court granted BOKF permission to move for partial summary judgment. On June 15, 2015, another related complaint captioned UMB Bank, N.A. v. Caesars Entertainment Corp., et al., No. 15-cv-4634 (S.D.N.Y.) (the “UMB SDNY Action”) was filed by UMB Bank, N.A., solely in its capacity as Indenture Trustee of certain first lien notes (“UMB”), against Caesars Entertainment alleging claims similar to those alleged in the BOKF, Trilogy and Danner Actions. On June 16, 2015, UMB sent a letter to the New York Court requesting permission to file a partial summary judgment motion on the same schedule with BOKF. On June 26, 2015, BOKF and UMB filed partial summary judgment motions (the “Partial Summary Judgment Motions”). On July 24, 2015, Caesars Entertainment filed its opposition to the Partial Summary Judgment Motions, and on August 7, 2015, BOKF and UMB filed reply briefs in further support of the Partial Summary Judgment Motions. On August 27, 2015, the New York Court denied the Partial Summary Judgment Motions and certified its opinion for an interlocutory appeal to the United States Court of Appeals for the Second Circuit. On December 22, 2015, the Second Circuit declined to hear the interlocutory appeal. Separately, on November 20, 2015, BOKF and UMB filed a second set of motions for partial summary judgment, on the issue of the disputed contract interpretation related to indenture release provisions. On January 5, 2016 the New York Court denied these motions. At a hearing on February 22, 2016, the New York Court bifurcated the trial in the BOKF and UMB SDNY Actions and scheduled the trial on the breach of contract and TIA claims to begin on March 14, 2016. The New York Court ordered a separate trial on the claims for breach of the covenant of good faith and fair dealing and tortious interference with contract to begin at a later date to be determined. On February 26, 2016, the Illinois Bankruptcy Court granted the stay request as to the BOKF Action until May 9, 2016, resulting in a stay of the trial on the breach of contract and TIA claims in the BOKF and UMB SDNY Actions. On February 24, 2016, Caesars Entertainment filed a motion for partial summary judgment to dispose of the claims for (1) breach of the implied

covenant of good faith and fair dealing brought by BOKF and UMB, and (2) intentional interference with contractual relations brought by BOKF. The moving parties submitted their briefs on May 10, 2016. Opposition briefs were filed on May 31, 2016. Reply briefs were filed on June 14, 2016. On June 15, 2016, the Illinois Bankruptcy Court issued a temporary restraining order and preliminary injunction pursuant to Section 105(a) of the Bankruptcy Code, enjoining the plaintiffs in the BOKF Action from prosecuting actions against Caesars Entertainment until August 29, 2016. On October 17, 2016, after several motions and appeals relating to extending the stay past August 29, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the BOKF Action initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the BOKF Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

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Wilmington Trust, National Association v. Caesars Entertainment Corporation, No. 15-cv-08280 (S.D.N.Y.) (the “Wilmington Trust Action”). On October 20, 2015, Wilmington Trust, N.A., solely in its capacity as Indenture Trustee for the 10.75% Notes due 2016 (“Wilmington Trust”), sued Caesars Entertainment in the New York Court alleging claims similar to those alleged in the BOKF, UMB, Trilogy, and Danner Actions. The parties cross-moved for partial summary judgment on the same schedule as the Trilogy Action. Caesars Entertainment argued that its actions did not violate the TIA and that its guarantee of the 10.75% Notes was automatically released under a certain clause contained in the indenture governing the 10.75% Notes. Wilmington Trust argued that Caesars Entertainment’s actions constituted an improper out-of-court reorganization under the TIA and that Caesars Entertainment’s guarantee was not released because the necessary conditions precedent did not occur. Although the temporary restraining order and preliminary injunction issued by the Illinois Bankruptcy Court did not apply to the Wilmington Trust Action, on July 6, 2016, Wilmington Trust and Caesars Entertainment filed a stipulation staying the Wilmington Trust Action until August 29, 2016. The New York Court scheduled oral argument for August 30, 2016. A motion was made by CEOC and the other Debtors to the Illinois Bankruptcy Court to extend the stay beyond August 29, 2016, which motion was denied. On October 17, 2016, the Illinois Bankruptcy Court granted the 105 Injunction staying the Wilmington Trust Action initially through the first omnibus hearing after Plan confirmation and now by order dated January 26, 2017 through, inter alia, the Plan Effective Date. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the Wilmington Trust Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

CEOC v. Caesars Entertainment et al., Illinois Bankruptcy Court (the “CEOC Action”). On or about August 9, 2016, CEOC and certain of the other Debtors commenced a “placeholder” lawsuit against Caesars Entertainment, AGM, Caesars Entertainment directors (including Messrs. Rowan, Sambur, Press and Benjamin) and certain of its officers, H. and many others to, inter alia, prevent the statute of limitations from running respecting any claim owned by a Debtor’s estate. This lawsuit basically asserts the claims identified in the Examiner’s Report and has been stayed by an order of the Bankruptcy Court. Pursuant to the Plan, the Apollo Released Parties will be released from all claims relating to the CEOC Action. As aforementioned, the Plan was confirmed by an order dated January 17, 2017.

Apollo believes that the claims in the WSFS Action, the UMB Action, the Trilogy Action, the Danner Action, the Koskie Action, the BOKF Action, the UMB SDNY Action, the Wilmington Trust Action and the CEOC Action are without merit. For this reason, and because the confirmed Plan has not become effective yet, no reasonable estimate of possible loss, if any, can be made at this time.

The Bankruptcy Court administering the CEOC bankruptcy proceedings appointed an examiner (the “Examiner”) to report on certain transactions engaged in by CEOC and certain of its subsidiaries. The Examiner issued his report on March 16, 2016. The Examiner’s report states that potential claims may exist against “Apollo” and persons affiliated with it relating to certain transactions that occurred in the years preceding CEOC’s bankruptcy filing, principally relating to Bankruptcy Code fraudulent conveyance claims as well as aiding and abetting claims. Apollo and persons affiliated with it deny any wrongdoing and deny any liability in connection with such transactions, and if any new claim is asserted against any of them, such claim will be vigorously contested.

Following the January 16, 2014 announcement that CEC Entertainment, Inc. (“CEC”) had entered into a merger agreement with certain entities affiliated with Apollo (the “Merger Agreement”), four putative shareholder class actions were filed in the District Court of Shawnee County, Kansas on behalf of purported stockholders of CEC against, among others, CEC, its directors and Apollo and certain of its affiliates, which include Queso Holdings Inc., Q Merger Sub Inc., Apollo Management VIII, L.P., and AP VIII Queso Holdings, L.P. The first purported class action, which is captioned Hilary Coyne v. Richard M. Frank et al., Case No. 14C57, was filed on January 21, 2014 (the “Coyne Action”). The second purported class action, which was captioned John Solak v. CEC Entertainment, Inc. et al., Civil Action No. 14C55, was filed on January 22, 2014 (the “Solak Action”). The Solak Action was dismissed for lack of prosecution on October 14, 2014. The third purported class action, which is captioned Irene Dixon v. CEC

Entertainment, Inc. et al., Case No. 14C81, was filed on January 24, 2014 and additionally names as defendants Apollo Management VIII, L.P. and AP VIII Queso Holdings, L.P. (the “Dixon Action”). The fourth purported class action, which is captioned Louisiana Municipal Public Employees’ Retirement System v. Frank, et al., Case No. 14C97, was filed on January 31, 2014 (the “LMPERS Action”) (together with the Coyne and Dixon Actions, the “Shareholder Actions”). A fifth purported class action, which was captioned McCullough v. Frank, et al., Case No. CC-14-00622-B, was filed in the County Court of Dallas County, Texas on February 7, 2014. This action was dismissed for want of prosecution on May 21, 2014. Each of the Shareholder Actions alleges, among other things, that CEC’s directors breached their fiduciary duties to CEC’s stockholders in connection with their consideration and approval of the Merger Agreement, including by agreeing to an inadequate price, agreeing to impermissible deal protection devices, and filing materially deficient disclosures regarding the transaction. Each of the Shareholder Actions

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further alleges that Apollo and certain of its affiliates aided and abetted those alleged breaches. As filed, the Shareholder Actions seek, among other things, rescission of the various transactions associated with the merger, damages and attorneys' and experts' fees and costs. On February 7, 2014 and February 11, 2014, the plaintiffs in the Shareholder Actions pursued a consolidated action for damages after the transaction closed. Thereafter, the Shareholder Actions were consolidated under the caption In re CEC Entertainment, Inc. Stockholder Litigation, Case No. 14C57, and the parties engaged in limited discovery. On July 21, 2015, a consolidated class action complaint was brought by Twin City Pipe Trades Pension Trust in the Shareholder Actions that did not name as defendants Apollo, Queso Holdings Inc., Q Merger Sub Inc., Apollo Management VIII, L.P., or AP VIII Queso Holdings, L.P., continued to assert claims against CEC and its former directors, and added The Goldman Sachs Group Inc. ("Goldman Sachs") as a defendant. The consolidated complaint alleges, among other things, that CEC's former directors breached their fiduciary duties to CEC's stockholders by conducting a deficient sales process, agreeing to impermissible deal protection devices, and filing materially deficient disclosures regarding the transaction. It further alleges that two members of the board who also served as the senior managers of CEC had material conflicts of interest and that Goldman Sachs aided and abetted the board's breaches as a result of various conflicts of interest facing the bank. The consolidated complaint seeks, among other things, to recover damages, attorneys' fees and costs. On October 22, 2015, the parties to the consolidated action moved to dismiss the complaint. On March 1, 2017, the special master appointed by the Kansas court to oversee pre-trial proceedings recommended that the Kansas court grant defendants' motions to dismiss the complaint. On March 30, 2017, plaintiff moved for leave to amend the consolidated complaint. The proposed amended consolidated complaint does not name as defendants CEC or its former directors, and purports to substitute Goldman, Sachs & Co. in place of the Goldman Sachs Group Inc. on the claim for aiding and abetting breach of fiduciary duty. On June 1, 2017, the Court granted the parties' joint motion to dismiss all claims against CEC and the former directors, and dismissed the former CEC directors from the action. Although Apollo cannot predict the ultimate outcome of the consolidated action, and therefore no reasonable estimate of possible loss, if any, can be made at this time, Apollo believes that such action is without merit.

After the announcement of the execution of the Agreement and Plan of Merger among Apollo Commercial Real Estate Finance, Inc., Apollo Residential Mortgage, Inc. and Arrow Merger Sub, Inc. ("Merger Sub"), two putative class action lawsuits challenging the proposed merger, captioned Aivasian v. Apollo Residential Mortgage, Inc., et al., No. 24-C-16-001532, and Wiener v. Apollo Residential Mortgage, Inc., et al., No. 24-C-16-001837, were filed in the Circuit Court for Baltimore City. A putative class and derivative lawsuit was later filed in the same Court, captioned Crago v. Apollo Residential Mortgage, Inc., et al., No. 24-C-16-002610. Following a hearing on May 6, 2016, the Court entered orders among other things, consolidating the three actions under the caption In Re Apollo Residential Mortgage, Inc. Shareholder Litigation, Case No.: 24-C-16-002610. The plaintiffs have designated the Crago complaint as the operative complaint. The operative complaint includes both direct and derivative claims, names as defendants AGM, AMTG, the board of directors of AMTG (the "AMTG Board"), ARI, Merger Sub and Athene Holding and alleges, among other things, that the members of the AMTG Board breached their fiduciary duties to AMTG's stockholders and that the other defendants aided and abetted such fiduciary breaches. The operative complaint further alleges, among other things, that the proposed merger involves inadequate consideration, was the result of an inadequate and conflicted sales process, and includes unreasonable deal protection devices that purportedly preclude competing offers. It also alleges that the transactions with Athene Holding are unfair and that the registration statement on Form S-4 filed with the SEC on April 6, 2016 contains materially misleading disclosures and omits certain material information. The operative complaint seeks, among other things, certification of the proposed class, declaratory relief, preliminary and permanent injunctive relief, including enjoining or rescinding the merger, unspecified damages, and an award of other unspecified attorneys' and other fees and costs. On May 6, 2016, counsel for the plaintiffs filed with the Court a stipulation seeking the appointment of interim co-lead counsel, which stipulation was approved by the Court on June 9, 2016. Defendants' motions to dismiss were fully briefed on October

31, 2016, and oral argument was held on December 8, 2016. On August 14, 2017, the Court granted the defendants' motions and issued an opinion dismissing the operative complaint in its entirety with prejudice. The time to appeal the order dismissing the lawsuit has expired, and no appeals have been filed.

On March 4, 2016, the Public Employees Retirement System of Mississippi filed a putative securities class action against Sprouts Farmers Market, Inc. ("SFM"), several SFM directors (including Andrew Jhawar, an Apollo partner), AP Sprouts Holdings, LLC and AP Sprouts Holdings (Overseas), L.P. (the "AP Entities"), which are controlled by entities managed by Apollo affiliates, and two underwriters of a March 2015 secondary offering of SFM common stock. The AP Entities sold SFM common stock in the March 2015 secondary offering. The complaint, filed in Arizona Superior Court and captioned Public Employees Retirement System of Mississippi v. Sprouts Farmers Market, Inc. (CV2016-050480), alleges that SFM filed a materially misleading registration statement for the secondary offering that incorporated alleged misrepresentations in SFM's 2014 annual report regarding SFM's business prospects, and failed to disclose alleged accelerating produce deflation. The two causes of action against the AP Entities are for alleged violations of Sections 11 and 15 of the Securities Act of 1933. Plaintiff seeks, among other things, compensatory damages for alleged losses sustained from a decline in SFM's stock price. Defendants removed the case to United

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States District Court for the District of Arizona, but the court granted plaintiff's motion to remand the case to state court, which the defendants have appealed. Meanwhile, defendants moved to dismiss the action in state court, but the court denied that motion and the case is proceeding to discovery. Because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Between February 25 and March 23, 2016, plaintiffs filed five putative class actions in the Superior Court of Maricopa County, Arizona, on behalf of purported stockholders of Apollo Education Group, Inc. ("AEG") asserting claims for breaches of fiduciary duties and aiding and abetting the alleged breaches in connection with a proposed acquisition of AEG. The defendants include, among others, AEG, members of AEG's board of directors, AGM, Fund VIII, and certain subsidiaries of funds managed by Apollo. On April 12, 2016, the Court consolidated all the actions under the following caption: In re Apollo Education Group, Inc. Shareholder Litigation, Lead Case No.

CV2016-001905 (Ariz. Super. Ct.). Shortly thereafter, the parties informed the Court that they had entered into a memorandum of understanding for a settlement that would, among other things, (i) provide for the dismissal with prejudice on the merits and release of any and all claims by the proposed class against the Defendants; and (ii) recognize that the pendency of the suit was, in part, a factor in the decision by the purchasers of AEG to increase the price offered to acquire all of the outstanding shares of AEG's common stock from \$9.50 per share to \$10.00 per share. On April 10, 2017, the parties filed settlement papers for the Court's review following the consummation of the merger agreement on February 1, 2017, the completion by plaintiffs of three confirmatory discovery depositions on February 27, 2017, and the execution of a stipulation of settlement by the parties. On October 6, 2017, the Court entered an Order and Final Judgment in which it (i) decreed that the class notice had been provided to the proposed class pursuant to and in the manner directed by the Order for Notice and Hearing entered on May 23, 2017 and June 29, 2017, (ii) certified the non-opt-out settlement class, and (iii) fully and finally approved the settlement in all respects, including the dismissal of the action with prejudice in full and final discharge of any and all claims by the class against the defendants. The Order and Final Judgment further provides for the agreed upon award of \$2.1 million to plaintiffs' counsel for fees and expenses and that amount has in fact been paid by Apollo Education Group.

On June 20, 2016 Banca Carige S.p.A. ("Carige") commenced a lawsuit in the Court of Genoa (Italy) (No. 8965/2016), against its former Chairman, its former Chief Executive Officer, AGM and certain entities (the "Apollo Entities") organized and owned by investment funds managed by affiliates of AGM. The complaint alleges that AGM and the Apollo Entities (i) aided and abetted breaches of fiduciary duty to Carige allegedly committed by Carige's former Chairman and former CEO in connection with the sale to the Apollo Entities of Carige subsidiaries engaged in the insurance business; and (ii) took wrongful actions aimed at weakening Banca Carige's financial condition supposedly to facilitate an eventual acquisition of Carige. The causes of action are based in tort under Italian law. Carige purportedly seeks damages of €450 million in connection with the sale of the insurance businesses and €800 million for other losses. The first hearings were held on May 17, 2017 and on June 14, 2017. Based on the allegations made in the complaint, Apollo believes that there is no merit to Carige's claims. Additionally, as the case is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On December 12, 2016, the CORE Litigation Trust (the "Trust"), which was created under the Chapter 11 reorganization plan for CORE Media and other affiliated entities, including CORE Entertainment, Inc. ("CORE"), approved by the Southern District of New York Bankruptcy Court on September 22, 2016, commenced an action in California Superior Court for Los Angeles County, captioned Core Litigation Trust v. Apollo Global Management, LLC, et al., Case No. BC 643732, which was removed to the United States District Court for the Central District of California on February 3, 2017. On April 5, 2017, the C.D. Cal. District Court granted Defendants' motion to transfer the case to the Southern District of New York ("SDNY") and denied the Trust's motion to remand the action to California state court, without prejudice to the Trust refiling its remand motion in the SDNY. On April 20, 2017, the SDNY District Court referred the case to the SDNY Bankruptcy Court. On July 17, 2017, the SDNY Bankruptcy Court granted the Trust's motion for mandatory abstention and remanded the case to Los Angeles County Superior

Court. On October 3, 2017, the Los Angeles County Superior Court granted defendants' motion to stay all proceedings in the California state court action on forum non conveniens grounds in favor of litigating the case in New York state court. The Trust has not yet filed an action in New York state court. The Trust's complaint asserts claims for inducing the breach of and tortiously interfering with \$360 million in loans under the 2011 loan agreements entered into between CORE and certain First and Second Lien Lenders (the "Lenders"), who assigned their loan-agreement claims to the Trust as part of CORE's Chapter 11 plan of reorganization. The complaint names as defendants: (i) AGM, (ii) Apollo Global Securities, LLC, (iii) other AGM subsidiaries, (iv) the funds managed by Apollo that were the beneficial owners of CORE Media (the "CORE Funds"), (v) certain affiliated-entities through which the CORE Funds owned their beneficial interest in CORE Media, (vi) Twenty-First Century Fox, Inc. ("Fox") and certain Fox affiliates, and (vii) Endemol USA Holding, Inc. ("Endemol") and certain Endemol-affiliated entities. The Trust alleges that defendants' participation in certain transactions related to CORE, including the December 12, 2014 formation of the joint venture through which the CORE Funds and Fox beneficially owned CORE Media and Endemol Shine, induced CORE to breach the loan agreements and tortiously interfered with CORE's performance of its obligations under the loan agreements. The Trust seeks unspecified

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compensatory and punitive damages. Apollo believes these claims are without merit. Because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

In December 2016, the Company received a subpoena from the SEC principally concerning the Company's disclosure of IRR calculations for certain private equity funds, costs associated with a European service provider, and certain personnel changes. These topics generally track matters with which the Company is familiar and has previously examined. The Company is fully cooperating with the SEC in this matter.

On August 3, 2017, a putative class action was commenced in the United States District Court for the Middle District of Florida against AGM, Gareth Turner (an Apollo Partner) and Mark Beith (a former Apollo Principal) by Michael McEvoy on behalf of a class of current and former employees of subsidiaries of CEVA Group, LLC ("CEVA Group") who purchased restricted Class A shares in CEVA Investment Limited ("CIL"), the former parent company of CEVA Group. The complaint alleges that the defendants breached fiduciary duties to and defrauded the plaintiffs by inducing them to purchase shares in CIL and subsequently participating in a debt restructuring of CEVA Group in which shareholders of CIL did not receive a recovery. The complaint purports to seek damages in excess of €14 million. On October 18, 2017, the bankruptcy trustee for CIL filed a motion in the Bankruptcy Court for the Southern District of New York to prevent Mr. McEvoy and his counsel from continuing to prosecute the Florida action on the basis that the relevant claims belong to the CIL bankruptcy estate. The Bankruptcy Court has not yet ruled on the motion. Based on the allegations in the complaint, Apollo believes that there is no merit to the claims. Additionally, as the case is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Between July 25 and August 15, 2017, plaintiffs filed three purported stockholder class actions in the Nevada state and federal court against ClubCorp Holdings Inc. ("ClubCorp"), the directors of ClubCorp, and AGM, in connection with the proposed acquisition of ClubCorp. The cases in the District Court for Clark County, Nevada were originally captioned *Meng v. ClubCorp Holdings, Inc., et al.*, No. A-17-758912-B ("Meng"); *Baum v. Affeldt, et al.*, No. A-17-759227-C ("Baum"); and *Solak v. Affeldt, et al.*, No. A-17-759987-B ("Solak"). On August 16, 2017, the Meng and Baum actions were consolidated with two other similar actions that did not name AGM as a defendant. The consolidated action is captioned *In re ClubCorp Holdings Shareholder Litigation, Case No. A-17-758912-B* ("In re ClubCorp"). On September 21, 2017, the Solak action was consolidated into *In re ClubCorp*. On October 12, 2017, plaintiffs in *In re ClubCorp* filed a consolidated amended complaint. The complaint purports to assert claims against the directors of ClubCorp for allegedly breaching their fiduciary duties of loyalty, due care, good faith, and candor owed to the plaintiff and the public stockholders of ClubCorp. The complaint includes allegations that the directors, among other things, agreed to a transaction at an unreasonably low price, failed to take the necessary steps to maximize stockholder value, gave preferential severance benefits to certain executives, agreed to preclusive deal protection provisions, and included materially incomplete and misleading information in the proxy statement recommending that stockholders vote in favor of the acquisition. The complaint also purports to assert a claim against AGM for aiding and abetting the directors' purported breach of fiduciary duty. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made.

Commitments and Contingencies—Apollo leases office space and certain office equipment under various lease and sublease arrangements, which expire on various dates through 2025. As these leases expire, it can be expected that in the normal course of business, they will be renewed or replaced. Certain lease agreements contain renewal options, rent escalation provisions based on certain costs incurred by the landlord or other inducements provided by the landlord. Rent expense is accrued to recognize lease escalation provisions and inducements provided by the landlord, if any, on a straight-line basis over the lease term and renewal periods where applicable. Apollo has entered into various operating lease service agreements in respect of certain assets.

As of September 30, 2017, the approximate aggregate minimum future payments required for operating leases were as follows:

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	Remaining 2017	2018	2019	2020	2021	Thereafter	Total
Aggregate minimum future payments	\$ 9,266	\$34,643	\$33,702	\$15,563	\$6,055	\$ 13,313	\$112,542

The Company received \$19.0 million in proceeds in connection with the early termination of a lease during the three months ended September 30, 2017 which was recorded in other income (loss), net on the condensed consolidated statements of operations.

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Expenses related to non-cancellable contractual obligations for premises, equipment, auto and other assets were \$8.5 million and \$10.0 million for the three months ended September 30, 2017 and 2016, respectively, and \$28.3 million and \$30.1 million for the nine months ended September 30, 2017 and 2016, respectively.

Other long-term obligations relate to payments with respect to certain consulting agreements entered into by Apollo Investment Consulting LLC, a subsidiary of Apollo, as well as long-term service contracts. A significant portion of these costs are reimbursable by funds or portfolio companies. As of September 30, 2017, fixed and determinable payments due in connection with these obligations were as follows:

	Remaining 2017	2018	2019	2020	2021	Thereafter	Total
Other long-term obligations	\$ 8,291	\$ 12,413	\$ 3,525	\$ 1,956	\$ 1,956	\$ 1,611	\$ 29,752

Contingent Obligations—Carried interest income with respect to private equity funds and certain credit and real assets funds is subject to reversal in the event of future losses to the extent of the cumulative carried interest recognized in income to date. If all of the existing investments became worthless, the amount of cumulative revenues that have been recognized by Apollo through September 30, 2017 and that would be reversed approximates \$3.6 billion.

Management views the possibility of all of the investments becoming worthless as remote. Carried interest income is affected by changes in the fair values of the underlying investments in the funds that Apollo manages. Valuations, on an unrealized basis, can be significantly affected by a variety of external factors including, but not limited to, bond yields and industry trading multiples. Movements in these items can affect valuations quarter to quarter even if the underlying business fundamentals remain stable.

Additionally, at the end of the life of certain funds that the Company manages, there could be a payment due to a fund by the Company if the Company, as general partner, has received more carried interest income than was ultimately earned. The general partner obligation amount, if any, will depend on final realized values of investments at the end of the life of each fund or as otherwise set forth in the respective limited partnership agreement of the fund. See note 13 to our condensed consolidated financial statements for further details regarding the general partner obligation.

Certain funds may not generate carried interest income as a result of unrealized and realized losses that are recognized in the current and prior reporting period. In certain cases, carried interest income will not be generated until additional unrealized and realized gains occur. Any appreciation would first cover the deductions for invested capital, unreturned organizational expenses, operating expenses, management fees and priority returns based on the terms of the respective fund agreements.

One of the Company's subsidiaries, AGS, provides underwriting commitments in connection with securities offerings to the portfolio companies of the funds Apollo manages. As of September 30, 2017, there were no underwriting commitments outstanding related to such offerings.

As of September 30, 2017, one of the Company's subsidiaries had unfunded contingent commitments of \$29.8 million, to facilitate fundings at closing by lead arrangers for syndicated term loans issued by portfolio companies of funds managed by Apollo. The commitments expired on November 2, 2017 and were not funded.

Contingent Consideration—In connection with the acquisition of Stone Tower in April 2012, the Company agreed to pay the former owners of Stone Tower a specified percentage of any future carried interest income earned from certain of the Stone Tower funds, CLOs, and strategic investment accounts. This contingent consideration liability was determined based on the present value of estimated future carried interest payments, and is recorded in profit sharing payable in the condensed consolidated statements of financial condition. The fair value of the remaining contingent obligation was \$87.3 million and \$106.3 million as of September 30, 2017 and December 31, 2016, respectively.

The contingent consideration obligations will be remeasured to fair value at each reporting period until the obligations are satisfied and are characterized as Level III liabilities. The changes in the fair value of the contingent consideration obligations is reflected in profit sharing expense in the condensed consolidated statements of operations. See note 5 for further information regarding fair value measurements.

15. SEGMENT REPORTING

Apollo conducts its business primarily in the United States and substantially all of its revenues are generated domestically. Apollo's business is conducted through three reportable segments: private equity, credit and real assets.

Segment

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information is utilized by our Managing Partners, who operate collectively as our chief operating decision maker, to assess performance and to allocate resources. These segments were established based on the nature of investment activities in each underlying fund, including the specific type of investment made and the level of control over the investment.

The performance is measured by the Company's chief operating decision maker on an unconsolidated basis because management makes operating decisions and assesses the performance of each of Apollo's business segments based on financial and operating metrics and data that exclude the effects of consolidation of any of the affiliated funds.

Economic Income

Economic Income, or "EI", is a key performance measure used by management in evaluating the performance of Apollo's private equity, credit and real assets segments. Management believes the components of EI, such as the amount of management fees, advisory and transaction fees and carried interest income, are indicative of the Company's performance. Management uses EI in making key operating decisions such as the following:

- Decisions related to the allocation of resources such as staffing decisions including hiring and locations for deployment of the new hires;

- Decisions related to capital deployment such as providing capital to facilitate growth for the business and/or to facilitate expansion into new businesses; and

- Decisions relating to expenses, such as determining annual discretionary bonuses and equity-based compensation awards to its employees. With respect to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in such funds and those of the Company's shareholders by providing such individuals a profit sharing interest in the carried interest income earned in relation to the funds. To achieve that objective, a certain amount of compensation is based on the Company's performance and growth for the year.

EI is a measure of profitability and has certain limitations in that it does not take into account certain items included under U.S. GAAP. EI represents segment income before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, segment data excludes non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, compensation and administrative related expense reimbursements, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the condensed consolidated financial statements.

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The following tables present financial data for Apollo's reportable segments as of and for the three months ended September 30, 2017 and 2016. Prior period financial data has been updated to conform to the current presentation.

	As of and for the Three Months Ended September 30, 2017			
	Private Equity Segment	Credit Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	\$76,079	\$187,885	\$18,470	\$282,434
Advisory and transaction fees from related parties, net	10,572	4,219	1,418	16,209
Carried interest income (loss) from related parties:				
Unrealized ⁽¹⁾	286,589	4,179	(5,169)	285,599
Realized	21,859	32,131	6,985	60,975
Total carried interest income from related parties	308,448	36,310	1,816	346,574
Total Revenues ⁽²⁾	395,099	228,414	21,704	645,217
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	31,467	59,027	10,513	101,007
Equity-based compensation	6,335	9,925	798	17,058
Profit sharing expense:				
Unrealized	96,992	2,266	(4,812)	94,446
Realized	17,394	14,643	3,636	35,673
Realized: Equity-based ⁽³⁾	808	518	—	1,326
Total profit sharing expense	115,194	17,427	(1,176)	131,445
Total compensation and benefits	152,996	86,379	10,135	249,510
Non-compensation expenses:				
General, administrative and other	19,699	35,709	5,520	60,928
Placement fees	2,257	3,140	—	5,397
Total non-compensation expenses	21,956	38,849	5,520	66,325
Total Expenses ⁽²⁾	174,952	125,228	15,655	315,835
Other Income:				
Income (loss) from equity method investments	39,875	8,222	(83)	48,014
Net gains from investment activities	7,959	60,570	—	68,529
Net interest loss	(4,374)	(5,972)	(1,163)	(11,509)
Other income, net	7,344	16,318	2,044	25,706
Total Other Income ⁽²⁾	50,804	79,138	798	130,740
Non-Controlling Interests	—	(1,751)	—	(1,751)
Economic Income ⁽²⁾	\$270,951	\$180,573	\$6,847	\$458,371
Total Assets ⁽²⁾	\$2,660,333	\$2,772,296	\$226,273	\$5,658,902

Included in unrealized carried interest income (loss) from related parties for three months ended September 30, 2017 was a reversal of previously realized carried interest income due to the general partner obligation to return (1) previously distributed carried interest income. See note 13 for further details regarding the general partner obligation.

(2) Refer below for a reconciliation of total revenues, total expenses, other income and total assets for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses, total consolidated other income

and total assets.

Relates to amortization of restricted share awards granted under certain profit sharing arrangements (see note 2).

- (3) The following table presents the related unamortized deferred equity-based compensation recorded in other assets, as well as liabilities for restricted share awards expected to be granted recorded in other liabilities, both within the condensed consolidated statements of financial condition:

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	As of September 30, 2017	As of December 31, 2016		
Unamortized deferred equity-based compensation	\$ 90,289	\$ 42,619		
Liabilities for restricted share awards expected to be granted	80,283	40,472		
	For the Three Months Ended September 30, 2016			
	Private Equity Segment	Credit Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	\$91,545	\$151,386	\$15,554	\$258,485
Advisory and transaction fees from related parties, net	26,601	2,612	1,038	30,251
Carried interest income from related parties:				
Unrealized ⁽¹⁾	75,019	91,502	963	167,484
Realized	9,844	20,500	5,499	35,843
Total carried interest income from related parties	84,863	112,002	6,462	203,327
Total Revenues ⁽²⁾	203,009	266,000	23,054	492,063
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	32,532	45,143	9,129	86,804
Equity-based compensation	6,645	8,834	675	16,154
Profit sharing expense:				
Unrealized	19,234	36,809	432	56,475
Realized	7,266	8,988	4,062	20,316
Total profit sharing expense	26,500	45,797	4,494	76,791
Total compensation and benefits	65,677	99,774	14,298	179,749
Non-compensation expenses:				
General, administrative and other	18,118	29,161	4,674	51,953
Placement fees	330	723	—	1,053
Total non-compensation expenses	18,448	29,884	4,674	53,006
Total Expenses ⁽²⁾	84,125	129,658	18,972	232,755
Other Income (Loss):				
Income from equity method investments	14,384	8,036	499	22,919
Net gains from investment activities	1,191	16,171	—	17,362
Net interest loss	(4,188)	(6,172)	(1,168)	(11,528)
Other income (loss), net	103	(4,977)	(29)	(4,903)
Total Other Income (Loss) ⁽²⁾	11,490	13,058	(698)	23,850
Non-Controlling Interests	—	(510)	—	(510)
Economic Income ⁽²⁾	130,374	148,890	3,384	282,648

Included in unrealized carried interest income from related parties for the three months ended September 30, 2016

(1) was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 13 for further details regarding the general partner obligation.

(2) Refer below for a reconciliation of total revenues, total expenses and other income for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses and total consolidated other income.

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The following table reconciles total consolidated revenues to total revenues for Apollo's reportable segments for the three months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,	
	2017	2016
Total Consolidated Revenues	\$664,232	\$503,731
Equity awards granted by unconsolidated related parties and reimbursable expenses ⁽¹⁾	(19,832)	(18,217)
Adjustments related to consolidated funds and VIEs ⁽¹⁾	817	937
Other ⁽¹⁾	—	5,612
Total Reportable Segments Revenues	\$645,217	\$492,063
Represents advisory fees, management fees and carried interest income earned from consolidated VIEs which are eliminated in consolidation. Includes non-cash revenues related to equity awards granted by unconsolidated related parties to employees of the Company and certain compensation and administrative related expense reimbursements.		

The following table reconciles total consolidated expenses to total expenses for Apollo's reportable segments for the three months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,	
	2017	2016
Total Consolidated Expenses	\$357,483	\$282,257
Equity awards granted by unconsolidated related parties and reimbursable expenses ⁽¹⁾	(19,832)	(19,688)
Transaction-related compensation charges ⁽¹⁾	(7,543)	(14,276)
Reclassification of interest expenses	(13,302)	(12,832)
Amortization of transaction-related intangibles ⁽¹⁾	(971)	(2,212)
Other ⁽¹⁾	—	(494)
Total Reportable Segments Expenses	\$315,835	\$232,755
Represents the addition of expenses of consolidated funds and VIEs, transaction-related charges, non-cash expenses related to equity awards granted by unconsolidated related parties to employees of the Company and certain compensation and administrative expenses. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions.		

The following table reconciles total consolidated other income to total other income for Apollo's reportable segments for the three months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,	
	2017	2016
Total Consolidated Other Income	\$144,156	\$42,911
Reclassification of interest expense	(13,302)	(12,832)
Adjustments related to consolidated funds and VIEs ⁽¹⁾	(227)	(533)
Other	113	(5,696)
Total Reportable Segments Other Income	\$130,740	\$23,850

(1) Represents the addition of other income of consolidated funds and VIEs.

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The following table presents the reconciliation of income before income tax provision reported in the condensed consolidated statements of operations to Economic Income for the three months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,	
	2017	2016
Income before income tax provision	\$450,905	\$264,385
Adjustments:		
Net (income) loss attributable to Non-Controlling Interests in consolidated entities	(1,048	) 222
Transaction-related charges, net ⁽¹⁾	8,514	18,041
Total consolidation adjustments and other	7,466	18,263
Economic Income	\$458,371	\$282,648

Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. Equity-based compensation (1) adjustment includes non-cash revenues and expenses related to equity awards granted by unconsolidated related parties to employees of the Company.

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The following tables present financial data for Apollo's reportable segments as of and for the nine months ended September 30, 2017 and 2016. Prior period financial data has been updated to conform to the current presentation.

	As of and for the Nine Months Ended September 30, 2017			
	Private Equity Segment	Credit Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	\$230,752	\$516,083	\$54,560	\$801,395
Advisory and transaction fees from related parties, net	41,646	10,484	2,775	54,905
Carried interest income (loss) from related parties:				
Unrealized ⁽¹⁾	351,836	37,422	(1,639)	387,619
Realized	313,817	120,186	12,224	446,227
Total carried interest income from related parties	665,653	157,608	10,585	833,846
Total Revenues ⁽²⁾	938,051	684,175	67,920	1,690,146
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	93,230	173,153	27,905	294,288
Equity-based compensation	21,134	28,255	1,980	51,369
Profit sharing expense:				
Unrealized	117,025	17,408	(2,848)	131,585
Realized	145,783	51,168	6,528	203,479
Realized: Equity-based	1,270	1,387	—	2,657
Total profit sharing expense	264,078	69,963	3,680	337,721
Total compensation and benefits	378,442	271,371	33,565	683,378
Non-compensation expenses:				
General, administrative and other	53,676	99,559	15,299	168,534
Placement fees	3,732	8,828	—	12,560
Total non-compensation expenses	57,408	108,387	15,299	181,094
Total Expenses ⁽²⁾	435,850	379,758	48,864	864,472
Other Income:				
Income from equity method investments	81,951	20,561	1,935	104,447
Net gains from investment activities	11,255	91,365	—	102,620
Net interest loss	(12,952)	(18,978)	(3,634)	(35,564)
Other income, net	25,915	16,888	2,347	45,150
Total Other Income ⁽²⁾	106,169	109,836	648	216,653
Non-Controlling Interests	—	(3,244)	—	(3,244)
Economic Income ⁽²⁾	\$608,370	\$411,009	\$19,704	\$1,039,083
Total Assets ⁽²⁾	\$2,660,333	\$2,772,296	\$226,273	\$5,658,902

Included in unrealized carried interest income (loss) from related parties for the nine months ended September 30, 2017 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 13 for further details regarding the general partner obligation.

(2) Refer below for a reconciliation of total revenues, total expenses, other income and total assets for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses, total consolidated other income

(loss) and total assets.

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NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

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

	For the Nine Months Ended September 30, 2016			
	Private Equity Segment	Credit Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees from related parties	\$242,981	\$445,149	\$42,921	\$731,051
Advisory and transaction fees from related parties, net	87,615	10,058	5,476	103,149
Carried interest income (loss) from related parties:				
Unrealized ⁽¹⁾	136,529	150,720	(4,151)	283,098
Realized	10,110	105,698	11,938	127,746
Total carried interest income from related parties	146,639	256,418	7,787	410,844
Total Revenues ⁽²⁾	477,235	711,625	56,184	1,245,044
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	96,170	151,464	26,062	273,696
Equity-based compensation	20,795	25,694	2,107	48,596
Profit sharing expense:				
Unrealized	29,403	61,626	(1,400)	89,629
Realized	7,398	62,764	8,240	78,402
Total profit sharing expense	36,801	124,390	6,840	168,031
Total compensation and benefits	153,766	301,548	35,009	490,323
Non-compensation expenses:				
General, administrative and other	54,400	95,193	16,239	165,832
Placement fees	2,409	2,113	21	4,543
Total non-compensation expenses	56,809	97,306	16,260	170,375
Total Expenses ⁽²⁾	210,575	398,854	51,269	660,698
Other Income (Loss):				
Income from equity method investments	40,311	21,824	1,631	63,766
Net gains from investment activities	3,542	45,819	—	49,361
Net interest loss	(9,868)	(14,542)	(2,895)	(27,305)
Other income (loss), net	320	(5,512)	(14)	(5,206)
Total Other Income (Loss) ⁽²⁾	34,305	47,589	(1,278)	80,616
Non-Controlling Interests	—	(5,070)	—	(5,070)
Economic Income ⁽²⁾	\$300,965	\$355,290	\$3,637	\$659,892

Included in unrealized carried interest income (loss) from related parties for the nine months ended September 30, 2016 was a reversal of previously realized carried interest income due to the general partner obligation to return (1) previously distributed carried interest income. See note 13 for further details regarding the general partner obligation.

(2) Refer below for a reconciliation of total revenues, total expenses and other income for Apollo's total reportable segments to total consolidated revenues, total consolidated expenses and total consolidated other income (loss).

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NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

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

The following table reconciles total consolidated revenues to total revenues for Apollo's reportable segments for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30,	
	2017	2016
Total Consolidated Revenues	\$1,740,655	\$1,285,004
Equity awards granted by unconsolidated related parties and reimbursable expenses ⁽¹⁾	(53,234)	(51,275)
Adjustments related to consolidated funds and VIEs ⁽¹⁾	2,725	2,800
Other ⁽¹⁾	—	8,515
Total Reportable Segments Revenues	\$1,690,146	\$1,245,044
Represents advisory fees, management fees and carried interest income earned from consolidated VIEs which are eliminated in consolidation. Includes non-cash revenues related to equity awards granted by unconsolidated related parties to employees of the Company and certain compensation and administrative related expense reimbursements.		

The following table reconciles total consolidated expenses to total expenses for Apollo's reportable segments for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30,	
	2017	2016
Total Consolidated Expenses	\$967,997	\$767,554
Equity awards granted by unconsolidated related parties and reimbursable expenses ⁽¹⁾	(53,234)	(52,980)
Transaction-related compensation charges ⁽¹⁾	(6,409)	(16,799)
Reclassification of interest expenses	(39,496)	(30,505)
Amortization of transaction-related intangibles ⁽¹⁾	(4,381)	(6,608)
Other ⁽¹⁾	(5)	36
Total Reportable Segments Expenses	\$864,472	\$660,698
Represents the addition of expenses of consolidated funds and VIEs, transaction-related charges, non-cash expenses related to equity awards granted by unconsolidated related parties to employees of the Company and certain compensation and administrative expenses. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions.		

The following table reconciles total consolidated other income to total other income for Apollo's reportable segments for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30,	
	2017	2016
Total Consolidated Other Income	\$264,603	\$121,018
Reclassification of interest expense	(39,496)	(30,505)
Adjustments related to consolidated funds and VIEs ⁽¹⁾	(8,433)	(2,077)
Other	(21)	(7,820)
Total Reportable Segments Other Income	\$216,653	\$80,616

(1) Represents the addition of other income of consolidated funds and VIEs.

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NOTES TO CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

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

The following table presents the reconciliation of income before income tax provision reported in the condensed consolidated statements of operations to Economic Income for the nine months ended September 30, 2017 and 2016:

	For the Nine Months Ended September 30,	
	2017	2016
Income before income tax provision	\$ 1,037,261	\$ 638,468
Adjustments:		
Net income attributable to Non-Controlling Interests in consolidated entities	(8,967)	(3,891)
Transaction-related charges, net ⁽¹⁾	10,789	25,315
Total consolidation adjustments and other	1,822	21,424
Economic Income	\$ 1,039,083	\$ 659,892

Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. Equity-based compensation adjustment includes non-cash revenues and expenses related to equity awards granted by unconsolidated related parties to employees of the Company.

The following table presents the reconciliation of Apollo's total reportable segment assets to total assets as of September 30, 2017 and December 31, 2016:

	As of September 30, 2017	As of December 31, 2016
Total reportable segment assets	\$5,658,902	\$4,694,643
Adjustments ⁽¹⁾	1,201,452	934,910
Total assets	\$6,860,354	\$5,629,553

(1) Represents the addition of assets of consolidated funds and VIEs and consolidation elimination adjustments.

16. SUBSEQUENT EVENTS

On November 1, 2017, the Company declared a cash distribution of \$0.39 per Class A share, which will be paid on November 30, 2017 to holders of record on November 21, 2017.

On November 1, 2017, the Company declared a cash distribution of \$0.398438 per Preferred share, which will be paid on December 15, 2017 to holders of record on December 1, 2017.

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OF FINANCIAL CONDITIONAPOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(dollars in thousands, except share data)

	As of September 30, 2017			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	\$930,848	\$—	\$—	\$930,848
Cash and cash equivalents held at consolidated funds	—	10,195	—	10,195
Restricted cash	4,165	—	—	4,165
U.S. Treasury securities, at fair value	198,900	—	—	198,900
Investments	1,792,228	1,978	(86,142)	1,708,064
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	44,226	—	44,226
Investments, at fair value	—	1,170,867	(317)	1,170,550
Other assets	—	63,723	—	63,723
Carried interest receivable	1,580,158	—	(2,174)	1,577,984
Due from related parties	288,154	—	(802)	287,352
Deferred tax assets	591,754	—	—	591,754
Other assets	164,690	14	(116)	164,588
Goodwill	88,852	—	—	88,852
Intangible assets, net	19,153	—	—	19,153
Total Assets	\$5,658,902	\$1,291,003	\$(89,551)	\$6,860,354
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	\$79,062	\$—	\$—	\$79,062
Accrued compensation and benefits	144,664	—	—	144,664
Deferred revenue	155,081	—	—	155,081
Due to related parties	643,401	—	—	643,401
Profit sharing payable	710,873	—	—	710,873
Debt	1,361,044	—	—	1,361,044
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	1,019,270	(46,638)	972,632
Other liabilities	—	85,520	(117)	85,403
Due to related parties	—	2,977	(2,977)	—
Other liabilities	115,586	625	—	116,211
Total Liabilities	3,209,711	1,108,392	(49,732)	4,268,371
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Preferred shares	264,398	—	—	264,398
Additional paid in capital	1,627,767	—	—	1,627,767

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Accumulated deficit	(560,616)	19,307	(19,304)	(560,613)
Accumulated other comprehensive loss	(2,234)	(647)	820	(2,061)
Total Apollo Global Management, LLC shareholders' equity	1,329,315	18,660	(18,484)	1,329,491
Non-Controlling Interests in consolidated entities	7,120	163,951	(21,335)	149,736
Non-Controlling Interests in Apollo Operating Group	1,112,756	—	—	1,112,756
Total Shareholders' Equity	2,449,191	182,611	(39,819)	2,591,983
Total Liabilities and Shareholders' Equity	\$5,658,902	\$1,291,003	\$ (89,551)	\$6,860,354

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APOLLO GLOBAL MANAGEMENT, LLC
CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)
(dollars in thousands, except share data)

	As of December 31, 2016			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	\$806,329	\$—	\$—	\$806,329
Cash and cash equivalents held at consolidated funds	—	7,335	—	7,335
Restricted cash	4,680	—	—	4,680
Investments	1,567,388	5,378	(78,022)	) 1,494,744
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	41,318	—	41,318
Investments, at fair value	—	914,110	(283)	) 913,827
Other assets	—	46,666	—	46,666
Carried interest receivable	1,258,887	—	(1,782)	) 1,257,105
Due from related parties	255,342	—	(489)	) 254,853
Deferred tax assets	572,263	—	—	572,263
Other assets	118,181	768	(89)	) 118,860
Goodwill	88,852	—	—	88,852
Intangible assets, net	22,721	—	—	22,721
Total Assets	\$4,694,643	\$1,015,575	\$(80,665)	) \$5,629,553
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	\$57,465	\$—	\$—	\$57,465
Accrued compensation and benefits	52,754	—	—	52,754
Deferred revenue	174,893	—	—	174,893
Due to related parties	638,126	—	—	638,126
Profit sharing payable	550,148	—	—	550,148
Debt	1,352,447	—	—	1,352,447
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	827,854	(41,309)	) 786,545
Other liabilities	—	68,123	(89)	) 68,034
Due to related parties	—	2,271	(2,271)) —
Other liabilities	81,568	45	—	81,613
Total Liabilities	2,907,401	898,293	(43,669)	) 3,762,025
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Additional paid in capital	1,830,025	—	—	1,830,025
Accumulated deficit	(986,187)	) 16,131	(16,130)	) (986,186)
Accumulated other comprehensive loss	(5,750)	) (3,029)	) 56	) (8,723)
Total Apollo Global Management, LLC shareholders' equity	838,088	13,102	(16,074)	) 835,116
Non-Controlling Interests in consolidated entities	6,805	104,180	(20,922)) 90,063
Non-Controlling Interests in Apollo Operating Group	942,349	—	—	942,349

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Total Shareholders' Equity	1,787,242	117,282	(36,996)	1,867,528
Total Liabilities and Shareholders' Equity	\$4,694,643	\$1,015,575	\$ (80,665)	\$5,629,553

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with Apollo Global Management, LLC's condensed consolidated financial statements and the related notes included within this Quarterly Report on Form 10-Q. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those included in the section entitled "Risk Factors" in our Form 10-K for the year ended December 31, 2016 filed with the SEC on February 13, 2017 (the "2016 Annual Report"). The highlights listed below have had significant effects on many items within our condensed consolidated financial statements and affect the comparison of the current period's activity with those of prior periods.

General

Our Businesses

Founded in 1990, Apollo is a leading global alternative investment manager. We are a contrarian, value-oriented investment manager in private equity, credit and real assets with significant distressed expertise and a flexible mandate in the majority of our funds which enables our funds to invest opportunistically across a company's capital structure. We raise, invest and manage funds on behalf of some of the world's most prominent pension, endowment and sovereign wealth funds as well as other institutional and individual investors. Apollo is led by our Managing Partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 30 years and lead a team of 1,024 employees, including 381 investment professionals, as of September 30, 2017.

Apollo conducts its business primarily in the United States and substantially all of its revenues are generated domestically. These businesses are conducted through the following three reportable segments:

- (i) Private equity—primarily invests in control equity and related debt instruments, convertible securities and distressed debt instruments;
- (ii) Credit—primarily invests in non-control corporate and structured debt instruments including performing, stressed and distressed instruments across the capital structure; and
- (iii) Real assets—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.

These business segments are differentiated based on the varying investment strategies. The performance is measured by management on an unconsolidated basis because management makes operating decisions and assesses the performance of each of Apollo's business segments based on financial and operating metrics and data that exclude the effects of consolidation of any of the managed funds.

Our financial results vary since carried interest, which generally constitutes a large portion of the income we receive from the funds that we manage, as well as the transaction and advisory fees that we receive, can vary significantly from quarter to quarter and year to year. As a result, we emphasize long-term financial growth and profitability to manage our business.

In addition, the growth in our Fee-Generating AUM during the last year has primarily been in our credit segment. The average management fee rate for these new credit products is at market rates for such products and in certain cases is below our historical rates. Also, due to the complexity of these new product offerings, the Company has incurred and will continue to incur additional costs associated with managing these products. To date, these additional costs have been offset by realized economies of scale and ongoing cost management.

As of September 30, 2017, we had total AUM of \$241.6 billion across all of our businesses. More than 90% of our total AUM was in funds with a contractual life at inception of seven years or more, and 41% of such AUM was in permanent capital vehicles. As of September 30, 2017, Fund IX commitments totaled \$24.7 billion. On December 31, 2013, Fund VIII held a final closing raising a total of \$17.5 billion in third-party capital and approximately \$880 million of additional capital from Apollo and affiliated investors, and as of September 30, 2017, Fund VIII had \$6.8 billion of uncalled commitments remaining. Additionally, Fund VII held a final closing in December 2008, raising a total of \$14.7 billion, and as of September 30, 2017, Fund VII had \$2.1 billion of uncalled commitments remaining. We have consistently produced attractive long-term investment returns in our traditional private equity funds,

generating a 39% gross IRR and a 25% net IRR on a compound annual basis from inception through

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September 30, 2017. Apollo's private equity fund appreciation was 7.3% and 18.1% for the three and nine months ended September 30, 2017, respectively.

For our credit segment, total gross and net returns, excluding Athene and AGER assets that are managed by Apollo but not directly invested in Apollo funds and investment vehicles or sub-advised by Apollo, were 1.9% and 1.6%, respectively, for the three months ended September 30, 2017 and 6.0% and 5.1%, respectively, for the nine months ended September 30, 2017.

For our real assets segment, total combined gross and net returns for AGRE U.S. Real Estate Fund, L.P. ("U.S. RE Fund I") and Apollo U.S. RE Fund II, L.P. ("U.S. RE Fund II") including co-investment capital were 3.8% and 3.3%, respectively, for the three months ended September 30, 2017 and 13.5% and 11.5%, respectively, for the nine months ended September 30, 2017.

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

Holding Company Structure

The diagram below depicts our current organizational structure:

Note: The organizational structure chart above depicts a simplified version of the Apollo structure. It does not include all legal entities in the structure. Ownership percentages are as of November 2, 2017.

The Strategic Investor holds 9.0% of the Class A shares outstanding and 4.3% of the economic interests in the Apollo Operating Group. The Class A shares held by investors other than the Strategic Investor represent 45.7% of the total voting power of our shares entitled to vote and 43.8% of the economic interests in the Apollo Operating Group. Class A shares held by the Strategic Investor do not have voting rights. However, such Class A shares will become entitled to vote upon transfers by the Strategic Investor in accordance with the agreements entered into in connection with the investments made by the Strategic Investor.

Our Managing Partners own BRH Holdings GP, Ltd., which in turn holds our only outstanding Class B share. The Class B share represents 54.3% of the total voting power of our shares entitled to vote but no economic interest in Apollo Global Management, LLC. Our Managing Partners' economic interests are instead represented by their indirect beneficial ownership, through Holdings, of 46.8% of the limited partner interests in the Apollo Operating Group.

Through BRH Holdings, L.P., our Managing Partners indirectly beneficially own through estate planning vehicles, limited partner interests in Holdings.

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Holdings owns 51.9% of the limited partner interests in each Apollo Operating Group entity. The AOG Units held by Holdings are exchangeable for Class A shares. Our Managing Partners, through their interests in BRH and (4) Holdings, beneficially own 46.8% of the AOG Units. Our Contributing Partners, through their ownership interests in Holdings, beneficially own 5.1% of the AOG Units.

BRH Holdings GP, Ltd. is the sole member of AGM Management, LLC, our manager. The management of Apollo (5) Global Management, LLC is vested in our manager as provided in our operating agreement.

Represents 48.1% of the limited partner interests in each Apollo Operating Group entity, held through the (6) intermediate holding companies. Apollo Global Management, LLC, also indirectly owns 100% of the general partner interests in each Apollo Operating Group entity.

Each of the Apollo Operating Group partnerships holds interests in different businesses or entities organized in different jurisdictions.

Our structure is designed to accomplish a number of objectives, the most important of which are as follows:

We are a holding company that is qualified as a partnership for U.S. federal income tax purposes. Our intermediate holding companies enable us to maintain our partnership status and to meet the qualifying income exception.

We have historically used multiple management companies to segregate operations for business, financial and other reasons. Going forward, we may increase or decrease the number of our management companies or partnerships within the Apollo Operating Group based on our views regarding the appropriate balance between (a) administrative convenience and (b) continued business, financial, tax and other optimization.

Business Environment

As a global investment manager, we are affected by numerous factors, including the condition of financial markets and the economy. Price fluctuations within equity, credit, commodity, foreign exchange markets, as well as interest rates, which may be volatile and mixed across geographies, can significantly impact the valuation of our funds' investments and related income we may recognize.

In the U.S., the S&P 500 Index rose by 4.0% in the third quarter of 2017, following an increase of 2.6% in the second quarter of 2017. Outside the U.S., global equity markets also rose during the third quarter of 2017. The MSCI All Country World ex USA Index rose 6.2% following an increase of 5.8% in the second quarter of 2017.

Conditions in the credit markets also have a significant impact on our business. Credit markets rose in the third quarter of 2017, with the BofAML HY Master II Index increasing 2.0% and the S&P/LSTA Leveraged Loan Index increasing 1.0%. Benchmark interest rates remained stable in the third quarter, with the U.S. 10-year Treasury yield remaining at 2.3%, as investors generally expect the next interest rate increase during the fourth quarter of 2017.

Foreign exchange rates can impact the valuations of our funds' investments that are denominated in currencies other than the U.S. dollar. Relative to the U.S. dollar, the Euro appreciated 3.4% in the third quarter of 2017, after appreciating 7.3% in the second quarter of 2017, while the British pound appreciated 2.9% in the third quarter of 2017, after appreciating by 3.8% in the second quarter of 2017. Commodities were generally mixed in the third quarter of 2017, with energy prices rebounding. The price of crude oil increased 12.2% during the third quarter of 2017, following a decline of 9.0% in the second quarter of 2017.

In terms of economic conditions in the U.S., the Bureau of Economic Analysis reported real GDP increased at an annual rate of 3.0% in the third quarter of 2017, compared to a 3.1% increase in the second quarter of 2017. As of July 2017, the International Monetary Fund estimated that the U.S. economy will expand by 2.1% in 2017 and by 2.1% in 2018. Additionally, the U.S. unemployment rate stood at 4.2% as of September 30, 2017, the lowest level since the financial crisis of 2008.

Regardless of the market or economic environment at any given time, Apollo relies on its contrarian, value-oriented approach to consistently invest capital on behalf of its fund investors by focusing on opportunities that management believes are often overlooked by other investors. As such, Apollo's global integrated investment platform deployed \$3.3 billion and \$12.8 billion of capital through the funds it manages during the three and twelve months ended September 30, 2017, respectively. We believe Apollo's expertise in credit and its focus on nine core industry sectors, combined with more than 27 years of investment experience, has allowed Apollo to respond quickly to changing environments. Apollo's core industry sectors include chemicals, manufacturing and industrial, natural resources, consumer and retail, consumer services, business services, financial services, leisure, and media/telecom/technology.

Apollo believes that these attributes have contributed to the success of its private equity funds investing in buyouts and credit opportunities during both expansionary and recessionary economic periods.

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In general, institutional investors continue to allocate capital towards alternative investment managers for more attractive risk-adjusted returns in a low interest rate environment, and we believe the business environment remains generally accommodative to raise larger successor funds, launch new products, and pursue attractive strategic growth opportunities. As such, Apollo had \$7.9 billion and \$55.5 billion of capital inflows during the three and twelve months ended September 30, 2017, respectively. While Apollo continues to attract capital inflows, it also continues to generate realizations for fund investors. Apollo returned \$1.7 billion and \$7.8 billion of capital and realized gains to the investors in the funds it manages during the three and twelve months ended September 30, 2017, respectively.

Managing Business Performance

We believe that the presentation of Economic Income, or EI, supplements a reader's understanding of the economic operating performance of each of our segments.

Economic Income

EI has certain limitations in that it does not take into account certain items included under U.S. GAAP. EI represents segment income before income tax provision excluding transaction-related charges arising from the 2007 private placement and any acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, segment data excludes non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, compensation and administrative related expense reimbursements from unconsolidated related parties, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the condensed consolidated financial statements. We believe the exclusion of the non-cash charges related to the 2007 Reorganization for equity-based compensation provides investors with a meaningful indication of our performance because these charges relate to the equity portion of our capital structure and not our core operating performance.

Economic Net Income represents EI adjusted to reflect income tax provision on EI that has been calculated assuming that all income is allocated to Apollo Global Management, LLC, which would occur following an exchange of all AOG Units for Class A shares of Apollo Global Management, LLC. The economic assumptions and methodologies that impact the implied income tax provision are similar to those methodologies and certain assumptions used in calculating the income tax provision for Apollo's condensed consolidated statements of operations under U.S. GAAP. ENI is net of preferred distributions, if any, to Series A Preferred shareholders.

We believe that EI is helpful for an understanding of our business and that investors should review the same supplemental financial measure that management uses to analyze our segment performance. This measure supplements and should be considered in addition to and not in lieu of the results of operations discussed below in "—Overview of Results of Operations" that have been prepared in accordance with U.S. GAAP. See note 15 to the condensed consolidated financial statements for more details regarding management's consideration of EI. EI may not be comparable to similarly titled measures used by other companies and is not a measure of performance calculated in accordance with U.S. GAAP. We use EI as a measure of operating performance, not as a measure of liquidity. EI should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with U.S. GAAP. The use of EI without consideration of related U.S. GAAP measures is not adequate due to the adjustments described above. Management compensates for these limitations by using EI as a supplemental measure to U.S. GAAP results, to provide a more complete understanding of our performance as management measures it. A reconciliation of EI to its most directly comparable U.S. GAAP measure of income before income tax provision can be found in the notes to our condensed consolidated financial statements.

Fee Related Earnings

Fee Related Earnings ("FRE") is derived from our segment reported results and refers to a component of EI that is used as a supplemental measure to assess whether revenues that we believe are generally more stable and predictable in nature, primarily consisting of management fees, are sufficient to cover associated operating expenses and generate profits. FRE is the sum across all segments of (i) management fees, (ii) advisory and transaction fees, (iii) carried interest income earned from a publicly traded business development company we manage and (iv) other income, net excluding gains (losses) arising from the reversal of a portion of the tax receivable agreement liability, less (y) salary, bonus and benefits, excluding equity-based compensation and (z) other associated operating expenses.

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Distributable Earnings

Distributable Earnings (“DE”), as well as DE After Taxes and Related Payables are derived from our segment reported results, and are supplemental non-U.S. GAAP measures to assess performance and the amount of earnings available for distribution to Class A shareholders, holders of RSUs that participate in distributions and holders of AOG Units. DE represents the amount of net realized earnings without the effects of the consolidation of any of the related funds. DE, which is a component of EI, is the sum across all segments of (i) total management fees and advisory and transaction fees, (ii) other income (loss), excluding the gains (losses) arising from the reversal of a portion of the tax receivable agreement liability (iii) realized carried interest income, and (iv) realized investment income, less (x) compensation expense, excluding the expense related to equity-based awards, (y) realized profit sharing expense, and (z) non-compensation expenses, excluding depreciation and amortization expense. DE After Taxes and Related Payables represents DE less estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo’s tax receivable agreement. DE After Taxes and Related Payables is net of preferred distributions, if any, to Series A Preferred shareholders. A reconciliation of DE and EI to their most directly comparable U.S. GAAP measure of income before income tax provision can be found in “—Summary of Non-U.S. GAAP Measures”.

Fee Related EBITDA

Fee related EBITDA is a non-U.S. GAAP measure derived from our segment reported results and is used to assess the performance of our operations as well as our ability to service current and future borrowings. Fee related EBITDA represents FRE plus amounts for depreciation and amortization. “Fee related EBITDA +100% of net realized carried interest” represents fee-related EBITDA plus realized carried interest less realized profit sharing.

We use FRE, DE and Fee related EBITDA as measures of operating performance, not as measures of liquidity. These measures should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with U.S. GAAP. The use of these measures without consideration of their related U.S. GAAP measures is not adequate due to the adjustments described above.

Operating Metrics

We monitor certain operating metrics that are common to the alternative investment management industry. These operating metrics include Assets Under Management, capital deployed and uncalled commitments.

Assets Under Management

The tables below present Fee-Generating and Non-Fee-Generating AUM by segment as of September 30, 2017 and 2016 and December 31, 2016:

	As of September 30, 2017			
	Private Equity	Credit	Real Assets	Total
	(in millions)			
Fee-Generating	\$30,067	\$126,907	\$9,284	\$166,258
Non-Fee-Generating	40,402	31,018	3,887	75,307
Total Assets Under Management	\$70,469	\$157,925	\$13,171	\$241,565
	As of September 30, 2016			
	Private Equity	Credit	Real Assets	Total
	(in millions)			
Fee-Generating	\$30,630	\$110,123	\$7,916	\$148,669
Non-Fee-Generating	11,551	25,273	3,143	39,967
Total Assets Under Management	\$42,181	\$135,396	\$11,059	\$188,636

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	As of December 31, 2016			
	Private Equity	Credit	Real Assets	Total
	(in millions)			
Fee-Generating	\$30,722	\$111,781	\$8,295	\$150,798
Non-Fee-Generating	12,906	24,826	3,158	40,890
Total Assets Under Management	\$43,628	\$136,607	\$11,453	\$191,688

The table below presents AUM with Future Management Fee Potential, which is a component of Non-Fee-Generating AUM, for each of Apollo's three segments as of September 30, 2017 and 2016 and December 31, 2016.

	As of September 30, 2017	As of September 30, 2016	As of December 31, 2016
	(in millions)		
Private Equity	\$25,796	\$2,148	\$1,977
Credit	8,565	7,818	6,533
Real Assets	874	927	639
Total AUM with Future Management Fee Potential	\$35,235	\$10,893	\$9,149

The following tables present the components of Carry-Eligible AUM for each of Apollo's three segments as of September 30, 2017 and 2016 and December 31, 2016:

	As of September 30, 2017			
	Private Equity	Credit	Real Assets	Total
	(in millions)			
Carry-Generating AUM	\$25,213	\$26,634	\$803	\$52,650
AUM Not Currently Generating Carry	492	15,722	395	16,609
Uninvested Carry-Eligible AUM	34,290	11,927	1,281	47,498
Total Carry-Eligible AUM	\$59,995	\$54,283	\$2,479	\$116,757

	As of September 30, 2016			
	Private Equity	Credit	Real Assets	Total
	(in millions)			
Carry-Generating AUM	\$19,063	\$31,648	\$697	\$51,408
AUM Not Currently Generating Carry	1,225	7,852	509	9,586
Uninvested Carry-Eligible AUM	13,945	8,549	1,251	23,745
Total Carry-Eligible AUM	\$34,233	\$48,049	\$2,457	\$84,739

	As of December 31, 2016			
	Private Equity	Credit	Real Assets	Total
	(in millions)			
Carry-Generating AUM	\$21,521	\$33,306	\$776	\$55,603
AUM Not Currently Generating Carry	487	7,219	365	8,071
Uninvested Carry-Eligible AUM	13,136	11,119	976	25,231
Total Carry-Eligible AUM	\$35,144	\$51,644	\$2,117	\$88,905

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The following table presents AUM Not Currently Generating Carry for funds that have commenced investing capital for more than 24 months as of September 30, 2017 and the corresponding appreciation required to reach the preferred return or high watermark in order to generate carried interest:

Category / Fund	Invested		Appreciation Required to Achieve Carry ⁽¹⁾
	AUM Not Currently Generating Carry (in millions)	Investment Period Active > 24 Months	
Private Equity:			
Total Private Equity	\$492	\$ 459	20%
Credit:			
Drawdown	4,175	3,832	31%
		7,756	< 250bps
Liquid/Performing	10,870	13	250-500bps
		455	> 500bps
MidCap, AINV, AFT, AIF	677	678	< 250bps
Total Credit	15,722	12,734	11%
Real Assets:			
Total Real Assets	395	250	> 250bps
Total	\$16,609	\$ 13,443	

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

The components of Fee-Generating AUM by segment as of September 30, 2017 and 2016 and December 31, 2016 are presented below:

	As of September 30, 2017			
	Private Equity (in millions)	Credit	Real Assets	Total
Fee-Generating AUM based on capital commitments	\$21,803	\$8,749	\$784	\$31,336
Fee-Generating AUM based on invested capital	7,443	6,696	4,882	19,021
Fee-Generating AUM based on gross/adjusted assets	821	94,159	3,563	98,543
Fee-Generating AUM based on NAV	—	17,303	55	17,358
Total Fee-Generating AUM	\$30,067 ⁽¹⁾	\$126,907	\$9,284	\$166,258

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at September 30, 2017 was 59 months.

	As of September 30, 2016			
	Private Equity (in millions)	Credit	Real Assets	Total
Fee-Generating AUM based on capital commitments	\$21,682	\$6,425	\$724	\$28,831
Fee-Generating AUM based on invested capital	8,137	4,302	4,205	16,644
Fee-Generating AUM based on gross/adjusted assets	293	88,606	2,910	91,809
Fee-Generating AUM based on NAV	518	10,790	77	11,385
Total Fee-Generating AUM	\$30,630 ⁽¹⁾	\$110,123	\$7,916	\$148,669

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at September 30, 2016 was 68 months.

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	As of December 31, 2016			
	Private Equity (in millions)	Credit	Real Assets	Total
Fee-Generating AUM based on capital commitments	\$21,782	\$8,072	\$724	\$30,578
Fee-Generating AUM based on invested capital	8,058	4,212	4,374	16,644
Fee-Generating AUM based on gross/adjusted assets	882	88,196	3,131	92,209
Fee-Generating AUM based on NAV	—	11,301	66	11,367
Total Fee-Generating AUM	\$30,722 ⁽¹⁾	\$111,781	\$8,295	\$150,798

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2016 was 66 months.

The following table presents total AUM and Fee-Generating AUM amounts for our private equity segment:

	Total AUM		Fee-Generating AUM			
	As of September 30, 2017	As of September 30, 2016	As of December 31, 2016	As of September 30, 2017	As of September 30, 2016	As of December 31, 2016
	(in millions)					
Traditional Private Equity Funds	\$56,823	\$30,227	\$30,490	\$23,842	\$24,634	\$24,457
Natural Resources	4,702	4,822	5,223	4,042	4,046	4,181
Other ⁽¹⁾	8,944	7,132	7,915	2,183	1,950	2,084
Total	\$70,469	\$42,181	\$43,628	\$30,067	\$30,630	\$30,722

(1) Includes co-investments contributed to Athene by AAA through its investment in AAA Investments as discussed in note 13 of the condensed consolidated financial statements.

The following table presents total AUM and Fee-Generating AUM amounts for our credit segment by category type:

	Total AUM		Fee-Generating AUM			
	As of September 30, 2017	As of September 30, 2016	As of December 31, 2016	As of September 30, 2017	As of September 30, 2016	As of December 31, 2016
	(in millions)					
Liquid/Performing	\$41,765	\$36,733	\$35,684	\$36,176	\$32,570	\$31,562
Drawdown	27,223	20,954	23,852	17,253	12,122	13,645
Permanent capital vehicles ex Athene						
Non-Sub-Advised ⁽¹⁾	12,978	11,866	12,330	12,165	10,699	11,460
Athene Non-Sub-Advised ⁽¹⁾	57,029	51,497	50,761	57,029	49,697	50,761
AGER Non-Sub-Advised ⁽¹⁾	6,747	5,035	4,353	4,284	5,035	4,353
Advisory	12,183	9,311	9,627	—	—	—
Total	\$157,925	\$135,396	\$136,607	\$126,907	\$110,123	\$111,781

The Company refers to the portion of the AUM related to AGER that is not sub-advised by Apollo or invested in funds and or investment vehicles managed by Apollo as “AGER Non-Sub-Advised” AUM. Athene

(1) Non-Sub-Advised and AGER Non-Sub-Advised reflects total combined AUM of \$81.9 billion less \$18.1 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo included within other asset categories. AGER Non-Sub-Advised includes \$4.2 billion of AUM for which AAME provides investment advisory services.

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The following table presents the Athene and AGER assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo:

	Total AUM		
	As of September 30,		As of December 31,
	2017	2016	2016
	(in millions)		
Private Equity Credit	\$1,190	\$894	\$1,099
Liquid/Performing	10,659	9,356	9,407
Drawdown	1,287	1,053	1,075
Total Credit	11,946	10,409	10,482
Real Assets			
Real Estate Debt	4,553	3,545	3,698
Real Estate Equity	407	434	439
Total Real Assets	4,960	3,979	4,137
Total	\$18,096	\$15,282	\$15,718

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

	Total AUM		Fee-Generating AUM		
	As of September 30,		As of September 30,		As of December 31,
	2017	2016	2017	2016	2016
	(in millions)				
Debt	\$9,835	\$7,875	\$8,604	\$7,436	\$6,160
Equity	3,336	3,184	2,849	1,848	1,756
Total	\$13,171	\$11,059	\$11,453	\$9,284	\$7,916

The following tables summarize changes in total AUM for each of Apollo's three segments for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30,							
	2017				2016			
	Private Equity	Credit	Real Assets	Total	Private Equity	Credit	Real Assets	Total
	(in millions)							
Change in Total AUM ⁽¹⁾ :								
Beginning of Period	\$67,798	\$151,033	\$13,009	\$231,840	\$41,181	\$133,884	\$11,201	\$186,266
Inflows	581	6,640	655	7,876	1,448	4,913	820	7,181
Outflows ⁽²⁾	—	(515)	(86)	(601)	(651)	(4,292)	(505)	(5,448)
Net Flows	581	6,125	569	7,275	797	621	315	1,733
Realizations	(384)	(981)	(335)	(1,700)	(150)	(452)	(611)	(1,213)
Market Activity ⁽³⁾⁽⁴⁾	2,474	1,748	(72)	4,150	353	1,343	154	1,850
End of Period	\$70,469	\$157,925	\$13,171	\$241,565	\$42,181	\$135,396	\$11,059	\$188,636

At the individual segment level, inflows include new subscriptions, commitments, capital raised, other increases in available capital, purchases, acquisitions, and portfolio company appreciation. Outflows represent redemptions, (1) other decreases in available capital and portfolio company depreciation. Realizations represent fund distributions of realized proceeds. Market activity represents gains (losses), the impact of foreign exchange rate fluctuations and other income.

(2)

Outflows for Total AUM include redemptions of \$273.9 million and \$325.3 million during the three months ended September 30, 2017 and 2016, respectively.

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- (3) Includes foreign exchange impacts of \$88.0 million, \$1.0 billion and \$43.3 million for private equity, credit and real assets, respectively, during the three months ended September 30, 2017.
- (4) Includes foreign exchange impacts of \$17.1 million, \$173.3 million and \$(11.1) million for private equity, credit and real assets, respectively, during the three months ended September 30, 2016.

	For the Nine Months Ended September 30, 2017				2016			
	Private Equity	Credit	Real Assets	Total	Private Equity	Credit	Real Assets	Total
	(in millions)							
Change in Total AUM ⁽¹⁾ :								
Beginning of Period	\$43,628	\$136,607	\$11,453	\$191,688	\$37,502	\$121,361	\$11,260	\$170,123
Inflows	24,648	21,314	2,935	48,897	5,005	21,071	2,047	28,123
Outflows ⁽²⁾	(74)	(3,302)	(388)	(3,764)	(1,100)	(8,619)	(505)	(10,224)
Net Flows	24,574	18,012	2,547	45,133	3,905	12,452	1,542	17,899
Realizations	(2,794)	(2,125)	(1,114)	(6,033)	(512)	(1,226)	(1,956)	(3,694)
Market Activity ⁽³⁾⁽⁴⁾	5,061	5,431	285	10,777	1,286	2,809	213	4,308
End of Period	\$70,469	\$157,925	\$13,171	\$241,565	\$42,181	\$135,396	\$11,059	\$188,636

At the individual segment level, inflows include new subscriptions, commitments, capital raised, other increases in available capital, purchases, acquisitions and portfolio company appreciation. Outflows represent redemptions, (1) other decreases in available capital and portfolio company depreciation. Realizations represent fund distributions of realized proceeds. Market activity represents gains (losses), the impact of foreign exchange rate fluctuations and other income.

- (2) Outflows for Total AUM include redemptions of \$693.6 million and \$1,190.9 million during the nine months ended September 30, 2017 and 2016, respectively.
- (3) Includes foreign exchange impacts of \$209.6 million, \$2.8 billion and \$133.3 million for private equity, credit and real assets, respectively, during the nine months ended September 30, 2017.
- (4) Includes foreign exchange impacts of \$58.3 million, \$318.8 million and \$(91.5) million for private equity, credit and real assets, respectively, during the nine months ended September 30, 2016.

Total AUM was \$241.6 billion at September 30, 2017, an increase of \$9.7 billion, or 4.2%, compared to \$231.8 billion at June 30, 2017. The net increase was primarily due to:

Net flows of \$7.3 billion primarily related to:

- a \$6.1 billion increase related to funds we manage in the credit segment primarily consisting of subscriptions of \$3.0 billion related to our liquid/performing funds, Financial Credit Investment III, L.P. ("FCI III") and Apollo European Principal Finance Fund III, L.P. ("EPF III") of \$1.0 billion, \$1.0 billion and \$0.8 billion, respectively, an increase in AUM relating to Athene of \$2.4 billion and an increase in AUM relating to Advisory assets of \$0.5 billion;
- a \$0.6 billion increase related to funds we manage in the private equity segment primarily consisting of subscriptions attributable to Fund IX of \$0.4 billion; and
- a \$0.6 billion increase related to funds we manage in the real assets segment primarily consisting of net segment transfers and subscriptions of \$0.2 billion and \$0.2 billion, respectively.

Market activity of \$4.2 billion primarily related to \$2.5 billion and \$1.7 billion of appreciation in the funds we manage in the private equity and credit segments, respectively.

Offsetting these increases were:

Realizations of \$1.7 billion primarily related to:

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\$1.0 billion related to funds we manage in the credit segment primarily consisting of distributions of \$0.7 billion from Apollo European Principal Finance Fund II, L.P. (“EPF II”);

\$0.4 billion related to funds we manage in the private equity segment primarily consisting of distributions from our traditional private equity funds; and

\$0.3 billion related to funds we manage in the real assets segment primarily consisting of distributions from our real estate debt funds.

Total AUM was \$241.6 billion at September 30, 2017, an increase of \$49.9 billion, or 26.0%, compared to \$191.7 billion at December 31, 2016. The net increase was primarily due to:

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Net flows of \$45.1 billion primarily related to:

a \$24.6 billion increase related to funds we manage in the private equity segment primarily consisting of subscriptions attributable to Fund IX of \$24.7 billion;

an \$18.0 billion increase related to funds we manage in the credit segment primarily consisting of a net increase in AUM relating to Athene and AGER of \$8.0 billion and \$2.5 billion, respectively, subscriptions of \$7.4 billion primarily related to our liquid/performing funds, EPF III and FCI III of \$4.1 billion, \$1.5 billion and \$1.5 billion, respectively, and an increase in AUM relating to Advisory assets of \$2.2 billion, offset by net segment transfers of \$2.3 billion; and

a \$2.5 billion increase related to funds we manage in the real assets segment primarily consisting of net segment transfers of \$1.7 billion and subscriptions of \$0.9 billion.

Market activity of \$10.8 billion primarily related to \$5.4 billion and \$5.1 billion of appreciation in the funds we manage in the credit and private equity segments, respectively.

Offsetting these increases were:

Realizations of \$6.0 billion primarily related to:

\$2.8 billion related to funds we manage in the private equity segment primarily consisting of distributions of \$1.8 billion, \$0.6 billion and \$0.4 billion from our traditional private equity funds, natural resources funds and co-investment vehicles, respectively;

\$2.1 billion related to funds we manage in the credit segment primarily consisting of distributions of \$1.0 billion, \$0.5 billion and \$0.4 billion from EPF II, other drawdown funds and liquid/performing funds, respectively; and

\$1.1 billion related to funds we manage in the real assets segment primarily consisting of distributions of \$0.9 billion from our real estate debt funds.

The following tables summarize changes in Fee-Generating AUM for each of Apollo's three segments for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017				2016			
	Private Equity	Credit	Real Assets	Total	Private Equity	Credit	Real Assets	Total
	(in millions)							
Change in Fee-Generating AUM ⁽¹⁾ :								
Beginning of Period	\$30,011	\$121,271	\$9,672	\$160,954	\$29,530	\$108,774	\$7,124	\$145,428
Inflows	71	6,699	252	7,022	1,221	3,220	986	5,427
Outflows ⁽²⁾	(32)	(1,418)	(349)	(1,799)	(112)	(2,215)	—	(2,327)
Net Flows	39	5,281	(97)	5,223	1,109	1,005	986	3,100
Realizations	—	(533)	(300)	(833)	—	(326)	(250)	(576)
Market Activity ⁽³⁾	17	888	9	914	(9)	670	56	717
End of Period	\$30,067	\$126,907	\$9,284	\$166,258	\$30,630	\$110,123	\$7,916	\$148,669

At the individual segment level, inflows include new subscriptions, commitments, capital raised, other increases in available capital, purchases, acquisitions and portfolio company appreciation. Outflows represent redemptions, (1) other decreases in available capital and portfolio company depreciation. Realizations represent fund distributions of realized proceeds. Market activity represents gains (losses), the impact of foreign exchange rate fluctuations and other income.

(2) Outflows for Fee-Generating AUM include redemptions of \$191.3 million and \$359.9 million during the three months ended September 30, 2017 and 2016, respectively.

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Includes foreign exchange impacts of \$443.0 million and \$25.6 million for credit and real assets, respectively, (3) during the three months ended September 30, 2017, and foreign exchange impacts of \$75.3 million and \$(11.9) million for credit and real assets, respectively, during the three months ended September 30, 2016.

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	For the Nine Months Ended September 30, 2017				2016			
	Private Equity (in millions)	Credit	Real Assets	Total	Private Equity	Credit	Real Assets	Total
Change in Fee-Generating AUM ⁽¹⁾ :								
Beginning of Period	\$30,722	\$111,781	\$8,295	\$150,798	\$29,258	\$101,522	\$7,317	\$138,097
Inflows	303	18,194	2,082	20,579	1,914	11,841	1,799	15,554
Outflows ⁽²⁾	(557)	(4,601)	(364)	(5,522)	(416)	(3,589)	(46)	(4,051)
Net Flows	(254)	13,593	1,718	15,057	1,498	8,252	1,753	11,503
Realizations	(503)	(1,180)	(889)	(2,572)	(77)	(762)	(1,191)	(2,030)
Market Activity ⁽³⁾	102	2,713	160	2,975	(49)	1,111	37	1,099
End of Period	\$30,067	\$126,907	\$9,284	\$166,258	\$30,630	\$110,123	\$7,916	\$148,669

At the individual segment level, inflows include new subscriptions, commitments, capital raised, other increases in available capital, purchases, acquisitions and portfolio company appreciation. Outflows represent redemptions, (1) other decreases in available capital and portfolio company depreciation. Realizations represent fund distributions of realized proceeds. Market activity represents gains (losses), the impact of foreign exchange rate fluctuations and other income.

(2) Outflows for Fee-Generating AUM include redemptions of \$570.3 million and \$944.6 million during the three and nine months ended September 30, 2017 and 2016, respectively.

(3) Includes foreign exchange impacts of \$1.3 billion and \$64.7 million for credit and real assets, respectively, during the nine months ended September 30, 2017, and foreign exchange impacts of \$209.2 million and \$(30.6) million for credit and real assets, respectively, during the nine months ended September 30, 2016.

Total Fee-Generating AUM was \$166.3 billion at September 30, 2017, an increase of \$5.3 billion or 3.3%, compared to \$161.0 billion at June 30, 2017. The net increase was primarily due to:

Net flows of \$5.2 billion primarily related to:

a \$5.3 billion increase related to funds we manage in the credit segment primarily consisting of subscriptions of \$2.5 billion primarily related to FCI III, EPF III and our liquid/performing funds of \$1.0 billion, \$0.8 billion and \$0.6 billion, respectively, an increase in AUM relating to Athene of \$2.4 billion and fee-generating capital deployment of \$1.4 billion. This was offset by fee-generating capital reduction of \$1.4 billion and net segment transfers of \$0.2 billion.

Market activity of \$0.9 billion primarily related to appreciation in the funds we manage in the credit segment.

Offsetting these increases were:

Realizations of \$0.8 billion primarily related to:

\$0.5 billion related to funds we manage in the credit segment primarily driven by distributions of \$0.3 billion and \$0.1 billion from EPF II and our liquid/performing funds, respectively; and \$0.3 billion related to funds we manage in the real assets segment primarily driven by our real estate debt funds.

Total Fee-Generating AUM was \$166.3 billion at September 30, 2017, an increase of \$15.5 billion or 10.3%, compared to \$150.8 billion at December 31, 2016. The net increase was primarily due to:

Net flows of \$15.1 billion primarily related to:

a \$13.6 billion increase related to funds we manage in the credit segment primarily consisting of an increase in AUM relating to Athene of \$8.0 billion, subscriptions of \$5.6 billion primarily related to our liquid/performing funds, EPF

III and FCI III of \$2.6 billion, \$1.5 billion and \$1.5 billion, respectively, and an increase in fee-generating capital deployment of \$3.2 billion. This was offset by net segment transfers of \$1.4 billion, fee-generating capital reduction of \$1.3 billion and redemptions of \$0.5 billion; and a \$1.7 billion increase related to funds we manage in the real assets segment primarily consisting of net segment transfers of \$1.5 billion and subscriptions of \$0.6 billion. This was offset by fee-generating capital reduction of \$0.3 billion.

Market activity of \$3.0 billion primarily related to appreciation in the funds we manage in the credit segment.

Offsetting these increases were:

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Realizations of \$2.6 billion primarily related to:

\$1.2 billion related to funds we manage in the credit segment primarily driven by distributions from our liquid/performing funds, EPF II and our permanent capital vehicles of \$0.4 billion, \$0.3 billion and \$0.2 billion, respectively;

\$0.9 billion related to funds we manage in the real assets segment primarily driven by distributions from our real estate debt funds; and

\$0.5 billion related to funds we manage in the private equity segment primarily driven by distributions of \$0.3 billion from our traditional private equity funds.

Capital Deployed and Uncalled Commitments

Capital deployed is the aggregate amount of capital that has been invested during a given period by our drawdown funds, SIAs that have a defined maturity date and funds and SIAs in our real estate debt strategy. Uncalled commitments, by contrast, represents unfunded capital commitments that certain of Apollo's funds and SIAs have received from fund investors to fund future or current fund investments and expenses.

Capital deployed and uncalled commitments are indicative of the pace and magnitude of fund capital that is deployed or will be deployed, and which therefore could result in future revenues that include management fees, transaction fees and incentive income to the extent they are fee-generating. Capital deployed and uncalled commitments can also give rise to future costs that are related to the hiring of additional resources to manage and account for the additional capital that is deployed or will be deployed. Management uses capital deployed and uncalled commitments as key operating metrics since we believe the results measure our fund's investment activities.

Capital Deployed

The following table summarizes by segment the capital deployed for funds and SIAs with a defined maturity date and certain funds and SIAs in Apollo's real estate debt strategy during the specified reporting periods:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
	(in millions)			
Private Equity	\$1,129	\$3,048	\$3,417	\$8,187
Credit	1,430	729	3,577	2,686
Real Assets ⁽¹⁾	712	567	2,324	1,550
Total capital deployed	\$3,271	\$4,344	\$9,318	\$12,423

Included in capital deployed is \$690 million and \$2,152 million for the three and nine months ended September 30, (1)2017, respectively, and \$498 million and \$1,405 million for the three and nine months ended September 30, 2016, respectively, related to funds in Apollo's real estate debt strategy.

Uncalled Commitments

The following table summarizes the uncalled commitments by segment during the specified reporting periods:

	As of September 30, 2017	As of December 31, 2016
	(in millions)	
Private Equity	\$37,786	\$16,079
Credit	15,168	11,816
Real Assets	1,399	1,414
Total uncalled commitments ⁽¹⁾	\$54,353	\$29,309

(1)As of September 30, 2017 and December 31, 2016, \$48.8 billion and \$25.9 billion, respectively, represented the amount of capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements or other governing agreements of the funds, partnerships and accounts we manage. These

amounts exclude uncalled commitments which can only be called for fund fees and expenses.

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The Historical Investment Performance of Our Funds

Below we present information relating to the historical performance of our funds, including certain legacy Apollo funds that do not have a meaningful amount of unrealized investments, and in respect of which the general partner interest has not been contributed to us.

When considering the data presented below, you should note that the historical results of our funds are not indicative of the future results that you should expect from such funds, from any future funds we may raise or from your investment in our Class A shares.

An investment in our Class A shares is not an investment in any of the Apollo funds, and the assets and revenues of our funds are not directly available to us. The historical and potential future returns of the funds we manage are not directly linked to returns on our Class A shares. Therefore, you should not conclude that continued positive performance of the funds we manage will necessarily result in positive returns on an investment in our Class A shares. However, poor performance of the funds that we manage would cause a decline in our revenue from such funds, and would therefore have a negative effect on our performance and in all likelihood the value of our Class A shares. Moreover, the historical returns of our funds should not be considered indicative of the future results you should expect from such funds or from any future funds we may raise. There can be no assurance that any Apollo fund will continue to achieve the same results in the future.

Finally, our private equity IRRs have historically varied greatly from fund to fund. For example, Fund IV generated a 12% gross IRR and a 9% net IRR since its inception through September 30, 2017, while Fund V generated a 61% gross IRR and a 44% net IRR since its inception through September 30, 2017. Accordingly, the IRR going forward for any current or future fund may vary considerably from the historical IRR generated by any particular fund, or for our private equity funds as a whole. Future returns will also be affected by the applicable risks, including risks of the industries and businesses in which a particular fund invests. See “Item 1A. Risk Factors—Risks Related to Our Businesses—The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our Class A shares” in the 2016 Annual Report.

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Investment Record

The following table summarizes the investment record by segment of Apollo's significant drawdown funds and SIAs that have a defined maturity date in which investors make a commitment to provide capital at the formation of such funds and deliver capital when called as investment opportunities become available. The funds included in the investment record table below have greater than \$500 million of AUM and/or form part of a flagship series of funds. The SIAs included in the investment record table below have greater than \$200 million of AUM and did not predominantly invest in other Apollo funds or SIAs.

All amounts are as of September 30, 2017, unless otherwise noted:

(\$ in millions)	Vintage Year	Total AUM	Committed Capital	Total Invested Capital ⁽¹⁾	Realized Value ⁽¹⁾	Remaining Cost ⁽¹⁾	Unrealized Value ⁽¹⁾	Total Value ⁽¹⁾	As of September 30, 2017	
									Gross IRR ⁽¹⁾	Net IRR ⁽¹⁾
Private Equity:										
Fund IX	N/A	\$24,729	\$24,729	\$—	\$—	\$—	\$—	\$—	— %	— %
Fund VIII	2013	22,318	18,377	12,023	2,342	10,411	15,248	17,590	29	19
Fund VII	2008	5,901	14,677	16,173	29,874	3,499	3,613	33,487	34	26
Fund VI	2006	3,551	10,136	12,457	18,356	3,151	2,933	21,289	12	10
Fund V	2001	309	3,742	5,192	12,697	138	52	12,749	61	44
Fund I, II, III, IV & MIA ⁽³⁾	Various	15	7,320	8,753	17,400	—	1	17,401	39	26
Traditional Private Equity Funds ⁽⁴⁾										
		\$56,823	\$78,981	\$54,598	\$80,669	\$17,199	\$21,847	\$102,516	39 %	25 %
ANRP II	2016	3,505	3,454	970	491	751	965	1,456	57	32
ANRP I	2012	1,197	1,323	1,095	596	752	910	1,506	12	8
AION	2013	726	826	407	189	265	287	476	11	(1)
Total Private Equity ⁽⁹⁾		\$62,251	\$84,584	\$57,070	\$81,945	\$18,967	\$24,009	\$105,954		
Credit:										
Credit Opportunity Funds										
COF III	2014	\$3,186	\$3,426	\$4,769	\$2,676	\$2,258	\$2,113	\$4,789	— %	(1)%
COF I & II	2008	458	3,068	3,787	7,397	126	177	7,574	23	20
European Principal Finance Funds										
EPF III ⁽⁵⁾	2017	4,214	4,272	194	—	194	199	199	NM	(2) NM
EPF I & II ⁽⁵⁾	Various	3,863	5,020	5,971	5,781	1,532	2,814	8,595	21	14
Structured Credit Funds										
FCI III	2017	1,912	1,906	118	12	96	115	127	NM	(2) NM
FCI I & II	Various	3,573	2,114	3,498	1,926	2,501	2,604	4,530	14	10
SCRF III ⁽¹²⁾	2015	1,002	1,238	1,840	1,604	540	560	2,164	18	14
SCRF I & II ⁽¹²⁾	Various	—	222	707	885	—	—	885	27	21
Other Drawdown Funds & SIAs ⁽⁶⁾	Various	7,126	9,498	8,959	8,617	2,673	2,532	11,149	9	7

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Total Credit ⁽¹⁰⁾		\$25,334	\$30,764	\$29,843	\$28,898	\$9,920	\$11,114	\$40,012			
Real Assets:											
U.S. RE Fund II ⁽⁷⁾	2016	\$934	\$863	\$443	\$154	\$374	\$454	\$608	21 %	19 %	
U.S. RE Fund I ⁽⁷⁾	2012	474	654	636	635	245	312	947	16	13	
AGRE Debt Fund I ⁽¹³⁾	2011	1,152	2,091	2,084	1,457	861	823	2,280	8	7	
CPI Funds ⁽⁸⁾	Various	597	5,011	2,578	2,621	268	84	2,705	15	11	
Asia RE Fund ⁽⁷⁾	2017	586	588	175	2	173	185	187	NM	(2) NM	(2)
Total Real Assets ⁽¹¹⁾		\$3,743	\$9,207	\$5,916	\$4,869	\$1,921	\$1,858	\$6,727			

(1) Refer to the definitions of Vintage Year, Total Invested Capital, Realized Value, Remaining Cost, Unrealized Value, Total Value, Gross IRR and Net IRR described elsewhere in this report.

(2) Returns have not been presented as the fund commenced investing capital less than 24 months prior to the period indicated and therefore such return information was deemed not meaningful.

(3) The general partners and managers of Funds I, II and MIA, as well as the general partner of Fund III, were excluded assets in connection with the 2007 Reorganization. As a result, Apollo did not receive the economics associated with these entities. The investment performance of these funds, combined with Fund IV, is presented to illustrate fund performance associated with Apollo's Managing Partners and other investment professionals.

(4) Total IRR is calculated based on total cash flows for all funds presented.

(5) Funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to \$1.18 as of September 30, 2017.

(6) Amounts presented have been aggregated for (i) drawdown funds with AUM greater than \$500 million that do not form part of a flagship series of funds and (ii) SIAs with AUM greater than \$200 million that do not predominantly invest in other Apollo funds or SIAs. Certain SIAs' historical figures are denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.18 as of September 30, 2017. Additionally, certain SIAs totaling \$1.8 billion of AUM have been excluded from Total Invested Capital, Realized Value, Remaining Cost, Unrealized Value

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and Total Value. These SIAs have an open ended life and a significant turnover in their portfolio assets due to the ability to recycle capital. These SIAs had \$10.3 billion of Total Invested Capital through September 30, 2017.

(7) U.S. RE Fund I, U.S. RE Fund II and Asia RE Fund had \$158 million, \$390 million and \$245 million of co-investment commitments raised as of September 30, 2017, respectively, which are included in the figures in the table. A co-invest entity within U.S. RE Fund I is denominated in GBP and translated into U.S. dollars at an exchange rate of £1.00 to \$1.34 as of September 30, 2017.

(8) As part of the acquisition of Citi Property Investors (“CPI”), Apollo acquired general partner interests in fully invested funds. CPI Funds refers to CPI Capital Partners North America, CPI Capital Partners Asia Pacific, CPI Capital Partners Europe and other CPI funds or individual investments of which Apollo is not the general partner or manager and only receives fees pursuant to either a sub-advisory agreement or an investment management and administrative agreement. For CPI Capital Partners North America, CPI Capital Partners Asia Pacific and CPI Capital Partners Europe, the gross and net IRRs are presented in the investment record table since acquisition on November 12, 2010. The aggregate net IRR for these funds from their inception to September 30, 2017 was (2)%. This net IRR was primarily achieved during a period in which Apollo did not make the initial investment decisions and Apollo only became the general partner or manager of these funds upon completing the acquisition on November 12, 2010.

(9) Private equity co-investment vehicles, and funds with AUM less than \$500 million have been excluded. These co-investment vehicles and funds had \$8.2 billion of aggregate AUM as of September 30, 2017.

(10) Certain credit funds and SIAs with AUM less than \$500 million and \$200 million, respectively, have been excluded. These funds and SIAs had \$1.7 billion of aggregate AUM as of September 30, 2017.

(11) Certain accounts owned by or related to Athene, certain co-investment vehicles and certain funds with AUM less than \$500 million have been excluded. These accounts, co-investment vehicles and funds had \$5.3 billion of aggregate AUM as of September 30, 2017.

(12) Remaining cost for certain of our credit funds may include physical cash called, invested or reserved for certain levered investments.

(13) The investor in this U.S. Dollar denominated fund has chosen to make contributions and receive distributions in the local currency of each underlying investment. As a result, Apollo has not entered into foreign currency hedges for this fund and the returns presented include the impact of foreign currency gains or losses. The investor’s gross and net IRR, before the impact of foreign currency gains or losses, from the fund’s inception to September 30, 2017 was 10% and 9%, respectively.

Private Equity

The following table summarizes the investment record for distressed investments made in our traditional private equity fund portfolios, since the Company’s inception. All amounts are as of September 30, 2017:

	Total Invested Capital (in millions)	Total Value	Gross IRR
Distressed for Control	\$7,885	\$ 18,777	29 %
Non-Control Distressed	5,416	8,414	71
Total	13,301	27,191	49
Corporate Carve-outs, Opportunistic Buyouts and Other Credit ⁽¹⁾	41,297	75,325	22
Total	\$54,598	\$ 102,516	39 %

(1) Other Credit is defined as investments in debt securities of issuers other than portfolio companies that are not considered to be distressed.

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The following tables provide additional detail on the composition of the Fund VIII, Fund VII and Fund VI private equity portfolios based on investment strategy. Amounts for Fund I, II, III, IV and V are included in the table above but not presented below as their remaining value is less than \$100 million or the fund has been liquidated. All amounts are as of September 30, 2017:

Fund VIII⁽¹⁾

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	\$2,318	\$ 3,889
Opportunistic Buyouts	9,191	12,956
Distressed	514	745
Total	\$12,023	\$ 17,590

Fund VII⁽¹⁾

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	\$2,252	\$ 4,463
Opportunistic Buyouts	4,338	10,507
Distressed/Other Credit ⁽²⁾	9,583	18,517
Total	\$16,173	\$ 33,487

Fund VI

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	\$3,397	\$ 5,819
Opportunistic Buyouts	6,374	10,496
Distressed/Other Credit ⁽²⁾	2,686	4,974
Total	\$12,457	\$ 21,289

Committed capital less unfunded capital commitments for Fund VIII and Fund VII was \$11.5 billion and \$14.1 billion, respectively, which represents capital commitments from limited partners to invest in such funds less capital that is available for investment or reinvestment subject to the provisions of the applicable limited partnership agreement or other governing agreements.

(1) During the recovery and expansionary periods of 1994 through 2000 and late 2003 through the first half of 2007, our private equity funds invested or committed to invest approximately \$13.7 billion primarily in traditional and corporate partner buyouts. During the recessionary periods of 1990 through 1993, 2001 through late 2003 and the recessionary and post recessionary periods (beginning the second half of 2007 through September 30, 2017), our private equity funds have invested \$43.2 billion, of which \$18.8 billion was in distressed buyouts and debt investments when the debt securities of quality companies traded at deep discounts to par value. Our average entry multiple for Fund VIII, VII and VI was 5.7x, 6.1x and 7.7x, respectively, as of September 30, 2017. Our average entry multiple for a private equity fund is the average of the total enterprise value over an applicable adjusted earnings before interest, taxes, depreciation and amortization which may incorporate certain adjustments based on the investment team's estimate and we believe captures the true economics of our funds' investments in portfolio companies. The average entry multiple of actively investing funds may include committed investments not yet closed.

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Credit

The following table presents the AUM and gross and net returns information for Apollo's credit segment by category type:

Category	As of September 30, 2017				Gross Returns ⁽¹⁾		Net Returns ⁽¹⁾	
	AUM	Fee-Generating AUM	Carry-Eligible AUM	Carry-Generating AUM	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2017	For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2017
	(in millions)							
Liquid/Performing	\$41,765	\$36,176	\$21,245	\$9,292	1.4%	4.9%	1.3%	4.5%
Drawdown ⁽²⁾	27,223	17,253	22,634	8,235	2.7	8.2	2.2	6.8
Permanent capital vehicles ex Athene Non-Sub-Advised ⁽³⁾	12,978	12,165	10,404	9,107	2.9	8.8	2.0	5.9
Athene Non-Sub-Advised ⁽³⁾	57,029	57,029	—	—	N/A	N/A	N/A	N/A
AGER Non-Sub-Advised ⁽³⁾	6,747	4,284	—	—	N/A	N/A	N/A	N/A
Advisory	12,183	—	—	—	N/A	N/A	N/A	N/A
Total Credit	\$157,925	\$126,907	\$54,283	\$26,634	1.9%	6.0%	1.6%	5.1%

(1) The gross and net returns for the three and nine months ended September 30, 2017 for total credit excludes assets managed by AAM that are not directly invested in Apollo funds and investment vehicles or sub-advised by Apollo.

(2) As of September 30, 2017, significant drawdown funds and SIAs had inception-to-date gross and net IRRs of 16.0% and 12.2%, respectively. Significant drawdown funds and SIAs include funds and SIAs with AUM greater than \$200 million that do not predominantly invest in other Apollo funds or SIAs.

(3) Athene Non-Sub-Advised and AGER Non-Sub-Advised reflects total combined AUM of \$81.9 billion less \$18.1 billion of assets that were either sub-advised by Apollo or invested in funds and investment vehicles managed by Apollo included within other asset categories. AGER Non-Sub-Advised includes \$4.2 billion of AUM for which AAME provides investment advisory services.

Liquid/Performing

The following table summarizes the investment record for funds in the liquid/performing category within Apollo's credit segment. The significant funds included in the investment record table below have greater than \$200 million of AUM and do not predominantly invest in other Apollo funds or SIAs.

Credit:	Vintage Year	Total AUM	Net Returns			
			For the Three Months Ended September 30, 2017	For the Nine Months Ended September 30, 2017	For the Three Months Ended September 30, 2016	For the Nine Months Ended September 30, 2016
			(in millions)			
Hedge Funds ⁽¹⁾	Various	\$6,617	1%	4%	3%	9%
CLOs ⁽²⁾	Various	11,937	1	3	3	7
SIAs / Other	Various	23,211	2	6	4	8

Total \$ 41,765

(1) Hedge Funds primarily includes Apollo Credit Strategies Master Fund Ltd., Apollo Credit Master Fund Ltd. and Apollo Credit Short Opportunities Fund.

CLO returns are calculated based on gross return on invested assets, which excludes cash. Included within Total AUM of CLOs is \$1.0 billion of AUM related to a standalone, self-managed asset management business

(2) established in connection with risk-retention rules, from which Apollo earns investment-related service fees, but for which Apollo does not provide management or advisory services. CLO returns exclude performance related to this AUM.

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Permanent Capital

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

IPO Year ⁽²⁾	Total AUM	Total Returns ⁽¹⁾							
		For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2017		For the Three Months Ended September 30, 2016		For the Nine Months Ended September 30, 2016	
	(in millions)								
Credit:									
MidCap ⁽³⁾	N/A	\$ 7,680	3 %	9 %	3 %	7 %			
AIF	2013	390	2	11	10	20			
AFT	2011	431	1	1	9	18			
AINV ⁽⁴⁾	2004	4,435	(2)	12	7	22			
Real Assets:									
ARI	2009	4,151	—	17 %	5 %	3 %			
Total		\$ 17,087							

(1) Total returns are based on the change in closing trading prices during the respective periods presented taking into account dividends and distributions, if any, as if they were reinvested without regard to commission.

(2) An IPO year represents the year in which the vehicle commenced trading on a national securities exchange.

MidCap is not a publicly traded vehicle and therefore IPO year is not applicable. The returns presented are a gross return based on NAV. The net returns based on NAV were 2% and 2% for the three months ended September 30, 2017 and 2016, respectively, and 6% and 4% for the nine months ended September 30, 2017 and 2016, respectively.

(3) All amounts are as of June 30, 2017 except for total returns. Refer to www.apolloic.com for the most recent financial information on AINV. The information contained on AINV's website is not part of this report. Included

(4) within Total AUM of AINV is \$1.7 billion of AUM related to a non-traded business development company from which Apollo earns investment-related service fees, but for which Apollo does not provide management or advisory services. Net returns exclude performance related to this AUM.

Athene and SIAs

As of September 30, 2017, Apollo managed or advised \$81.9 billion of total AUM in accounts owned by or related to Athene and AGER, of which approximately \$18.1 billion was either sub-advised by Apollo or invested in Apollo funds and investment vehicles managed by Apollo. Of the approximately \$18.1 billion of AUM, the vast majority were in sub-advisory managed accounts that manage high grade credit asset classes, such as CLO debt, commercial mortgage backed securities, and insurance-linked securities.

As of September 30, 2017, Apollo managed approximately \$21 billion of total AUM in SIAs, which include certain SIAs in the investment record tables above and capital deployed from certain SIAs across Apollo's private equity, credit and real assets funds.

Overview of Results of Operations

Revenues

Advisory and Transaction Fees from Related Parties, Net. As a result of providing advisory services with respect to actual and potential private equity, credit, and real assets investments, we are entitled to receive fees for transactions related to the acquisition and, in certain instances, disposition of portfolio companies as well as fees for ongoing monitoring of portfolio company operations and directors' fees. We also receive advisory fees for advisory services

provided to certain credit funds. In addition, monitoring fees are generated on certain structured portfolio company investments. Under the terms of the limited partnership agreements for certain funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage of such advisory and transaction fees, net of applicable broken deal costs (“Management Fee Offset”). Such amounts are presented as a reduction to advisory and transaction fees from related parties, net, in the condensed consolidated statements of operations. See note 2 to our condensed consolidated financial statements for more detail on advisory and transaction fees from related parties, net. The Management Fee Offsets are calculated for each fund as follows:

65%-100% for private equity funds, gross advisory, transaction and other special fees;

65%-100% for certain credit funds, gross advisory, transaction and other special fees; and

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100% for certain real assets funds, gross advisory, transaction and other special fees.

Management Fees from Related Parties. The significant growth of the assets we manage has had a positive effect on our revenues. Management fees are typically calculated based upon any of “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted costs of all unrealized portfolio investments,” “capital commitments,” “invested capital,” “adjusted assets,” “capital contributions,” or “stockholders’ equity,” each as defined in the applicable limited partnership agreement and/or management agreement of the unconsolidated funds.

Carried Interest Income from Related Parties. The general partners of our funds, in general, are entitled to an incentive return that can normally amount to as much as 20% of the total returns on fund capital, depending upon performance of the underlying funds and subject to preferred returns and high water marks, as applicable. The carried interest income from related parties is recognized in accordance with U.S. GAAP guidance applicable to accounting for arrangement fees based on a formula. In applying the U.S. GAAP guidance, the carried interest from related parties for any period is based upon an assumed liquidation of the funds’ assets at the reporting date, and distribution of the net proceeds in accordance with the funds’ allocation provisions.

As of September 30, 2017, approximately 54% of the value of our funds’ investments on a gross basis was determined using market-based valuation methods (i.e., reliance on broker or listed exchange quotes) and the remaining 46% was determined primarily by comparable company and industry multiples or discounted cash flow models. For our private equity, credit and real assets segments, the percentage determined using market-based valuation methods as of September 30, 2017 was 23%, 72% and 40%, respectively. See “Item 1A. Risk Factors—Risks Related to Our Businesses—Our funds’ performance, and our performance, may be adversely affected by the financial performance of our funds’ portfolio companies and the industries in which our funds invest” in the 2016 Annual Report for a discussion regarding certain industry-specific risks that could affect the fair value of our private equity funds’ portfolio company investments.

Carried interest income fee rates can be as much as 20% for our private equity funds. In our private equity funds, the Company does not earn carried interest income until the investors in the fund have achieved cumulative investment returns on invested capital (including management fees and expenses) in excess of an 8% hurdle rate. Additionally, certain of our credit and real assets funds have various carried interest rates and hurdle rates. Certain of our credit and real assets funds allocate carried interest to the general partner in a similar manner as the private equity funds. In our private equity, certain credit and real assets funds, so long as the investors achieve their priority returns, there is a catch-up formula whereby the Company earns a priority return for a portion of the return until the Company’s carried interest income equates to its incentive fee rate for that fund; thereafter, the Company participates in returns from the fund at the carried interest income rate. Carried interest income is subject to reversal to the extent that the carried interest income distributed exceeds the amount due to the general partner based on a fund’s cumulative investment returns. The Company recognizes potential repayment of previously received carried interest income as a general partner obligation representing all amounts previously distributed to the general partner that would need to be repaid to the Apollo funds if these funds were to be liquidated based on the current fair value of the underlying funds’ investments as of the reporting date. The actual general partner obligation, however, would not become payable or realized until the end of a fund’s life or as otherwise set forth in the respective limited partnership agreement of the fund.

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The table below presents an analysis of Apollo's (i) carried interest receivable on an unconsolidated basis and (ii) realized and unrealized carried interest income (loss) for Apollo's combined segments as of and for the three and nine months ended September 30, 2017:

	As of	For the Three Months Ended			For the Nine Months Ended		
	September 30, 2017	September 30, 2017		September 30, 2017	September 30, 2017		
	Carried Interest Receivable on an Unconsolidated Basis	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income	Total Carried Interest Income (Loss) from Related Parties	Unrealized Carried Interest Income (Loss)	Realized Carried Interest Income	Total Carried Interest Income (Loss) from Related Parties
	(in thousands)						
Private Equity Funds:							
Fund VIII	\$763,727	\$266,447	\$16,441	\$282,888	\$434,524	\$99,629	\$534,153
Fund VII ⁽¹⁾	52,733	(544)	—	(544)	(21,921)	19,817	(2,104)
Fund VI ⁽¹⁾	47,929	14,669	—	14,669	90,166	—	90,166
Fund IV and V	—	⁽³⁾ (6,432)	—	(6,432)	(13,079)	—	(13,079)
ANRP I and II	24,494	⁽³⁾ (13,883)	—	(13,883)	(71,073)	52,873	(18,200)
AAA/Other ⁽²⁾⁽⁵⁾	239,577	26,332	5,418	31,750	(66,781)	141,498	74,717
Total Private Equity Funds	1,128,460	286,589	21,859	308,448	351,836	313,817	665,653
Total Private Equity Funds, net of profit share	701,004	189,597	4,465	194,062	234,811	168,034	402,845
Credit Category:							
Drawdown	312,030	⁽³⁾ (7,294)	23,698	16,404	16,151	83,878	100,029
Liquid/Performing	45,226	5,301	2,260	7,561	(1,278)	23,672	22,394
Permanent capital vehicles	58,908	6,172	6,173	12,345	22,549	12,636	35,185
Total Credit Funds	416,164	4,179	32,131	36,310	37,422	120,186	157,608
Total Credit Funds, net of profit share	146,931	1,913	17,488	19,401	20,014	69,018	89,032
Real Assets Funds:							
CPI Funds	323	4	—	4	(10)	—	(10)
U.S. RE Fund I and II	22,988	(2,440)	4,080	1,640	(1,270)	8,111	6,841
Other ⁽⁵⁾	12,223	(2,733)	2,905	172	(359)	4,113	3,754
Total Real Assets Funds	35,534	(5,169)	6,985	1,816	(1,639)	12,224	10,585
Total Real Assets Funds, net of profit share	21,350	(357)	3,349	2,992	1,209	5,696	6,905
Total	\$1,580,158	\$285,599	\$60,975	\$346,574	\$387,619	\$446,227	\$833,846
Total, net of profit share	\$869,285	⁽⁴⁾ \$191,153	\$25,302	\$216,455	\$256,034	\$242,748	\$498,782

(1) As of September 30, 2017, the remaining investments and escrow cash of Fund VII and Fund VI were valued at 99% and 97% of the fund's unreturned capital, respectively, which were below the required escrow ratio of 115%. As a result, these funds are required to place in escrow current and future carried interest income distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation. As of September 30, 2017, Fund VI had \$167.6 million of gross carried interest income, or \$110.7 million net of profit sharing, in escrow. As of September 30, 2017, Fund VII had \$69.7 million of gross carried interest income, or \$38.8 million net of profit sharing, in escrow. With respect to Fund VII and Fund VI, realized carried interest income currently distributed to the general partner is limited to potential tax distributions per the

fund's partnership agreement.

AAA/Other includes \$187.1 million of carried interest receivable, or \$133.4 million net of profit sharing, from AAA Investments, L.P. which Apollo may elect to receive in cash or in common shares of Athene Holding (valued (2) at the fair market value); and if Apollo elects to receive payment of such carried interest in cash, then common shares of Athene Holding shall be distributed to Apollo and immediately sold by Apollo to pay for such carried interest in cash.

As of September 30, 2017, certain credit funds and private equity funds had \$69.3 million and \$42.2 million, respectively, in general partner obligations to return previously distributed carried interest income. The fair value (3) gain on investments and income at the fund level needed to reverse the general partner obligations for certain credit funds and certain private equity funds was \$340.2 million and \$164.4 million, respectively, as of September 30, 2017.

There was a corresponding profit sharing payable of \$710.9 million as of September 30, 2017, including profit (4) sharing payable related to amounts in escrow and a contingent consideration obligation of \$87.3 million.

(5) Other includes certain SIAs.

The general partners of the private equity, credit and real assets funds listed in the table above were accruing carried interest income as of September 30, 2017. The investment manager of AINV accrues carried interest as it is earned. The general partners of certain of our credit funds accrue carried interest when the fair value of investments exceeds the cost basis of the individual investors' investments in the fund, including any allocable share of expenses incurred in connection with such investments, which we refer to as "high water marks." These high water marks are applied on an individual investor basis. Certain of our credit funds have investors with various high water marks, the achievement of which is subject to market conditions and investment performance.

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Carried interest income from our private equity funds and certain credit and real assets funds is subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative carried interest distributed from inception to date exceeds the amount computed as due to the general partner at the final distribution. These general partner obligations, if applicable, are included in due to related parties on the condensed consolidated statements of financial condition.

The following table summarizes our carried interest since inception for our combined segments through September 30, 2017:

	Carried Interest Since Inception ⁽¹⁾				
	Undistributed by Fund and Recognized	Distributed by Fund and Recognized ⁽²⁾	Total Undistributed and Distributed by Fund and Recognized ⁽³⁾	General Partner Obligation as of September 30, 2017 ⁽³⁾	Maximum Carried Interest Income Subject to Potential Reversal ⁽⁴⁾
(in millions)					
Private Equity Funds:					
Fund VIII	\$763.7	\$ 104.3	\$ 868.0	\$ —	\$ 830.4
Fund VII	52.7	3,121.5	3,174.2	—	704.0
Fund VI	47.9	1,659.0	1,706.9	—	1,160.6
Fund IV and V	—	2,053.1	2,053.1	24.1	10.6
ANRP I and II	24.5	72.3	96.8	18.1	48.0
AAA/Other	239.6	354.5	594.1	—	245.0
Total Private Equity Funds	1,128.4	7,364.7	8,493.1	42.2	2,998.6
Credit Category ⁽⁵⁾ :					
Drawdown	312.0	1,040.2	1,352.2	69.3	475.2
Liquid/Performing	45.2	515.5	560.7	—	76.7
Permanent capital vehicles ex AAM	49.6	—	49.6	—	49.6
Total Credit Funds	406.8	1,555.7	1,962.5	69.3	601.5
Real Assets Funds:					
CPI Funds	0.3	9.7	10.0	—	0.3
U.S. RE Fund I and II	23.0	16.9	39.9	—	33.3
Other ⁽⁶⁾	12.2	7.9	20.1	—	14.6
Total Real Assets Funds	35.5	34.5	70.0	—	48.2
Total	\$1,570.7	\$ 8,954.9	\$ 10,525.6	\$ 111.5	\$ 3,648.3

(1) Certain funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to \$1.18 as of September 30, 2017.

(2) Amounts in “Distributed by Fund and Recognized” for the CPI, Gulf Stream Asset Management, LLC (“Gulf Stream”) and Stone Tower funds and SIAs are presented for activity subsequent to the respective acquisition dates.

(3) Amounts were computed based on the fair value of fund investments on September 30, 2017. Carried interest income has been allocated to and recognized by the general partner. Based on the amount of carried interest income allocated, a portion is subject to potential reversal or, to the extent applicable, has been reduced by the general partner obligation to return previously distributed carried interest income or fees at September 30, 2017. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of the fund’s investments based on contractual termination of the fund.

(4) Represents the amount of carried interest income that would be reversed if remaining fund investments became worthless on September 30, 2017. Amounts subject to potential reversal of carried interest income include amounts undistributed by a fund (i.e., the carried interest receivable), as well as a portion of the amounts that have been distributed by a fund, net of taxes not subject to a general partner obligation to return previously distributed carried

interest income, except for those funds that are gross of taxes as defined in the respective funds' governing documents.

(5) Amounts exclude AINV, as carried interest income from this entity is not subject to contingent repayment.

(6) Other includes certain SIAs.

Expenses

Compensation and Benefits. Our most significant expense is compensation and benefits expense. This consists of fixed salary, discretionary and non-discretionary bonuses, profit sharing expense associated with the carried interest income earned from private equity, credit and real assets funds and compensation expense associated with the vesting of non-cash equity-based awards.

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Our compensation arrangements with certain partners and employees contain a significant performance-based incentive component. Therefore, as our net revenues increase, our compensation costs also rise or can be lower when net revenues decrease. In addition, our compensation costs reflect the increased investment in people as we expand geographically and create new funds.

In addition, certain professionals and selected other individuals have a profit sharing interest in the carried interest income earned in relation to our private equity, certain credit and real assets funds in order to better align their interests with our own and with those of the investors in these funds. Profit sharing expense is part of our compensation and benefits expense and is generally based upon a fixed percentage of private equity, credit and real assets carried interest income on a pre-tax and a pre-consolidated basis. Profit sharing expense can reverse during periods when there is a decline in carried interest income that was previously recognized. Profit sharing amounts are normally distributed to employees after the corresponding investment gains have been realized and generally before preferred returns are achieved for the investors. Therefore, changes in our unrealized gains (losses) for investments have the same effect on our profit sharing expense. Profit sharing expense increases when unrealized gains increase. Realizations only impact profit sharing expense to the extent that the effects on investments have not been recognized previously. If losses on other investments within a fund are subsequently realized, the profit sharing amounts previously distributed are normally subject to a general partner obligation to return carried interest income previously distributed back to the funds. This general partner obligation due to the funds would be realized only when the fund is liquidated, which generally occurs at the end of the fund's term. However, indemnification obligations also exist for pre-reorganization realized gains, which, although our Managing Partners and Contributing Partners would remain personally liable, may indemnify our Managing Partners and Contributing Partners for 17.5% to 100% of the previously distributed profits regardless of the fund's future performance. See note 13 to our condensed consolidated financial statements for further discussion of indemnification.

Each Managing Partner receives \$100,000 per year in base salary for services rendered to us. Additionally, our Managing Partners can receive other forms of compensation. In addition, AHL Awards (as defined in note 11 to our condensed consolidated financial statements) and other equity-based compensation awards have been granted to the Company and certain employees, which amortize over the respective vesting periods. In addition, the Company grants equity awards to certain employees, including RSUs, restricted Class A shares and options, that generally vest and become exercisable in quarterly installments or annual installments depending on the contract terms over a period of three to six years. See note 11 to our condensed consolidated financial statements for further discussion of equity-based compensation.

Other Expenses. The balance of our other expenses includes interest, placement fees, and general, administrative and other operating expenses. Interest expense consists primarily of interest related to the 2013 AMH Credit Facilities, the 2024 Senior Notes and the 2026 Senior Notes as discussed in note 9 to our condensed consolidated financial statements. Placement fees are incurred in connection with our capital raising activities. General, administrative and other expenses includes occupancy expense, depreciation and amortization, professional fees and costs related to travel, information technology and administration. Occupancy expense represents charges related to office leases and associated expenses, such as utilities and maintenance fees. Depreciation and amortization of fixed assets is normally calculated using the straight-line method over their estimated useful lives, ranging from two to sixteen years, taking into consideration any residual value. Leasehold improvements are amortized over the shorter of the useful life of the asset or the expected term of the lease. Intangible assets are amortized based on the future cash flows over the expected useful lives of the assets.

Other Income (Loss)

Net Gains (Losses) from Investment Activities. Net gains (losses) from investment activities include both realized gains and losses and the change in unrealized gains and losses in our investment portfolio between the opening reporting date and the closing reporting date. Net unrealized gains (losses) are a result of changes in the fair value of unrealized investments and reversal of unrealized gains (losses) due to dispositions of investments during the reporting period. Significant judgment and estimation goes into the assumptions that drive these models and the actual values realized with respect to investments could be materially different from values obtained based on the use of those models. The valuation methodologies applied impact the reported value of investment company holdings and

their underlying portfolios in our condensed consolidated financial statements.

Net Gains (Losses) from Investment Activities of Consolidated Variable Interest Entities. Changes in the fair value of the consolidated VIEs' assets and liabilities and related interest, dividend and other income and expenses subsequent to consolidation are presented within net gains (losses) from investment activities of consolidated variable interest entities and are attributable to Non-Controlling Interests in the condensed consolidated statements of operations.

Other Income (Losses), Net. Other income (losses), net includes gains (losses) arising from the remeasurement of foreign currency denominated assets and liabilities, reversal of a portion of the tax receivable agreement liability and other miscellaneous non-operating income and expenses.

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Income Taxes. The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. federal income tax purposes. As a result, except as described below, the Apollo Operating Group has not been subject to U.S. income taxes. However, the U.S. entities, in some cases, are subject to NYC UBT, and non-U.S. entities, in some cases, are subject to non-U.S. corporate income taxes. In addition, certain consolidated entities are, or are treated as, corporations for U.S. and non-U.S. tax purposes and therefore subject to federal, state, local and foreign corporate income tax. The Company's provision for income taxes is accounted for in accordance with U.S. GAAP.

Significant judgment is required in determining the provision for income taxes and in evaluating income tax positions, including evaluating uncertainties. We recognize the income tax benefits of uncertain tax positions only where the position is "more likely than not" to be sustained upon examination, including resolutions of any related appeals or litigation, based on the technical merits of the positions. The tax benefit is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. If a tax position is not considered more likely than not to be sustained, then no benefits of the position are recognized. The Company's income tax positions are reviewed and evaluated quarterly to determine whether or not we have uncertain tax positions that require financial statement recognition or de-recognition.

Deferred tax assets and liabilities are recognized for the expected future tax consequences, using currently enacted tax rates, of differences between the carrying amount of assets and liabilities and their respective tax basis. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period when the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion or all of the deferred tax assets will not be realized.

Non-Controlling Interests

For entities that are consolidated, but not 100% owned, a portion of the income or loss and corresponding equity is allocated to owners other than Apollo. The aggregate of the income or loss and corresponding equity that is not owned by the Company is included in Non-Controlling Interests in the condensed consolidated financial statements. The Non-Controlling Interests relating to Apollo Global Management, LLC primarily include the 51.9% and 53.9% ownership interest in the Apollo Operating Group held by the Managing Partners and Contributing Partners through their limited partner interests in Holdings as of September 30, 2017 and 2016, respectively. Non-Controlling Interests also include limited partner interests in certain consolidated funds and VIEs.

The authoritative guidance for Non-Controlling Interests in the condensed consolidated financial statements requires reporting entities to present Non-Controlling Interest as equity and provides guidance on the accounting for transactions between an entity and Non-Controlling Interests. According to the guidance, (1) Non-Controlling Interests are presented as a separate component of shareholders' equity on the Company's condensed consolidated statements of financial condition, (2) net income (loss) includes the net income (loss) attributable to the Non-Controlling Interest holders on the Company's condensed consolidated statements of operations, (3) the primary components of Non-Controlling Interest are separately presented in the Company's condensed consolidated statements of changes in shareholders' equity to clearly distinguish the interests in the Apollo Operating Group and other ownership interests in the consolidated entities and (4) profits and losses are allocated to Non-Controlling Interests in proportion to their ownership interests regardless of their basis.

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Results of Operations

Below is a discussion of our condensed consolidated results of operations for the three and nine months ended September 30, 2017 and 2016. For additional analysis of the factors that affected our results at the segment level, see “—Segment Analysis” below:

	For the Three Months				For the Nine Months					
	Ended		Amount Change	Percentage Change	Ended September 30,		Amount Change	Percentage Change		
	2017	2016			2017	2016			2017	2016
Revenues:	(in thousands)									
Management fees from related parties	\$301,443	\$274,313	\$27,130	9.9	%	\$852,291	\$775,171	\$77,120	9.9	%
Advisory and transaction fees from related parties, net	16,209	29,801	(13,592)	(45.6)	)	54,905	102,699	(47,794)	(46.5))
Carried interest income from related parties	346,580	199,617	146,963	73.6		833,459	407,134	426,325	104.7	
Total Revenues	664,232	503,731	160,501	31.9		1,740,655	1,285,004	455,651	35.5	
Expenses:										
Compensation and benefits:										
Salary, bonus and benefits	108,853	92,591	16,262	17.6		316,011	290,013	25,998	9.0	
Equity-based compensation	24,485	26,163	(1,678)	(6.4)	)	70,332	74,203	(3,871)	(5.2))
Profit sharing expense	137,296	90,152	47,144	52.3		339,679	179,767	159,912	89.0	
Total compensation and benefits	270,634	208,906	61,728	29.5		726,022	543,983	182,039	33.5	
Interest expense	13,303	12,832	471	3.7		39,497	30,505	8,992	29.5	
General, administrative and other	68,149	58,566	9,583	16.4		189,918	187,285	2,633	1.4	
Placement fees	5,397	1,953	3,444	176.3		12,560	5,781	6,779	117.3	
Total Expenses	357,483	282,257	75,226	26.7		967,997	767,554	200,443	26.1	
Other Income:										
Net gains from investment activities	68,932	17,746	51,186	288.4		102,936	50,287	52,649	104.7	
Net gains from investment activities of consolidated variable interest entities	845	800	45	5.6		11,085	2,817	8,268	293.5	
Income from equity method investments	47,488	23,213	24,275	104.6		102,877	64,356	38,521	59.9	
Interest income	1,504	1,192	312	26.2		2,929	3,073	(144)	(4.7))
Other income (loss), net	25,387	(40)	25,427	NM		44,776	485	44,291	NM	
Total Other Income	144,156	42,911	101,245	235.9		264,603	121,018	143,585	118.6	
Income before income tax provision	450,905	264,385	186,520	70.5		1,037,261	638,468	398,793	62.5	
Income tax provision	(16,542)	(29,667)	13,125	(44.2)	)	(54,926)	(62,508)	7,582	(12.1))
Net Income	434,363	234,718	199,645	85.1		982,335	575,960	406,375	70.6	
Net income attributable to Non-Controlling Interests	(231,411)	(140,099)	(91,312)	65.2		(542,507)	(340,077)	(202,430)	59.5	

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Net Income Attributable to Apollo Global Management, LLC	202,952	94,619	108,333	114.5	439,828	235,883	203,945	86.5
Net income attributable to Preferred Shareholders	(4,383)	—	(4,383)	NM	(9,155)	—	(9,155)	NM
Net Income Attributable to AGM Common Shareholders	\$198,569	\$94,619	\$103,950	109.9 %	\$430,673	\$235,883	\$194,790	82.6 %

“NM” denotes not meaningful. Changes from negative to positive amounts and positive to negative amounts are Note: not considered meaningful. Increases or decreases from zero and changes greater than 500% are also not considered meaningful.

Revenues

Our revenues and other income include fixed components that result from measures of capital and asset valuations and variable components that result from realized and unrealized investment performance, as well as the value of successfully completed transactions.

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Management fees from related parties increased by \$27.1 million for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. This change was primarily attributable to increased management fees earned with respect to EPF III, Athene and FCI III of \$20.5 million, \$7.6 million and \$6.7 million, respectively, offset by a decrease in management fees earned with respect to ANRP II of \$12.7 million during the three months ended September 30, 2017 as compared to the same period in 2016. Management fees earned from EPF III and FCI III increased as a result of capital raises that occurred after September 30, 2016, as well as a one-time catch-up of management fees during the three months ended September 30, 2017 of \$7.4 million and \$4.9 million from EPF III and FCI III, respectively. Management fees earned from ANRP II decreased primarily as a result of a catch-up of management fees during the three months ended September 30, 2016 of \$13.2 million.

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Advisory and transaction fees from related parties, net, decreased by \$13.6 million for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of \$15.3 million during the three months ended September 30, 2017 as compared to the same period in 2016.

Carried interest income from related parties increased by \$147.0 million for the three months ended September 30, 2017 as compared to the three months ended September 30, 2016. This change was primarily attributable to increased carried interest income earned from our private equity funds of \$223.6 million, offset by decreased carried interest income earned from our credit funds of \$75.7 million during the three months ended September 30, 2017 as compared to the same period in 2016. For additional details regarding changes in carried interest income in each segment, see “—Segment Analysis” below.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Management fees from related parties increased by \$77.1 million for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. This change was primarily attributable to increased management fees earned from EPF III, Athene and FCI III of \$43.1 million, \$24.2 million, and \$10.0 million, respectively, during the nine months ended September 30, 2017 as compared to the same period during 2016.

Management fees earned from EPF III and FCI III increased as a result of capital raises that occurred after September 30, 2016, as well as a one-time catch-up of management fees during the nine months ended September 30, 2017 of \$10.8 million and \$7.0 million from EPF III and FCI III, respectively.

Advisory and transaction fees from related parties, net, decreased by \$47.8 million for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of \$49.0 million during the nine months ended September 30, 2017 as compared to the same period during 2016.

Carried interest income from related parties increased by \$426.3 million for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. This change was primarily attributable to increased carried interest income earned from our private equity funds of \$519.0 million, offset by decreased carried interest income earned from our credit funds of \$98.8 million during the nine months ended September 30, 2017 as compared to the same period in 2016. For additional details regarding changes in carried interest income in each segment, see “—Segment Analysis” below.

Expenses

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Compensation and benefits increased by \$61.7 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to an increase in profit sharing expense of \$47.1 million due to increased carried interest income during the three months ended September 30, 2017, as compared to the same period in 2016. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period. In addition, this change was attributable to an increase in salary, bonus and benefits of \$16.3 million for the three months ended September 30, 2017, as compared to the same period in 2016 as a result of an increase in headcount.

Included in profit sharing expense is \$13.7 million and \$10.4 million for the three months ended September 30, 2017 and 2016, respectively, related to a performance based incentive arrangement for certain Apollo partners and employees designed to more closely align compensation on an annual basis with the overall realized performance of the Company (referred to herein as the “Incentive Pool”). Allocations to participants in the Incentive Pool contain both a fixed component and a discretionary component, each of which may vary year to year. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period. See “—Profit Sharing Expense” in the Critical Accounting Policies section for an overview of the Incentive Pool.

General, administrative and other expenses increased by \$9.6 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016 primarily due to an increase in professional fees during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016.

Placement fees increased by \$3.4 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016 primarily as a result of placement fees related to the launches of EPF III and Fund IX of \$2.6 million and \$2.3 million, respectively, during the three months ended September 30, 2017.

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Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Compensation and benefits increased by \$182.0 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to an increase in profit sharing expense of \$159.9 million due to increased carried interest income during the nine months ended September 30, 2017, as compared to the same period in 2016. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period.

Included in profit sharing expense is \$54.0 million and \$41.9 million for the nine months ended September 30, 2017 and 2016, respectively, related to the Incentive Pool. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period. See “—Profit Sharing Expense” in the Critical Accounting Policies section for an overview of the Incentive Pool.

Interest expense increased by \$9.0 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016 primarily as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 9 to our condensed consolidated financial statements.

General, administrative and other expense increased by \$2.6 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016 primarily as a result of increased fund organizational expenses related to Fund IX during the nine months ended September 30, 2017, as compared to the same period in 2016.

Placement fees increased by \$6.8 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016 as a result of placement fees related to the launch of EPF III of \$7.5 million during the nine months ended September 30, 2017.

Other Income (Loss)

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Net gains from investment activities increased by \$51.2 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to an increase in the fair value of the Company’s investment in Athene Holding during the three months ended September 30, 2017, as compared to the same period in 2016. See note 5 to the condensed consolidated financial statements for further information regarding the Company’s investment in Athene Holding.

Income from equity method investments increased by \$24.3 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily driven by increases in the value of investments held by certain Apollo funds and other entities in which the Company has a direct interest, mainly with respect to Fund VIII of \$21.4 million, during the three months ended September 30, 2017 as compared to the same period in 2016.

Other income, net increased by \$25.4 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to \$19.0 million in proceeds received in connection with the Company’s early termination of a lease during the three months ended September 30, 2017.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Net gains from investment activities increased by \$52.6 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to an increase in the fair value of the Company’s investment in Athene Holding during the nine months ended September 30, 2017, as compared to the same period in 2016. See note 5 to the condensed consolidated financial statements for further information regarding the Company’s investment in Athene Holding.

Net gains from investment activities of consolidated VIEs increased by \$8.3 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. See note 4 to the condensed consolidated financial statements for details regarding net gains from investment activities of consolidated VIEs.

Income from equity method investments increased by \$38.5 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily driven by increases in the value of investments held by certain Apollo funds and other entities in which the Company has a direct interest, mainly with respect to Fund VIII and AAA of \$29.5 million and \$6.5 million, respectively, during the nine months ended

September 30, 2017, as compared to the same period in 2016.

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Other income, net increased by \$44.3 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016 primarily attributable to \$19.0 million in proceeds received in connection with the Company's early termination of a lease during the nine months ended September 30, 2017, in addition to \$17.5 million in insurance proceeds received during the nine months ended September 30, 2017 in connection with fees and expenses relating to a legal proceeding.

Net Income Attributable to Non-Controlling Interests and Preferred Shareholders

For information related to net income attributable to Non-Controlling Interests and net income attributable to preferred shareholders, see note 12 to the condensed consolidated financial statements.

Income Tax Provision

The Apollo Operating Group and its subsidiaries generally operate as partnerships for U.S. federal income tax purposes. As a result, only a portion of the income we earn is subject to corporate-level tax in the United States and foreign jurisdictions. The provision for income taxes includes federal, state and local income taxes in the United States and foreign income taxes.

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

The income tax provision decreased by \$13.1 million for three months ended September 30, 2017, as compared to the three months ended September 30, 2016. The decrease in the income tax provision was primarily due to an overall change in the mix of earnings when comparing the amount of earnings that are subject to corporate-level taxation to those earnings that are not subject to corporate-level tax as these earnings are passed through to Non-Controlling Interests and Class A shareholders. The provision for income taxes includes federal, state, local and foreign income taxes resulting in an effective income tax rate of 3.7% and 11.2% for the three months ended September 30, 2017 and 2016, respectively. The most significant reconciling items between our U.S. federal statutory income tax rate and our effective income tax rate were due to the following: (i) income passed through to Non-Controlling Interests; (ii) income passed through to Class A shareholders; and (iii) state and local income taxes including NYC UBT (see note 8 to the condensed consolidated financial statements for further details regarding the Company's income tax provision).

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

The income tax provision decreased by \$7.6 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. The decrease was primarily due to an overall change in the mix of earnings when comparing the amount of earnings that are subject to corporate-level taxation to those earnings that are not subject to corporate-level tax as these earnings are passed through to Non-Controlling Interests and Class A shareholders. The provision for income taxes includes federal, state, local and foreign income taxes resulting in an effective income tax rate of 5.3% and 9.8% for the nine months ended September 30, 2017 and 2016, respectively.

The most significant reconciling items between our U.S. federal statutory income tax rate and our effective income tax rate were due to the following: (i) income passed through to Non-Controlling Interests; (ii) income passed through to Class A shareholders; and (iii) state and local income taxes including NYC UBT (see note 8 to the condensed consolidated financial statements for further details regarding the Company's income tax provision).

Segment Analysis

Discussed below are our results of operations for each of our reportable segments. They represent the segment information available and utilized by our executive management, which consists of our Managing Partners, who operate collectively as our chief operating decision maker, to assess performance and to allocate resources. Management divides its operations into three reportable segments: private equity, credit and real assets. These segments were established based on the nature of investment activities in each underlying fund, including the specific type of investment made and the level of control over the investment. Segment results represent segment income (loss) before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges include equity-based compensation charges, the amortization of intangible assets and contingent consideration and certain other charges associated with acquisitions. In addition, segment results exclude non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the condensed consolidated financial statements.

Our financial results vary, since carried interest, which generally constitutes a large portion of the income from the funds that we manage, as well as the transaction and advisory fees that we receive, can vary significantly from quarter to quarter and year to year. As a result, we emphasize long-term financial growth and profitability to manage our business.

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Private Equity

The following table sets forth our segment statement of operations information and our supplemental performance measure, EI, within our private equity segment for the three and nine months ended September 30, 2017 and 2016. Prior period financial data has been updated to conform to the current presentation.

	For the Three Months Ended September 30, 2017		Total Change	Percentage Change	For the Nine Months Ended September 30, 2017		Total Change	Percentage Change
	2016	(in thousands)			2016	(in thousands)		
Private Equity:								
Revenues:								
Management fees from related parties	\$76,079	\$91,545	\$(15,466)	(16.9)%	\$230,752	\$242,981	\$(12,229)	(5.0)%
Advisory and transaction fees from related parties, net	10,572	26,601	(16,029)	(60.3)	41,646	87,615	(45,969)	(52.5)
Carried interest income from related parties:								
Unrealized ⁽¹⁾	286,589	75,019	211,570	282.0	351,836	136,529	215,307	157.7
Realized	21,859	9,844	12,015	122.1	313,817	10,110	303,707	NM
Total carried interest income from related parties	308,448	84,863	223,585	263.5	665,653	146,639	519,014	353.9
Total Revenues	395,099	203,009	192,090	94.6	938,051	477,235	460,816	96.6
Expenses:								
Compensation and benefits:								
Salary, bonus and benefits	31,467	32,532	(1,065)	(3.3)	93,230	96,170	(2,940)	(3.1)
Equity-based compensation	6,335	6,645	(310)	(4.7)	21,134	20,795	339	1.6
Profit sharing expense:								
Unrealized	96,992	19,234	77,758	404.3	117,025	29,403	87,622	298.0
Realized	17,394	7,266	10,128	139.4	145,783	7,398	138,385	NM
Realized: Equity-based	808	—	808	NM	1,270	—	1,270	NM
Total profit sharing expense	115,194	26,500	88,694	334.7	264,078	36,801	227,277	NM
Total compensation and benefits	152,996	65,677	87,319	133.0	378,442	153,766	224,676	146.1
Non-compensation expenses:								
General, administrative and other	19,699	18,118	1,581	8.7	53,676	54,400	(724)	(1.3)
Placement fees	2,257	330	1,927	NM	3,732	2,409	1,323	54.9
Total non-compensation expenses	21,956	18,448	3,508	19.0	57,408	56,809	599	1.1
Total Expenses	174,952	84,125	90,827	108.0	435,850	210,575	225,275	107.0
Other Income:								
Income from equity method investments	39,875	14,384	25,491	177.2	81,951	40,311	41,640	103.3
	7,959	1,191	6,768	NM	11,255	3,542	7,713	217.8

Net gains from investment activities

Net interest loss	(4,374)	(4,188)	(186)	4.4	(12,952)	(9,868)	(3,084)	31.3
Other income, net	7,344	103	7,241	NM	25,915	320	25,595	NM
Total Other Income	50,804	11,490	39,314	342.2	106,169	34,305	71,864	209.5
Economic Income	\$270,951	\$130,374	\$140,577	107.8 %	\$608,370	\$300,965	\$307,405	102.1 %

(1) Included in unrealized carried interest income (loss) from related parties for the nine months ended September 30, 2017 and 2016 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 13 to our condensed consolidated financial statements for further detail regarding the general partner obligation.

Revenues

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Management fees from affiliates decreased by \$15.5 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to a decrease in management fees earned with respect to ANRP II of \$12.7 million during the three months ended September 30, 2017 as compared to the three months ended September 30, 2016 primarily due to a one-time catch-up of management fees during the three months ended September 30, 2016 of \$13.2 million.

Advisory and transaction fees from related parties, net decreased by \$16.0 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of \$15.3 million during the three months ended September 30, 2017 as compared to the three months ended September 30, 2016.

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Carried interest income from related parties increased by \$223.6 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to increases in carried interest income earned from Fund VIII, Fund VII and Fund VI of \$156.3 million, \$40.8 million and \$33.8 million, respectively. The increase in carried interest income earned from Fund VIII was primarily driven by appreciation in value in the fund's private portfolio companies. The increases in carried interest income earned from Fund VII and Fund VI were primarily driven by appreciation in value in the funds' public portfolio companies.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Management fees from related parties decreased by \$12.2 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to decreases in management fees earned with respect to ANRP II during the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016 primarily due to a one-time catch-up of management fees during the nine months ended September 30, 2016 of \$14.8 million.

Advisory and transaction fees from related parties, net decreased by \$46.0 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of \$49.0 million during the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016.

Carried interest income from related parties increased by \$519.0 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to increases in carried interest income earned from Fund VIII, Fund VI and Fund VII of \$271.0 million, \$198.7 million and \$46.1 million, respectively, during the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. The increase in carried interest income earned from Fund VIII and Fund VII was primarily driven by appreciation in value in the funds' private portfolio companies. The increase in carried interest income earned from Fund VI was primarily driven by appreciation in value in the fund's public portfolio companies.

Expenses

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Compensation and benefits expense increased by \$87.3 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to an increase in profit sharing expense of \$88.7 million as a result of a corresponding increase in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds that are generating carried interest in the period.

Included in profit sharing expense is \$9.3 million and \$2.9 million related to the Incentive Pool for the three months ended September 30, 2017 and 2016, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other increased by \$1.6 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily driven by an increase in professional fees during the three months ended September 30, 2017, as compared to the same period in 2016.

Placement fees increased by \$1.9 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily driven by placement fees incurred in connection with capital raising activity relating to Fund IX of \$2.3 million during the three months ended September 30, 2017.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Compensation and benefits expense increased by \$224.7 million for the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. This change was primarily attributable to an increase in profit sharing expense of \$227.3 million as a result of a corresponding increase in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period.

Included in profit sharing expense is \$40.5 million and \$2.9 million related to the Incentive Pool for the nine months ended September 30, 2017 and 2016, respectively. The Incentive Pool is separate from the fund related profit sharing

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may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

Placement fees increased by \$1.3 million during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily driven by placement fees incurred during the nine months ended September 30, 2017 of \$3.5 million in connection with capital raising activity relating to Fund IX. Placement fees during the nine months ended September 30, 2016 were primarily incurred in connection with capital raising activity relating to ANRP II of \$2.1 million.

Other Income

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Income from equity method investments increased by \$25.5 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to increases in the income from Apollo's equity ownership interest in Fund VIII and Fund VII of \$21.4 million and \$3.0 million, respectively, during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016.

Net gains from investment activities increased by \$6.8 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to an increase in the fair value of the Company's investment in Athene Holding during the three months ended September 30, 2017, as compared to the same period in 2016. See note 5 to the condensed consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Other income, net increased by \$7.2 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to proceeds received in connection with the Company's early termination of a lease which occurred during the three months ended September 30, 2017.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Income from equity method investments increased by \$41.6 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to increases in income from Apollo's equity ownership interest in Fund VIII, AAA and AION of \$29.5 million, \$6.5 million and \$5.5 million, respectively, during the nine months ended September 30, 2017, as compared to the same period in 2016.

Net gains from investment activities increased by \$7.7 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to an increase in the fair value of the Company's investment in Athene Holding during the nine months ended September 30, 2017, as compared to the same period in 2016. See note 5 to the condensed consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss increased by \$3.1 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, primarily due to additional interest expense incurred during the nine months ended September 30, 2017 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 9 to our condensed consolidated financial statements.

Other income, net increased by \$25.6 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to proceeds received in connection with the Company's early termination of a lease which occurred during the nine months ended September 30, 2017, in addition to \$17.5 million in insurance proceeds received during the nine months ended September 30, 2017 in connection with fees and expenses relating to a legal proceeding.

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Credit

The following table sets forth segment statement of operations information and EI within our credit segment for the three and nine months ended September 30, 2017 and 2016. Prior period financial data has been updated to conform to the current presentation.

	For the Three Months Ended September 30, 2017		2016		Total Change	Percentage Change	For the Nine Months Ended September 30, 2017		2016		Total Change	Percentage Change
	(in thousands)						(in thousands)					
Credit:												
Revenues:												
Management fees from related parties	\$ 187,885	\$ 151,386	\$ 36,499	24.1	%	\$ 516,083	\$ 445,149	\$ 70,934	15.9	%		
Advisory and transaction fees from related parties, net	4,219	2,612	1,607	61.5		10,484	10,058	426	4.2			
Carried interest income from related parties:												
Unrealized ⁽¹⁾	4,179	91,502	(87,323)	(95.4)		37,422	150,720	(113,298)	(75.2)			
Realized	32,131	20,500	11,631	56.7		120,186	105,698	14,488	13.7			
Total carried interest income from related parties	36,310	112,002	(75,692)	(67.6)		157,608	256,418	(98,810)	(38.5)			
Total Revenues	228,414	266,000	(37,586)	(14.1)		684,175	711,625	(27,450)	(3.9)			
Expenses:												
Compensation and benefits:												
Salary, bonus and benefits	59,027	45,143	13,884	30.8		173,153	151,464	21,689	14.3			
Equity-based compensation	9,925	8,834	1,091	12.4		28,255	25,694	2,561	10.0			
Profit sharing expense:												
Unrealized	2,266	36,809	(34,543)	(93.8)		17,408	61,626	(44,218)	(71.8)			
Realized	14,643	8,988	5,655	62.9		51,168	62,764	(11,596)	(18.5)			
Realized: Equity-based	518	—	518	NM		1,387	—	1,387	NM			
Total profit sharing expense	17,427	45,797	(28,370)	(61.9)		69,963	124,390	(54,427)	(43.8)			
Total compensation and benefits	86,379	99,774	(13,395)	(13.4)		271,371	301,548	(30,177)	(10.0)			
Non-compensation expenses												
General, administrative and other	35,709	29,161	6,548	22.5		99,559	95,193	4,366	4.6			
Placement fees	3,140	723	2,417	334.3		8,828	2,113	6,715	317.8			
Total non-compensation expenses	38,849	29,884	8,965	30.0		108,387	97,306	11,081	11.4			
Total Expenses	125,228	129,658	(4,430)	(3.4)		379,758	398,854	(19,096)	(4.8)			
Other Income:												
Income from equity method investments	8,222	8,036	186	2.3		20,561	21,824	(1,263)	(5.8)			
Net gains from investment activities	60,570	16,171	44,399	274.6		91,365	45,819	45,546	99.4			
Net interest loss	(5,972)	(6,172)	200	(3.2)		(18,978)	(14,542)	(4,436)	30.5			
Other income (loss), net	16,318	(4,977)	21,295	NM		16,888	(5,512)	22,400	NM			
Total Other Income	79,138	13,058	66,080	NM		109,836	47,589	62,247	130.8			
Non-Controlling Interest	(1,751)	(510)	(1,241)	243.3		(3,244)	(5,070)	1,826	(36.0)			
Economic Income	\$ 180,573	\$ 148,890	\$ 31,683	21.3	%	\$ 411,009	\$ 355,290	\$ 55,719	15.7	%		

(1) Included in unrealized carried interest income (loss) from related parties for the nine months ended September 30, 2017 and 2016 was a reversal of previously realized carried interest income due to the general partner obligation to return previously distributed carried interest income. See note 13 to our condensed consolidated financial statements for further detail regarding the general partner obligation.

Revenues

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Management fees from related parties increased by \$36.5 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to increases in management fees earned from EPF III, Athene and FCI III of \$20.5 million, \$7.6 million and \$6.7 million, respectively, during the three months ended September 30, 2017, as compared to the same period during 2016.

Management fees earned from EPF III and FCI III increased as a result of capital raises that occurred after September 30, 2016, as well as a one-time catch-up of management fees during the three months ended September 30, 2017 of \$7.4 million and \$4.9 million from EPF III and FCI III, respectively.

Advisory and transaction fees from affiliates, net, increased by \$1.6 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily driven by an increase in net

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advisory and transaction fees from FCI III of \$2.0 million during the three months ended September 30, 2017, as compared to the same period during 2016.

Carried interest income from related parties decreased by \$75.7 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to decreases in carried interest income earned from EPF II, CLOs, Apollo Credit Master Fund Ltd and FCI II of \$19.6 million, \$11.7 million, \$12.0 million and \$6.2 million, respectively, during the three months ended September 30, 2017, as compared to the same period in 2016.

The decrease in carried interest income earned from EPF II was primarily attributable to decreased appreciation of European and UK hotel assets and German commercial real estate investments in the fund's portfolio for the three months ended September 30, 2017 as compared to the same period in 2016. The decrease in carried interest income earned from the CLOs was due to under-performance relative to each respective CLO hurdle rate and lower appreciation and gains from the leveraged loan markets during the three months ended September 30, 2017 as compared to the same period in 2016. The decrease in carried interest income earned from Apollo Credit Master Fund Ltd. was due to under-performance relative to the fund's hurdle rate during the three months ended September 30, 2017, as compared to the same period in 2016 as a result of lower appreciation on investments in the financial and technology sectors during the three months ended September 30, 2017. The decrease in carried interest income related to FCI II was due to lower valuations of the fund's life settlements portfolio during the three months ended September 30, 2017 as compared to the same period in 2016.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Management fees from related parties increased by \$70.9 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to increases in management fees earned from EPF III, Athene and FCI III of \$43.1 million, \$24.2 million and \$10.0 million, respectively. Management fees earned from EPF III and FCI III increased as a result of capital raises that occurred after September 30, 2016, as well as a one-time catch-up of management fees during the nine months ended September 30, 2017 of \$10.8 million and \$7.0 million from EPF III and FCI III, respectively. These increases were partially offset by a decrease in management fees earned from EPF II of \$17.7 million during the nine months ended September 30, 2017, as compared to the same period during 2016, primarily resulting from a step down in fee basis from committed capital to invested capital during the nine months ended September 30, 2017.

Carried interest income from related parties decreased by \$98.8 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to a decrease in carried interest income earned from Apollo Credit Master Fund Ltd, CLOs, EPF II, SCRF III and FCI II of \$31.0 million, \$22.3 million, \$13.2 million, \$9.9 million and \$9.8 million, respectively, during the nine months ended September 30, 2017, as compared to the same period during 2016.

The decrease in carried interest income related to Apollo Credit Master Fund Ltd. was due to under-performance relative to the fund's hurdle rate during the nine months ended September 30, 2017, as compared to the same period in 2016 as a result of lower appreciation on investments in the financial and technology sectors during the nine months ended September 30, 2017. The decrease in carried interest income earned from the CLOs was due to under-performance relative to each respective CLO hurdle rate and lower appreciation and gains from the leveraged loan markets during the nine months ended September 30, 2017 as compared to the same period in 2016. The decrease in carried interest income from EPF II was primarily attributable to lower appreciation of European and UK hotel assets in the fund's portfolio for the nine months ended September 30, 2017 as compared to the same period in 2016. The decrease in carried interest income related to SCRF III was attributable to carried interest income being generated at a slower rate as the fund began to unwind during the nine months ended September 30, 2017. The decrease in carried interest income earned from FCI II was due to lower valuations of the fund's life settlements portfolio during the nine months ended September 30, 2017 as compared to the same period in 2016.

Expenses

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Compensation and benefits expense decreased by \$13.4 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily due to decreases in profit sharing

expense of \$28.4 million, offset by increases in salary, bonus and benefits of \$13.9 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016 primarily due to increased headcount. Profit sharing expense decreased as a result of a corresponding decrease in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period.

Included in profit sharing expense is \$3.9 million and \$5.7 million related to the Incentive Pool for the three months ended September 30, 2017 and 2016, respectively. The Incentive Pool is separate from the fund related profit sharing expense and

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may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other increased by \$6.5 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily driven by an increase in professional fees during the three months ended September 30, 2017, as compared to the same period in 2016.

Placement fees increased by \$2.4 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily driven by placement fees incurred in connection with capital raising activity relating to EPF III of \$2.6 million during the three months ended September 30, 2017.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Compensation and benefits expense decreased by \$30.2 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to a decrease in profit sharing expense of \$54.4 million during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016 as a result of a corresponding decrease in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period. The decrease in profit sharing expense was partially offset by an increase in salary, bonus and benefits of \$21.7 million during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016 primarily due to increased headcount.

Included in profit sharing expense is \$12.5 million and \$35.6 million related to the Incentive Pool for the nine months ended September 30, 2017 and 2016, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other increased by \$4.4 million during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. The change was primarily driven by an increase in fund organizational expenses related to the launch of EPF III as well as an increase in professional fees during the nine months ended September 30, 2017, as compared to the same period in 2016.

Placement fees increased by \$6.7 million during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily driven by placement fees incurred in connection with capital raising activity relating to EPF III of \$7.5 million during the nine months ended September 30, 2017.

Other Income

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Net gains from investment activities increased by \$44.4 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to an increase in the fair value of the Company's investment in Athene Holding during the three months ended September 30, 2017, as compared to the same period in 2016. See note 5 to the condensed consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Other income (loss), net increased by \$21.3 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to proceeds received in connection with the Company's early termination of a lease and the Company's recognition of \$6.2 million of other income from the assignment of a CLO collateral management agreement during the three months ended September 30, 2017.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Income from equity method investments decreased by \$1.3 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily driven by a decrease in income from Apollo's equity ownership interest in Apollo Energy Opportunity Fund, L.P. ("AEOF") and EPF II of \$4.3 million and \$2.1 million, respectively, partially offset by an increase in income from Apollo's equity ownership interest in AINV of \$5.4 million during the nine months ended September 30, 2017, as compared to the same period in 2016. Net gains from investment activities increased by \$45.5 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to an increase in the fair value of the Company's investment in Athene Holding during the nine months ended September 30, 2017, as

compared to the same period

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in 2016. See note 5 to the condensed consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss increased by \$4.4 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, primarily due to additional interest expense incurred during the nine months ended September 30, 2017 as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 9 to our condensed consolidated financial statements.

Other income (loss), net increased by \$22.4 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to proceeds received in connection with the Company's early termination of a lease and proceeds received from the assignment of a CLO collateral management agreement during the nine months ended September 30, 2017.

Non-Controlling Interests

For information related to Non-Controlling Interests, see note 12 to the condensed consolidated financial statements for further details.

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Real Assets

The following table sets forth our segment statement of operations information and EI within our real assets segment for the three and nine months ended September 30, 2017 and 2016. Prior period financial data has been updated to conform to the current presentation.

	For the Three Months Ended September 30, 2017		2016		Total Change	Percentage Change	For the Nine Months Ended September 30, 2017		2016		Total Change	Percentage Change
	(in thousands)						(in thousands)					
Real Assets:												
Revenues:												
Management fees from related parties	\$18,470	\$15,554	\$2,916	18.7	%	\$54,560	\$42,921	\$11,639	27.1	%		
Advisory and transaction fees from related parties, net	1,418	1,038	380	36.6		2,775	5,476	(2,701)	(49.3))		
Carried interest income (loss) from related parties:												
Unrealized	(5,169)	) 963	(6,132)	NM		(1,639)	) (4,151)	) 2,512	(60.5))		
Realized	6,985	5,499	1,486	27.0		12,224	11,938	286	2.4			
Total carried interest income from related parties	1,816	6,462	(4,646)	(71.9)	)	10,585	7,787	2,798	35.9			
Total Revenues	21,704	23,054	(1,350)	(5.9)	)	67,920	56,184	11,736	20.9			
Expenses:												
Compensation and benefits:												
Salary, bonus and benefits	10,513	9,129	1,384	15.2		27,905	26,062	1,843	7.1			
Equity-based compensation	798	675	123	18.2		1,980	2,107	(127)	(6.0))		
Profit sharing expense:												
Unrealized	(4,812)	) 432	(5,244)	NM		(2,848)	) (1,400)	) (1,448)	103.4)		
Realized	3,636	4,062	(426)	(10.5)	)	6,528	8,240	(1,712)	(20.8))		
Total profit sharing expense	(1,176)	) 4,494	(5,670)	NM		3,680	6,840	(3,160)	(46.2))		
Total compensation and benefits	10,135	14,298	(4,163)	(29.1)	)	33,565	35,009	(1,444)	(4.1))		
Non-compensation expenses:												
General, administrative and other	5,520	4,674	846	18.1		15,299	16,239	(940)	(5.8))		
Placement fees	—	—	—	NM		—	21	(21)	(100.0))		
Total non-compensation expenses	5,520	4,674	846	18.1		15,299	16,260	(961)	(5.9))		
Total Expenses	15,655	18,972	(3,317)	(17.5)	)	48,864	51,269	(2,405)	(4.7))		
Other Income (Loss):												
Income (loss) from equity method investments	(83)	) 499	(582)	NM		1,935	1,631	304	18.6			
Net interest loss	(1,163)	) (1,168)	) 5	(0.4)	)	(3,634)	) (2,895)	) (739)	25.5)		
Other income (loss), net	2,044	(29)	) 2,073	NM		2,347	(14)	) 2,361	NM			
Total Other Income (Loss)	798	(698)	) 1,496	NM		648	(1,278)	) 1,926	NM			
Economic Income	\$6,847	\$3,384	\$3,463	102.3	%	\$19,704	\$3,637	\$16,067	441.8	%		

Revenues

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Management fees from related parties increased by \$2.9 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to increases in management fees earned with respect to ARI and Apollo Asia Real Estate Fund, L.P. (“Asia RE Fund”) of \$2.5 million and \$0.6 million, respectively, during the three months ended September 30, 2017, as compared to the same period

during 2016, in connection with capital raises for the funds during 2017.

Carried interest income from related parties decreased by \$4.6 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. Carried interest income earned from certain funds, including U.S. RE Fund I and II, includes an allocation of carried interest income from a strategic investment account that invests in the funds. This change was primarily attributable to decreases in carried interest income earned from strategic investment accounts and U.S. RE Fund II of \$2.3 million and \$1.1 million, respectively. The decrease in carried interest income earned from U.S. RE Fund II was primarily the result of stronger operating performance across many of the funds' underlying properties and higher appreciation of several real estate investments during the three months ended September 30, 2016 as compared to the three months ended September 30, 2017.

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Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Management fees from related parties increased by \$11.6 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to increases in management fees earned with respect to ARI and Asia RE Fund of \$7.2 million and \$2.8, respectively, during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, in connection with capital raises for the funds during 2017.

Advisory and transaction fees from related parties, net, decreased by \$2.7 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to decreases in net advisory and transaction fees earned with respect to AGRE Debt Fund I, L.P. (“AGRE Debt Fund I”) and U.S. RE Fund II of \$2.0 million and \$0.4 million, respectively, during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016.

Carried interest income from related parties increased by \$2.8 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to an increase in carried interest income earned from U.S. RE Fund II of \$3.3 million, partially offset by a decrease in carried interest income earned from U.S. RE Fund I of \$1.5 million during the nine months ended September 30, 2017, as compared to the same period during 2016. The increase in carried interest income earned from U.S. RE Fund II was primarily due to strong operating performance across many of the fund’s underlying properties and appreciation of several real estate investments during the nine months ended September 30, 2017. The decrease in carried interest income earned from U.S. RE Fund I was primarily due to lower appreciation of several investments during the nine months ended September 30, 2017, as compared to the same period during 2016.

Expenses

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Compensation and benefits decreased by \$4.2 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to a decrease in profit sharing expense of \$5.7 million during the three months ended September 30, 2017 as compared to the three months ended September 30, 2016 as a result of a corresponding decrease in carried interest income as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period. The decrease in profit sharing expense was partially offset by an increase in salary, bonus and benefits of \$1.4 million during the three months ended September 30, 2017, as compared to the same period during 2016 primarily due to increased headcount.

Included in profit sharing expense is \$0.5 million and \$1.8 million related to the Incentive Pool for the three months ended September 30, 2017 and 2016, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

General, administrative and other increased by \$0.8 million during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016. This change was primarily attributable to an increase in professional fees during the three months ended September 30, 2017, as compared to the three months ended September 30, 2016.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Compensation and benefits decreased by \$1.4 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to a decrease in profit sharing expense of \$3.2 million during the nine months ended September 30, 2017 as compared to the nine months ended September 30, 2016. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating carried interest in the period. The decrease in profit sharing expense was partially offset by an increase in salary, bonus and benefits of \$1.8 million during the nine months ended September 30, 2017, as compared to the same period during 2016 primarily due to increased headcount.

Included in profit sharing expense is \$0.9 million and \$3.5 million related to the Incentive Pool for the nine months ended September 30, 2017 and 2016, respectively. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing

percentage during a particular period.

General, administrative and other decreased by \$0.9 million during the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016. This change was primarily attributable to fund organizational expenses related to U.S. RE Fund II incurred during the nine months ended September 30, 2016.

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Other Income (Loss)

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

Other income (loss), net increased by \$2.1 million for the three months ended September 30, 2017, as compared to the three months ended September 30, 2016, primarily attributable to proceeds received in connection with the Company's early termination of a lease during the three months ended September 30, 2017.

Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Net interest loss increased by \$0.7 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, primarily due to additional interest expense incurred during the nine months ended September 30, 2017 primarily as a result of the issuance of the 2026 Senior Notes in May 2016, as described in note 9 to our condensed consolidated financial statements.

Other income (loss), net increased by \$2.4 million for the nine months ended September 30, 2017, as compared to the nine months ended September 30, 2016, primarily attributable to proceeds received in connection with the Company's early termination of a lease during the nine months ended September 30, 2017.

Summary of Fee Related Earnings

The following table is a summary of Fee Related Earnings for the three and nine months ended September 30, 2017 and 2016.

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
	2017	2016	2017	2016
	(in thousands)			
Management Fees	\$282,434	\$258,485	\$801,395	\$731,051
Advisory and Transaction Fees from Related Parties, net	16,209	30,251	54,905	103,149
Carried Interest Income from Related Parties ⁽¹⁾	6,173	2,307	12,636	17,516
Salary, Bonus and Benefits	(101,007)	(86,804)	(294,288)	(273,696)
Non-compensation Expenses	(66,325)	(53,006)	(181,094)	(170,375)
Other Income (Loss) attributable to Fee Related Earnings ⁽²⁾	26,456	(4,240)	46,818	(4,166)
Non-Controlling Interest	(1,751)	(510)	(3,244)	(5,070)
Fee Related Earnings	\$162,189	\$146,483	\$437,128	\$398,409

(1) Represents carried interest income earned from a publicly traded business development company we manage.

Includes \$19.0 million in proceeds received in connection with the Company's early termination of a lease during the three and nine months ended September 30, 2017. Includes \$17.5 million in insurance proceeds received in connection with fees and expenses relating to a legal proceeding during the nine months ended September 30, 2017.

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Summary of Distributable Earnings

The following table is a reconciliation of Distributable Earnings per share of common and equivalents⁽¹⁾ to net distribution per share of common and equivalent for the three and nine months ended September 30, 2017 and 2016.

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
	2017	2016	2017	2016
	(in thousands, except per share data)			
Distributable Earnings	\$185,131	\$152,636	\$682,442	\$421,706
Taxes and related payables ⁽²⁾	(7,272)	(4,105)	(20,344)	(9,346)
Preferred distributions	(4,383)	—	(9,155)	—
Distributable Earnings After Taxes and Related Payables	173,476	148,531	652,943	412,360
Add back: Tax and related payables attributable to common and equivalents	4,706	3	14,091	9
Distributable Earnings before certain payables ⁽³⁾	178,182	148,534	667,034	412,369
Percent to common and equivalents	49	% 47	% 49	% 47
Distributable Earnings before other payables attributable to common and equivalents	87,078	69,821	325,981	193,841
Less: Taxes and related payables attributable to common and equivalents	(4,706)	(3)	(14,091)	(9)
Distributable Earnings attributable to common and equivalents	\$82,372	\$69,818	\$311,890	\$193,832
Distributable Earnings per share of common and equivalent ⁽⁴⁾	\$0.42	\$0.36	\$1.59	\$1.01
Retained capital per share of common and equivalent ⁽⁴⁾⁽⁵⁾	(0.03)	(0.01)	(0.19)	(0.04)
Net distribution per share of common and equivalent ⁽⁴⁾	\$0.39	\$0.35	\$1.40	\$0.97

(1) Common and equivalents refers to Class A shares outstanding and RSUs that participate in distributions.

(2) Represents the estimated current corporate, local and non-U.S. taxes as well as the payable under Apollo's tax receivable agreement.

(3) Distributable earnings before certain payables represents Distributable Earnings before the deduction for the estimated current corporate taxes and the payable under Apollo's tax receivable agreement.

Per share calculations are based on end of period Distributable Earnings Shares Outstanding, which consists of (4) total Class A shares outstanding, AOG Units and RSUs that participate in distributions (collectively referred to as "common & equivalents").

(5) Retained capital is withheld pro-rata from common and equivalent holders and AOG Unit holders.

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Summary of Non-U.S. GAAP Measures

The table below sets forth a reconciliation of net income attributable Apollo Global Management, LLC Class A Shareholders to our non-U.S. GAAP performance measures for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
	2017	2016	2017	2016
	(in thousands)			
Net Income Attributable to Apollo Global Management, LLC Class A Shareholders	\$ 198,569	\$ 94,619	\$ 430,673	\$ 235,883
Preferred distributions	4,383	—	9,155	—
Net income (loss) attributable to Non-Controlling Interests in consolidated entities	1,048	(222)	8,967	3,891
Net income attributable to Non-Controlling Interests in the Apollo Operating Group	230,363	140,321	533,540	336,186
Net Income	\$ 434,363	\$ 234,718	\$ 982,335	\$ 575,960
Income tax provision	16,542	29,667	54,926	62,508
Income Before Income Tax Provision	\$ 450,905	\$ 264,385	\$ 1,037,261	\$ 638,468
Transaction-related charges and equity-based compensation	8,514	18,041	10,789	25,315
Net (income) loss attributable to Non-Controlling Interests in consolidated entities	(1,048)	222	(8,967)	(3,891)
Economic Income ⁽¹⁾	\$ 458,371	\$ 282,648	\$ 1,039,083	\$ 659,892
Income tax provision on Economic Income	(22,356)	(51,896)	(83,125)	(107,253)
Preferred distributions	(4,383)	—	(9,155)	—
Economic Net Income	\$ 431,632	\$ 230,752	\$ 946,803	\$ 552,639
Preferred distributions	4,383	—	9,155	—
Income tax provision on Economic Income	22,356	51,896	83,125	107,253
Carried interest income from related parties ⁽²⁾	(340,401)	(201,020)	(821,210)	(393,328)
Profit sharing expense	131,445	76,791	337,721	168,031
Equity-based compensation ⁽³⁾	17,058	16,154	51,369	48,596
Income from equity method investments	(48,014)	(22,919)	(104,447)	(63,766)
Net gains from investment activities	(68,529)	(17,362)	(102,620)	(49,361)
Net interest loss	11,509	11,528	35,564	27,305
Other	750	663	1,668	1,040
Fee Related Earnings	\$ 162,189	\$ 146,483	\$ 437,128	\$ 398,409
Depreciation, amortization and other, net	5,825	2,435	10,860	7,532
Fee Related EBITDA	\$ 168,014	\$ 148,918	\$ 447,988	\$ 405,941
Net realized carried interest income ⁽²⁾	19,129	13,220	230,112	31,828
Fee Related EBITDA + 100% of Net Realized Carried Interest	\$ 187,143	\$ 162,138	\$ 678,100	\$ 437,769
Non-cash revenues	(842)	(842)	(2,527)	(2,527)
Realized income from equity method investments	10,339	3,767	42,433	15,007
Net interest loss	(11,509)	(11,528)	(35,564)	(27,305)
Other	—	(899)	—	(1,238)
Distributable Earnings	\$ 185,131	\$ 152,636	\$ 682,442	\$ 421,706
Taxes and related payables	(7,272)	(4,105)	(20,344)	(9,346)
Preferred distributions	(4,383)	—	(9,155)	—
Distributable Earnings After Taxes and Related Payables	\$ 173,476	\$ 148,531	\$ 652,943	\$ 412,360

(1) See note 15 for more details regarding Economic Income for the combined segments.

(2) Excludes carried interest income from a publicly traded business development company we manage.

(3) Includes equity-based compensation related to RSUs (excluding RSUs granted in connection with the 2007 private placement), share options and restricted share awards.

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Liquidity and Capital Resources

Historical

Although we have managed our historical liquidity needs by looking at deconsolidated cash flows, our historical condensed consolidated statements of cash flows reflect the cash flows of Apollo, as well as those of the consolidated Apollo funds and VIEs.

The primary cash flow activities of Apollo are:

- Generating cash flow from operations;
- Making investments in Apollo funds;
- Meeting financing needs through credit agreements; and
- Distributing cash flow to equity holders and Non-Controlling Interests.

Primary cash flow activities of the consolidated Apollo funds and VIEs are:

- Raising capital from their investors, which have been reflected historically as Non-Controlling Interests of the consolidated subsidiaries in our financial statements;
- Using capital to make investments;
- Generating cash flow from operations through distributions, interest and the realization of investments;
- Distributing cash flow to investors; and
- Issuing debt to finance investments (CLOs).

While primarily met by cash flows generated through fee income and carried interest income received, working capital needs have also been met (to a limited extent) through borrowings as described in note 9 to the condensed consolidated financial statements.

We determine whether to make capital commitments to our funds in excess of our minimum required amounts based on a variety of factors, including estimates regarding our liquidity resources over the estimated time period during which commitments will have to be funded, estimates regarding the amounts of capital that may be appropriate for other funds that we are in the process of raising or are considering raising, and our general working capital requirements.

Cash Flows

Significant amounts from our condensed consolidated statements of cash flows for the nine months ended September 30, 2017 and 2016 are summarized and discussed within the table and corresponding commentary below:

	For the Nine Months Ended September 30, 2017 2016 (in thousands)	
Operating Activities	\$667,484	\$573,171
Investing Activities	(244,204)	(172,325)
Financing Activities	(295,901)	(85,222)
Net Increase in Cash and Cash Equivalents	\$127,379	\$315,624

Operating Activities

Our net cash provided by operating activities was \$667.5 million and \$573.2 million during the nine months ended September 30, 2017 and 2016, respectively. These amounts were primarily driven by:

- net income of \$982.3 million and \$576.0 million during the nine months ended September 30, 2017 and 2016, respectively, as well as non-cash adjustments, net of \$(69.4) million and \$27.1 million, respectively;
- a net increase in our carried interest receivable of \$(325.8) million and \$(348.8) million during the nine months ended September 30, 2017 and 2016, respectively, due to a change in the fair value of our funds that generate carried interest of \$828.4 million and \$451.0 million during the nine months ended September 30, 2017 and 2016, respectively, offset

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by fund distributions to the Company of \$507.5 million and \$103.1 million during the nine months ended September 30, 2017 and 2016, respectively;

purchases of investments held by consolidated VIEs in the amount of \$517.7 million and \$396.8 million, offset by proceeds from sales of investments held by consolidated VIEs in the amount of \$385.0 million and \$422.9 million during the nine months ended September 30, 2017 and 2016, respectively;

a net increase in due from related parties in the amount of \$47.5 million and \$49.9 million during the nine months ended September 30, 2017 and 2016, respectively;

- a net (decrease) increase in due to related parties in the amount of \$(12.8) million and \$68.7 million during the nine months ended September 30, 2017 and 2016, respectively;

a net increase in accrued compensation and benefits in the amount of \$91.9 million and \$65.6 million during the nine months ended September 30, 2017 and 2016, respectively;

payments made towards the satisfaction of our contingent obligations of \$23.6 million and \$10.1 million during the nine months ended September 30, 2017 and 2016, respectively;

a net (decrease) increase in deferred revenue in the amount of \$(17.3) million and \$29.2 million during the nine months ended September 30, 2017 and 2016, respectively; and

a net increase in our profit sharing payable of \$179.7 million and \$168.7 million during the nine months ended September 30, 2017 and 2016, respectively, due to profit sharing expense of \$344.5 million and \$210.5 million during the nine months ended September 30, 2017 and 2016, respectively, offset by payments of \$183.7 million and \$40.1 million during the nine months ended September 30, 2017 and 2016, respectively.

Investing Activities

Our net cash used in investing activities was \$(244.2) million and \$(172.3) million during the nine months ended September 30, 2017 and 2016, respectively. These amounts were primarily driven by:

- net cash contributions to our equity method investments of \$35.9 million and \$119.9 million during the nine months ended September 30, 2017 and 2016, respectively;

- purchases of fixed assets of \$5.9 million and \$4.9 million during the nine months ended September 30, 2017 and 2016, respectively;

- purchases of U.S. Treasury securities of \$198.9 million the during the nine months ended September 30, 2017;

- issuance of related party loans of \$5.8 million offset by repayment of related party loans of \$17.7 million during the nine months ended September 30, 2017; and

- purchases of investments in the amount of \$14.8 million and \$44.5 million during the nine months ended September 30, 2017 and 2016, respectively.

Financing Activities

Our net cash used in financing activities was \$(295.9) million and \$(85.2) million during the nine months ended September 30, 2017 and 2016, respectively. These amounts were primarily driven by:

- cash received, net of issuance costs, in connection with the issuance of Preferred shares of \$264.4 million during the nine months ended September 30, 2017;

- cash distributions paid to our Class A shareholders of \$288.7 million and \$172.1 million, during the nine months ended September 30, 2017 and 2016, respectively;

- cash distributions paid to the Non-Controlling Interest holders in the Apollo Operating Group of \$329.2 million and \$194.4 million during the nine months ended September 30, 2017 and 2016, respectively;

- cash contributions from Non-Controlling Interest holders in consolidated VIEs of \$42.5 million and \$12.9 million during the nine months ended September 30, 2017 and 2016, respectively;

- cash used for purchases of Class A shares of \$18.5 million and \$13.0 million during the nine months ended September 30, 2017 and 2016, respectively;

- net distributions related to tax liabilities associated with issuances of Class A shares in settlement of RSUs of \$28.0 million and \$35.3 million during the nine months ended September 30, 2017 and 2016, respectively;

- issuance of debt of consolidated VIEs of \$534.6 million offset by repayments of debt of consolidated VIEs of \$442.6 million during the nine months ended September 30, 2017; and

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issuance of debt of \$532.7 million offset by repayments of debt of \$200.0 million during the nine months ended September 30, 2016.

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Distributions

In addition to other distributions such as payments pursuant to the tax receivable agreement, see note 12 to the condensed consolidated financial statements for information regarding the quarterly distributions which were made at the sole discretion of the Company's manager during 2017 and 2016.

Future Cash Flows

Our ability to execute our business strategy, particularly our ability to increase our AUM, depends on our ability to establish new funds and to raise additional investor capital within such funds. Our liquidity will depend on a number of factors, such as our ability to project our financial performance, which is highly dependent on our funds and our ability to manage our projected costs, fund performance, our access to credit facilities, our being in compliance with existing credit agreements, as well as industry and market trends. Also during economic downturns the funds we manage might experience cash flow issues or liquidate entirely. In these situations we might be asked to reduce or eliminate the management fee and incentive fees we charge, which could adversely impact our cash flow in the future. An increase in the fair value of our funds' investments, by contrast, could favorably impact our liquidity through higher management fees where the management fees are calculated based on the net asset value, gross assets and adjusted assets. Additionally, higher carried interest income not yet realized would generally result when investments appreciate over their cost basis which would not have an impact on the Company's cash flow.

As of September 30, 2017, Fund VII's and Fund VI's remaining investments and escrow cash were valued at 99% and 97% of the fund's unreturned capital, respectively, which was below the required escrow ratio of 115%. As a result, these funds are required to place in escrow current and future carried interest income distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation.

On April 20, 2010, the Company announced that it entered into a strategic relationship agreement with CalPERS. The strategic relationship agreement provides that Apollo will reduce fees charged to CalPERS on funds it manages, or in the future will manage, solely for CalPERS by \$125 million over a five-year period or as close a period as required to provide CalPERS with that benefit. The agreement further provides that Apollo will not use a placement agent in connection with securing any future capital commitments from CalPERS. As of September 30, 2017, the Company had reduced fees charged to CalPERS on the funds it manages by approximately \$105.7 million.

Although we expect to pay distributions according to our distribution policy, we may not pay distributions according to our policy, or at all, if, among other things, we do not have the cash necessary to pay the intended distributions. To the extent we do not have cash on hand sufficient to pay distributions, we may have to borrow funds to pay distributions, or we may determine not to pay distributions. The declaration, payment and determination of the amount of our quarterly distributions are at the sole discretion of our manager.

In February 2016, Apollo adopted a plan to repurchase up to \$250 million in the aggregate of its Class A shares, including up to \$150 million in the aggregate of its outstanding Class A shares through a share repurchase program and up to \$100 million through a reduction of Class A shares to be issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under the 2007 Equity Plan, which we refer to as net share settlement. Under the share repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. See note 12 to the condensed consolidated financial statements for further information regarding the Company's share repurchase program and net share settlement during the three and nine months ended September 30, 2017 and 2016.

On March 11, 2016, it was announced that Apollo intended to embark on a program to purchase \$50 million of AINV's common stock, subject to certain regulatory approvals. Under the program, shares may be purchased from time to time in open market transactions and in accordance with applicable law. As of September 30, 2017, Apollo had purchased approximately 871 thousand shares, or approximately \$4.9 million of AINV's common stock.

On April 14, 2017, Apollo made an unfunded commitment to AGER, a strategic platform established to acquire or reinsure blocks of insurance business in the German and broader European life insurance market. The unfunded commitment of €125 million to purchase new Class B-1 equity interests in AGER during the commitment period may be reduced to the extent that certain employees, officers, directors and advisors of the Company, AGER, Apollo and/or their respective affiliates hereafter commit to purchase from AGER more than €25 million of new equity

interests in AGER. Apollo further committed to purchase new Class C-1 equity interests in AGER on the closing date that represent a profits interest in AGER which, upon meeting certain vesting triggers, will be convertible by Apollo into additional Class B-1 equity interests in AGER. Apollo and Athene will be

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minority investors in AGER and long term strategic partners with aggregate voting powers of 35% and 10%, respectively. For more information regarding unfunded general partner commitments, see “—Contractual Obligations, Commitments and Contingencies”.

Carried interest income from our funds can be distributed to us on a current basis, but is subject to repayment by the subsidiaries of the Apollo Operating Group that act as general partner of such funds in the event that certain specified return thresholds are not ultimately achieved. The Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, to the extent of their ownership interest, subject to certain limitations, the obligations of these subsidiaries in respect of this general partner obligation. Such guarantees are several and not joint and are limited to a particular Managing Partner’s or Contributing Partner’s distributions. Pursuant to the shareholders agreement dated July 13, 2007, as amended (the “Shareholders Agreement”), we agreed to indemnify each of our Managing Partners and certain Contributing Partners against all amounts that they pay pursuant to any of these personal guarantees in favor of Fund IV, Fund V and Fund VI (including costs and expenses related to investigating the basis for or objecting to any claims made in respect of the guarantees) for all interests that our Managing Partners and Contributing Partners have contributed or sold to the Apollo Operating Group.

Accordingly, in the event that our Managing Partners, Contributing Partners and certain investment professionals are required to pay amounts in connection with a general partner obligation to return previously distributed carried interest income with respect to Fund IV, Fund V and Fund VI, we will be obligated to reimburse our Managing Partners and certain Contributing Partners for the indemnifiable percentage of amounts that they are required to pay even though we did not receive the distribution to which that general partner obligation related.

The Company has future debt obligations. See note 9 to the condensed consolidated financial statements for further information regarding the Company’s debt arrangements.

On March 7, 2017, Apollo issued 11,000,000 6.375% Series A Preferred shares (the “Preferred shares”) for gross proceeds of \$275.0 million, or \$264.4 million net of issuance costs. See note 12 to the condensed consolidated financial statements for further information regarding the Company’s Preferred shares.

On November 1, 2017, the Company declared a cash distribution of \$0.39 per Class A share, which will be paid on November 30, 2017 to holders of record on November 21, 2017. Also, the Company declared a cash distribution of \$0.398438 per Preferred share, which will be paid on December 15, 2017 to holders of record on December 1, 2017.

Investment Management and Sub-Advisory Agreements - Athene Asset Management

Apollo, through its consolidated subsidiary, AAM, provides asset management services to Athene with respect to assets in the Athene North American Accounts, including asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions, asset diligence, hedging and other asset management services and receives management fees for providing these services. In addition, the Company, through AAM, provides sub-advisory services with respect to a portion of the assets in the Athene North American Accounts. See note 13 to the condensed consolidated financial statements for more details regarding the fee rates of the investment management, sub-advisory and other fee arrangements with respect to the assets in the Athene North American Accounts.

Investment Advisory and Sub-Advisory Agreements - AAME

Apollo, through AAME, provides investment advisory services with respect to certain assets in the Athene European Accounts and sub-advises certain assets in the Athene European Accounts. See note 13 to the condensed consolidated financial statements for more details regarding the fee rates of the investment advisory, sub-advisory and other fee arrangements with respect to the assets in the Athene European Accounts.

Athene Non-Sub-Advised AUM and AGER Non-Sub-Advised AUM

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

AGER currently is the holding company of Athene’s German group companies. In addition, AGER has received subscriptions representing \$2.6 billion from Athene and a number of global institutional investors for a capital raise conducted through a private placement. The closing of AGER is subject to regulatory approval. The Company refers to the portion of the AGER AUM that is not AGER Sub-Advised AUM as “AGER Non-Sub-Advised” AUM.

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The following table presents the AUM for Athene and AGER as of September 30, 2017:

	As of September 30, 2017		
	Sub-Advised	Sub-Advised	Total
	AUM ⁽²⁾	AUM	AUM
Athene	16,947	57,029	73,976
AGER ⁽¹⁾	1,149	6,747	7,896
Total	18,096	63,776	81,872

AUM relating to AGER includes \$5.3 billion of AUM of Athene's German group companies, for which AGER (1) currently is the holding company, and \$2.6 billion of AUM in connection with its capital raise. AUM related to Athene in the table above does not include AUM related to AGER.

(2) Of the total \$18.1 billion Athene Sub-Advised AUM and AGER Sub-Advised AUM as of September 30, 2017, \$3.0 billion was Athene Assets Directly Invested.

Athene Holding Follow-on Offerings

In connection with the Athene Private Placement, Athene Holding amended its registration rights agreement to provide (i) investors who are party to such agreement, including AAA Investments, the potential opportunity for liquidity on their shares of Athene Holding through sales in registered public offerings over a 15 month period beginning on the date of Athene Holding's initial public offering (the "Athene IPO") and (ii) Athene Holding the right to cause certain investors who are party to the registration rights agreement to include in such offerings a certain percentage of their common shares of Athene Holding subject to the terms and conditions set forth in the agreement. However, pursuant to the registration rights agreement, any shares of Athene Holding held by Apollo (other than shares distributed to AAA in payment of carried interest to be sold for cash) will not be subject to such arrangements and instead will be subject to a lock-up period of two years following the effective date of the registration statement relating to the Athene IPO, but Athene Holding will not have the right to cause any shares owned by Apollo to be included in the Athene IPO or any follow-on offering. Apollo may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the fair market value); and if Apollo elects to receive payment of such carried interest in cash, then common shares of Athene Holding shall be distributed to Apollo and immediately sold by Apollo to pay for such carried interest in cash. On March 16, 2017 and May 22, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene Holding to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Class A common shares of Athene Holding. On March 28, 2017 and June 6, 2017, Athene Holding announced the base follow-on offering size of 27.5 million shares and 16.2 million shares of Athene Holding, respectively, at a price of \$48.50 per share and \$49.00 per share, respectively. The March and May offerings were subsequently increased to 31.6 million and 18.6 million shares of Athene Holding, respectively, after the underwriters' exercise of a 15% over-allotment option.

Distributions to Managing Partners and Contributing Partners

The three Managing Partners who became employees of Apollo on July 13, 2007 each receive a \$100,000 base salary. Additionally, our Managing Partners can receive other forms of compensation. Any additional consideration will be paid to them in their proportional ownership interest in Holdings. Additionally, as a result of the tax receivable agreement, 85% of any tax savings APO Corp. recognizes will be paid to the Managing Partners.

Subsequent to the 2007 Reorganization, the Contributing Partners retained ownership interests in subsidiaries of the Apollo Operating Group. Therefore, any distributions that flow up to management or general partner entities in which the Contributing Partners retained ownership interests are shared pro rata with the Contributing Partners who have a direct interest in such entities prior to flowing up to the Apollo Operating Group. These distributions are considered compensation expense.

The Contributing Partners are entitled to receive the following:

Profit sharing related to private equity carried interest income, from direct ownership of advisory entities. Any changes in fair value of the underlying fund investments would result in changes to Apollo Global Management, LLC's profit sharing payable;

Additional consideration based on their proportional ownership interest in Holdings; and

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As a result of the tax receivable agreement, 85% of any tax savings APO Corp. recognizes will be paid to the Contributing Partners.

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Potential Future Costs

We may make grants of RSUs or other equity-based awards to employees and independent directors that we appoint in the future.

Critical Accounting Policies

This Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon the condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of financial statements in accordance with U.S. GAAP requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates. A summary of our significant accounting policies is presented in note 2 to our condensed consolidated financial statements. The following is a summary of our accounting policies that are affected most by judgments, estimates and assumptions.

Consolidation

The Company assesses all entities with which it is involved for consolidation on a case by case basis depending on the specific facts and circumstances surrounding each entity. Pursuant to the consolidation guidance, the Company first evaluates whether it holds a variable interest in an entity. Apollo factors in all economic interests including proportionate interests through related parties, to determine if such interests are to be considered a variable interest. As Apollo's interest in many of these entities is solely through market rate fees and/or insignificant indirect interests through related parties, Apollo is generally not considered to have a variable interest in many of these entities under the guidance and no further consolidation analysis is performed. For entities where the Company has determined that it does hold a variable interest, the Company performs an assessment to determine whether each of those entities qualify as a VIE.

The determination as to whether an entity qualifies as a VIE depends on the facts and circumstances surrounding each entity and therefore certain of Apollo's funds may qualify as VIEs under the variable interest model whereas others may qualify as VOEs under the voting interest model. The granting of substantive kick-out rights is a key consideration in determining whether a limited partnership or similar entity is a VIE and whether or not that entity should be consolidated.

Under the voting interest model, Apollo consolidates those entities it controls through a majority voting interest. Apollo does not consolidate those VOEs in which substantive kick-out rights have been granted to the unaffiliated investors to either dissolve the fund or remove the general partner.

Under the variable interest model, Apollo consolidates those entities where it is determined that the Company is the primary beneficiary of the entity. The Company is determined to be the primary beneficiary if it holds a controlling financial interest in the VIE defined as possessing both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE. If Apollo alone is not considered to have a controlling financial interest in the VIE but Apollo and its related parties under common control in the aggregate have a controlling financial interest in the VIE, Apollo will still be deemed to be the primary beneficiary if it is the party within the related party group that is most closely associated with the VIE. If Apollo and its related parties not under common control in the aggregate have a controlling financial interest in a VIE, then Apollo is deemed to be the primary beneficiary if substantially all the activities of the entity are performed on behalf of Apollo. Apollo determines whether it is the primary beneficiary of a VIE at the time it becomes initially involved with the VIE and reconsiders that conclusion continuously. Investments and redemptions (either by Apollo, related parties of Apollo or third parties) or amendments to the governing documents of the respective entity may affect an entity's status as a VIE or the determination of the primary beneficiary.

The assessment of whether an entity is a VIE and the determination of whether Apollo should consolidate such VIE requires judgment by our management. Those judgments include, but are not limited to: (i) determining whether the total equity investment at risk is sufficient to permit the entity to finance its activities without additional subordinated financial support, (ii) evaluating whether the holders of equity investment at risk, as a group, can make decisions that have a significant effect on the success of the entity, (iii) determining whether the equity investors have proportionate voting rights to their obligations to absorb losses or rights to receive the expected residual returns from an entity and

(iv) evaluating the nature of the relationship and activities of those related parties with shared power or under common control for purposes of determining which party within the related-party group is most closely associated with the VIE. Judgments are also made in determining whether a member in the equity group has a controlling financial interest including power to direct activities that most significantly impact the VIE's economic performance and rights to receive benefits or obligations to absorb losses that could be potentially significant to the VIE. This analysis considers all relevant economic interests including proportionate interests held through related parties.

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Revenue Recognition

Carried Interest Income (Loss) from Related Parties. We earn carried interest income from our funds as a result of such funds achieving specified performance criteria. Such carried interest income generally is earned based upon a fixed percentage of realized and unrealized gains of various funds after meeting any applicable hurdle rate or threshold minimum. Carried interest income from certain of the funds that we manage is subject to contingent repayment and is generally paid to us as particular investments made by the funds are realized. If, however, upon liquidation of a fund, the aggregate amount paid to us as carried interest exceeds the amount actually due to us based upon the aggregate performance of the fund, the excess (in certain cases net of taxes) is required to be returned by us to that fund. For a majority of our credit funds, once the annual carried interest income has been determined, there generally is no look-back to prior periods for a potential contingent repayment, however, carried interest income on certain other credit funds can be subject to contingent repayment at the end of the life of the fund. We have elected to adopt Method 2 from U.S. GAAP guidance applicable to accounting for management fees based on a formula, and under this method, we accrue carried interest income quarterly based on fair value of the underlying investments and separately assess if contingent repayment is necessary. The determination of carried interest income and contingent repayment considers both the terms of the respective partnership agreements and the current fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used. See “Investments, at Fair Value” below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments in our private equity, credit and real assets funds.

Management Fees from Related Parties. The management fees related to our private equity funds are generally based on a fixed percentage of the committed capital or invested capital. The corresponding fee calculations that consider committed capital or invested capital are both objective in nature and therefore do not require the use of significant estimates or assumptions. Management fees related to our credit funds, by contrast, can be based on net asset value, gross assets, adjusted cost of all unrealized portfolio investments, capital commitments, adjusted assets, capital contributions, or stockholders’ equity all as defined in the respective partnership agreements. The credit management fee calculations that consider net asset value, gross assets, adjusted cost of all unrealized portfolio investments and adjusted assets are normally based on the terms of the respective partnership agreements and the current fair value of the underlying investments within the funds. Estimates and assumptions are made when determining the fair value of the underlying investments within the funds and could vary depending on the valuation methodology that is used. The management fees related to our real assets funds are generally based on a specific percentage of the funds’ stockholders’ equity or committed or net invested capital or the capital accounts of the limited partners. See “Investments, at Fair Value” below for further discussion related to significant estimates and assumptions used for determining fair value of the underlying investments in our private equity, credit and real assets funds.

Investments, at Fair Value

On a quarterly basis, Apollo utilizes valuation committees consisting of members from senior management, to review and approve the valuation results related to the investments of the funds it manages. For certain publicly traded vehicles managed by Apollo, a review is performed by an independent board of directors. The Company also retains independent valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating their valuation results or determining fair value. The Company performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses. However, because of the inherent uncertainty of valuation, the estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Private Equity Investments. The majority of the illiquid investments within our private equity funds are valued using the market approach, which provides an indication of fair value based on a comparison of the subject company to comparable publicly traded companies and transactions in the industry.

Market Approach. The market approach is driven by current market conditions, including actual trading levels of similar companies and, to the extent available, actual transaction data of similar companies. Judgment is required by

management when assessing which companies are similar to the subject company being valued. Consideration may also be given to any of the following factors: (1) the subject company's historical and projected financial data; (2) valuations given to comparable companies; (3) the size and scope of the subject company's operations; (4) the subject company's individual strengths and weaknesses; (5) expectations relating to the market's receptivity to an offering of the subject company's securities; (6) applicable restrictions on transfer; (7) industry and market information; (8) general economic and market conditions; and (9) other factors deemed relevant. Market approach valuation models typically employ a multiple that is based on one or more of the factors described above. Enterprise value as a multiple of EBITDA is common and relevant for most companies and industries, however, other industry specific multiples are employed where available and appropriate. Sources for gaining additional knowledge related to comparable

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companies include public filings, annual reports, analyst research reports, and press releases. Once a comparable company set is determined, we review certain aspects of the subject company's performance and determine how its performance compares to the group and to certain individuals in the group. We compare certain measurements such as EBITDA margins, revenue growth over certain time periods, leverage ratios and growth opportunities. In addition, we compare our entry multiple and its relation to the comparable set at the time of acquisition to understand its relation to the comparable set on each measurement date.

Income Approach. For investments where the market approach does not provide adequate fair value information, we rely on the income approach. The income approach is also used to validate the market approach within our private equity funds. The income approach provides an indication of fair value based on the present value of cash flows that a business or security is expected to generate in the future. The most widely used methodology for the income approach is a discounted cash flow method. Inherent in the discounted cash flow method are significant assumptions related to the subject company's expected results, the determination of a terminal value and a calculated discount rate, which is normally based on the subject company's weighted average cost of capital, or "WACC." The WACC represents the required rate of return on total capitalization, which is comprised of a required rate of return on equity, plus the current tax-effected rate of return on debt, weighted by the relative percentages of equity and debt that are typical in the industry. The most critical step in determining the appropriate WACC for each subject company is to select companies that are comparable in nature to the subject company and the credit quality of the subject company. Sources for gaining additional knowledge about the comparable companies include public filings, annual reports, analyst research reports, and press releases. The general formula then used for calculating the WACC considers the after-tax rate of return on debt capital and the rate of return on common equity capital, which further considers the risk-free rate of return, market beta, market risk premium and small stock premium, if applicable. The variables used in the WACC formula are inferred from the comparable market data obtained. The Company evaluates the comparable companies selected and concludes on WACC inputs based on the most comparable company or analyzes the range of data for the investment.

The value of liquid investments, where the primary market is an exchange (whether foreign or domestic), is determined using period end market prices. Such prices are generally based on the close price on the date of determination.

Credit Investments. The majority of investments in Apollo's credit funds are valued based on quoted market prices and valuation models.

Quoted market prices are valued based on the average of the "bid" and the "ask" quotes provided by multiple brokers wherever possible without any adjustments. Apollo designates certain brokers to value specific securities. In order to determine the designated brokers, Apollo considers the following: (i) brokers with which Apollo has previously transacted, (ii) the underwriter of the security and (iii) active brokers indicating executable quotes. In addition, when valuing a security based on broker quotes wherever possible Apollo tests the standard deviation amongst the quotes received and the variance between the concluded fair value and the value provided by a pricing service. When broker quotes are not available, we use pricing service quotes or other sources to mark a position. When relying on a pricing service as a primary source, (i) Apollo analyzes how the price has moved over the measurement period, (ii) reviews the number of brokers included in the pricing service's population and (iii) validates the valuation levels with Apollo's pricing team and traders.

Debt and equity securities that are not publicly traded or whose market prices are not readily available are valued at fair value utilizing a model based approach to determine fair value. Valuation approaches used to estimate the fair value of illiquid credit investments also may include the market approach and the income approach, as previously described above. The valuation approaches used consider, as applicable, market risks, credit risks, counterparty risks and foreign currency risks.

Real Assets Investments. For the CMBS portfolio of Apollo's funds, the estimated fair value of the CMBS portfolio is determined by reference to market prices provided by certain dealers who make a market in these financial instruments. Broker quotes are only indicative of fair value and may not necessarily represent what the funds would receive in an actual trade for the applicable instrument. Additionally, the loans held-for-investment are stated at the principal amount outstanding, net of deferred loan fees and costs. The loans in Apollo's real assets funds are evaluated

for possible impairment on a quarterly basis. For Apollo's real assets funds, valuations of non-marketable underlying investments are determined using methods that include, but are not limited to (i) discounted cash flow estimates or comparable analysis prepared internally, (ii) third party appraisals or valuations by qualified real estate appraisers, and (iii) contractual sales value of investments/properties subject to bona fide purchase contracts. Methods (i) and (ii) also incorporate consideration of the use of the income, cost, or sales comparison approaches of estimating property values.

Certain of our funds may also enter into foreign currency exchange contracts, total return swap contracts, credit default swap contracts, and other derivative contracts, which may include options, caps, collars and floors. Foreign currency exchange contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. If securities are held at the end of this period, the changes in value are recorded in income as unrealized gains or losses. Realized gains or losses are recognized when contracts are settled. Derivative contracts such as total

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return swaps and credit default swaps are recorded at fair value as an asset or liability, with changes in fair value recorded as unrealized appreciation or depreciation. Realized gains or losses are recognized at the termination of the contract based on the difference between the close-out price of the total return or credit default swap contract and the original contract price. Forward contracts are valued based on market rates obtained from counterparties or prices obtained from recognized financial data service providers.

The fair values of the investments in our funds can be impacted by changes to the assumptions used in the underlying valuation models. For further discussion on the impact of changes to valuation assumptions see “Item 7A. Quantitative and Qualitative Disclosures About Market Risk—Sensitivity” in our 2016 Annual Report. There have been no material changes to the valuation approaches utilized during the periods that our financial results are presented in this report.

Fair Value of Financial Instruments

Except for the Company’s debt obligations (each as defined in note 9 to our condensed consolidated financial statements), Apollo’s financial instruments are recorded at fair value or at amounts whose carrying values approximate fair value. See “—Investments, at Fair Value” above. While Apollo’s valuations of portfolio investments are based on assumptions that Apollo believes are reasonable under the circumstances, the actual realized gains or losses will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based. Financial instruments’ carrying values generally approximate fair value because of the short-term nature of those instruments or variable interest rates related to the borrowings.

Profit Sharing Expense. Profit sharing expense is primarily a result of agreements with our Contributing Partners and employees to compensate them based on the ownership interest they have in the general partners of the Apollo funds. Therefore, changes in the fair value of the underlying investments in the funds we manage and advise affect profit sharing expense. The Contributing Partners and employees are allocated approximately 30% to 50% of the total carried interest income which is driven primarily by changes in fair value of the underlying fund’s investments and is treated as compensation expense. Additionally, profit sharing expenses paid may be subject to clawback from employees, former employees and Contributing Partners to the extent not indemnified. When applicable, the accrual for potential clawback of previously distributed profit sharing amounts, which is a component of due from related parties on the condensed consolidated statements of financial condition, represents all amounts previously distributed to employees, former employees and Contributing Partners that would need to be returned to the general partner if the Apollo funds were to be liquidated based on the current fair value of the underlying funds’ investments as of the reporting date. The actual general partner receivable, however, would not become realized until the end of a fund’s life. The Incentive Pool enables certain partners and employees to earn discretionary compensation based on carried interest realizations earned by the Company in a given year, which amounts are reflected in profit sharing expense in the accompanying condensed consolidated financial statements. The Company adopted the Incentive Pool to attract and retain, and provide incentive to, partners and employees of the Company and to more closely align the overall compensation of partners and employees with the overall realized performance of the Company. Allocations to the Incentive Pool and to its participants contain both a fixed and a discretionary component and may vary year-to-year depending on the overall realized performance of the Company and the contributions and performance of each participant. There is no assurance that the Company will continue to compensate individuals through performance-based incentive arrangements in the future and there may be periods when the executive committee of the Company’s manager determines that allocations of realized carried interest income are not sufficient to compensate individuals, which may result in an increase in salary, bonus and benefits.

Fair Value Option. Apollo has elected the fair value option for the Company’s investment in Athene Holding, the assets and liabilities of certain of its consolidated VIEs (including CLOs), the Company’s U.S. Treasury securities with original maturities greater than three months when purchased and certain of the Company’s other investments. Such election is irrevocable and is applied to financial instruments on an individual basis at initial recognition. Apollo has applied the fair value option for certain corporate loans, other investments and debt obligations held by the consolidated VIEs that otherwise would not have been carried at fair value. See notes 3, 4, and 5 to the condensed consolidated financial statements for further disclosure on the investments in Athene Holding and financial

instruments of the consolidated VIEs and other investments for which the fair value option has been elected.

Equity-Based Compensation. Equity-based compensation is accounted for in accordance with U.S. GAAP, which requires that the cost of employee services received in exchange for an award is generally measured based on the grant date fair value of the award. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately. Equity-based employee awards that require future service are recognized over the relevant service period. As discussed in note 2, in connection with the adoption of new share-based payment guidance during the quarter ended March 31, 2017, the Company made an accounting policy election to no longer estimate forfeitures in determining the number of equity-based awards that are expected

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to vest. Under the Company's new policy, which was applied prospectively as of January 1, 2017, forfeitures are accounted for when they occur. Apollo's equity-based awards consist of, or provide rights with respect to, AOG Units, RSUs, share options, restricted shares, AHL Awards and other equity-based compensation awards. For more information regarding Apollo's equity-based compensation awards, see note 11 to our condensed consolidated financial statements. The Company's assumptions made to determine the fair value on grant date are embodied in the calculations of compensation expense.

A significant part of our compensation expense is derived from amortization of RSUs. The fair value of all RSU grants after March 29, 2011 is based on the grant date fair value, which considers the public share price of the Company. RSUs are comprised of Plan Grants, which generally do not pay distributions until vested and, for grants made after 2011, the underlying shares are generally issued by March 15th after the year in which they vest, and Bonus Grants, which pay distributions on both vested and unvested grants and are generally issued after vesting on an approximate two-month lag. For Plan Grants, the grant date fair value is based on the public share price of the Company, and is discounted for transfer restrictions and lack of distributions until vested. For Bonus Grants, the grant date fair value is based on the public share price of the Company, and is discounted for transfer restrictions. We utilize the present value of a growing annuity formula to calculate a discount for the lack of pre-vesting distributions on Plan Grant RSUs. The weighted average for the inputs utilized for the shares granted during the three and nine months ended September 30, 2017 and 2016 are presented in the table below for Plan Grants:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Distribution Yield ⁽¹⁾	6.0%	7.5%	6.1%	7.5%
Cost of Equity Capital Rate ⁽²⁾	10.5%	9.3%	11.0%	9.4%

(1) Calculated based on the historical distributions paid during the twelve months ended September 30, 2017 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

Assumes a discount rate that was equivalent to the opportunity cost of foregoing distributions on unvested Plan Grant RSUs as of the valuation date, based on the Capital Asset Pricing Model ("CAPM"). CAPM is a commonly used mathematical model for developing expected returns.

The following table summarizes the weighted average discounts for Plan Grants for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Plan Grants:				
Discount for the lack of distributions until vested ⁽¹⁾	12.9%	8.2%	12.0%	10.1%

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

We utilize the Finnerty Model to calculate a marketability discount on the Plan Grant and Bonus Grant RSUs to account for the lag between vesting and issuance. The Finnerty Model provides for a valuation discount reflecting the holding period restriction embedded in a restricted security preventing its sale over a certain period of time.

The Finnerty Model proposes to estimate a discount for lack of marketability such as transfer restrictions by using an option pricing theory. This model has gained recognition through its ability to address the magnitude of the discount by considering the volatility of a company's stock price and the length of restriction. The concept underpinning the

Finnerty Model is that a restricted security cannot be sold over a certain period of time. Further simplified, a restricted share of equity in a company can be viewed as having forfeited a put on the average price of the marketable equity over the restriction period (also known as an “Asian Put Option”). If we price an Asian Put Option and compare this value to that of the assumed fully marketable underlying security, we can effectively estimate the marketability discount.

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The inputs utilized in the Finnerty Model are (i) length of holding period, (ii) volatility and (iii) distribution yield. The weighted average for the inputs utilized for the shares granted during the three and nine months ended September 30, 2017 and 2016 are presented in the table below for Plan Grants and Bonus Grants:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Plan Grants:				
Holding Period Restriction (in years)	0.6	0.7	0.6	0.7
Volatility ⁽¹⁾	23.4%	31.6%	22.1%	31.7%
Distribution Yield ⁽²⁾	6.0%	7.5%	6.1%	7.5%
Bonus Grants:				
Holding Period Restriction (in years)	0.2	0.2	0.2	0.2
Volatility ⁽¹⁾	23.0%	28.1%	22.6%	33.4%
Distribution Yield ⁽²⁾	6.0%	7.5%	5.4%	7.5%

(1) The Company determined the expected volatility based on the volatility of the Company's Class A share price as of the grant date with consideration to comparable companies.

(2) Calculated based on the historical distributions paid during the twelve months ended September 30, 2017 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

The following table summarizes the weighted average marketability discounts for Plan Grants and Bonus Grants for the three and nine months ended September 30, 2017 and 2016:

	For the Three Months Ended September 30, 2017		For the Nine Months Ended September 30, 2016	
Plan Grants:				
Marketability discount for transfer restrictions ⁽¹⁾	4.0%	5.8%	3.5%	5.8%
Bonus Grants:				
Marketability discount for transfer restrictions ⁽¹⁾	2.3%	3.0%	2.3%	3.4%

(1) Based on the Finnerty Model calculation.

Bonus Grants constitute a component of the discretionary annual compensation awarded to certain of our professionals. During 2016, the Company increased the default portion of annual compensation to be awarded as a discretionary Bonus Grant relative to the portion awarded in previous years. The increase in the proportion of discretionary annual compensation awarded as a Bonus Grant will be offset by a decrease in discretionary annual cash bonuses. These changes are intended to further align the interests of Apollo's employees and stakeholders and strengthen the long-term commitment of our partners and employees.

Fair Value Measurements

See note 5 to our condensed consolidated financial statements for a discussion of the Company's fair value measurements.

Recent Accounting Pronouncements

A list of recent accounting pronouncements that are relevant to Apollo and its industry is included in note 2 to our condensed consolidated financial statements.

Off-Balance Sheet Arrangements

In the normal course of business, we engage in off-balance sheet arrangements, including transactions in derivatives, guarantees, commitments, indemnifications and potential contingent repayment obligations. See note 14 to our condensed consolidated financial statements for a discussion of guarantees and contingent obligations and note 2 for a discussion of derivatives.

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Contractual Obligations, Commitments and Contingencies

As of September 30, 2017, the Company's material contractual obligations consisted of lease obligations, contractual commitments as part of the ongoing operations of the funds and debt obligations. Fixed and determinable payments due in connection with these obligations are as follows:

	Remaining 2017	2018	2019	2020	2021	Thereafter	Total
	(in thousands)						
Operating lease obligations	\$9,266	\$34,643	\$33,702	\$15,563	\$6,055	\$13,313	\$112,542
Other long-term obligations ⁽¹⁾	8,291	12,413	3,525	1,956	1,956	1,611	29,752
2013 AMH Credit Facilities - Term Facility ⁽²⁾	1,837	7,347	7,347	7,347	300,367	—	324,245
2013 AMH Credit Facilities - Revolver Facility ⁽³⁾	156	625	625	625	8	—	2,039
2024 Senior Notes ⁽⁴⁾	5,000	20,000	20,000	20,000	20,000	548,333	633,333
2026 Senior Notes ⁽⁵⁾	5,500	22,000	22,000	22,000	22,000	596,983	690,483
2014 AMI Term Facility I	81	324	324	324	16,460	—	17,513
2014 AMI Term Facility II	80	320	320	320	320	18,397	19,757
2016 AMI Term Facility I	88	351	351	351	20,063	—	21,204
2016 AMI Term Facility II	78	313	313	313	15,787	—	16,804
Obligations as of September 30, 2017	\$30,377	\$98,336	\$88,507	\$68,799	\$403,016	\$1,178,637	\$1,867,672

Includes (i) payments on management service agreements related to certain assets and (ii) payments with respect to (1) certain consulting agreements entered into by the Company. Note that a significant portion of these costs are reimbursable by funds.

\$300 million of the outstanding Term Facility matures in January 2021. The interest rate on the \$300 million Term (2) Facility as of September 30, 2017 was 2.45%. See note 9 of the condensed consolidated financial statements for further discussion of the 2013 AMH Credit Facilities.

The commitment fee as of September 30, 2017 on the \$500 million undrawn Revolver Facility was 0.125%. See (3) note 9 of the condensed consolidated financial statements for further discussion of the 2013 AMH Credit Facilities.

\$500 million of the 2024 Senior Notes matures in May 2024. The interest rate on the 2024 Senior Notes as of (4) September 30, 2017 was 4.00%. See note 9 of the condensed consolidated financial statements for further discussion of the 2024 Senior Notes.

\$500 million of the 2026 Senior Notes matures in May 2026. The interest rate on the 2026 Senior Notes as of (5) September 30, 2017 was 4.40%. See note 9 of the condensed consolidated financial statements for further discussion of the 2026 Senior Notes.

Note: Due to the fact that the timing of certain amounts to be paid cannot be determined or for other reasons discussed below, the following contractual commitments have not been presented in the table above.

As noted previously, we have entered into a tax receivable agreement with our Managing Partners and Contributing Partners which requires us to pay to our Managing Partners and Contributing Partners 85% of any tax savings (i) received by APO Corp. from our step-up in tax basis. The tax savings achieved may not ensure that we have sufficient cash available to pay this liability and we might be required to incur additional debt to satisfy this liability.

(ii) Debt amounts related to the consolidated VIEs are not presented in the table above as the Company is not a guarantor of these non-recourse liabilities.

In connection with the Stone Tower acquisition, the Company agreed to pay the former owners of Stone Tower a specified percentage of any future carried interest income earned from certain of the Stone Tower funds, CLOs (iii) and strategic investment accounts. This contingent consideration liability is remeasured to fair value at each reporting period until the obligations are satisfied. See note 14 to the condensed consolidated financial statements for further information regarding the contingent consideration liability.

(iv) Commitments from certain of our subsidiaries to contribute to the funds we manage and certain related parties.

Commitments

Certain of our management companies and general partners are committed to contribute to the funds we manage and certain related parties. While a small percentage of these amounts are funded by us, the majority of these amounts have historically been funded by our related parties, including certain of our employees and certain Apollo funds. The table below presents the commitment and remaining commitment amounts of Apollo and its related parties, the percentage of total fund commitments of Apollo and its related parties, the commitment and remaining commitment amounts of Apollo only (excluding related parties), and the percentage of total fund commitments of Apollo only (excluding related parties) for each private equity, credit and real assets fund as of September 30, 2017 as follows (\$ in millions):

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Fund	Apollo and Related Party Commitments	% of Total Fund Commitments	Apollo Only (Excluding Related Party) Commitments	Apollo Only (Excluding Related Party) % of Total Fund Commitments	Apollo and Related Party Remaining Commitments	Apollo Only (Excluding Related Party) Remaining Commitments
Private Equity:						
Fund IX ⁽¹⁾	\$ 1,847.5	7.47	% \$ 822.5	3.33	% \$ 1,847.5	\$ 822.5
Fund VIII	1,543.5	8.40	395.5	2.15	583.3	151.4
Fund VII	467.2	3.18	178.1	1.21	70.5	26.1
Fund VI	246.3	2.43	6.1	0.06	9.7	0.2
Fund V	100.0	2.67	0.5	0.01	6.2	—
Fund IV	100.0	2.78	0.2	0.01	0.5	—
AION	151.5	18.34	50.0	6.05	74.3	24.1
ANRP I	426.1	32.21	10.1	0.76	77.3	1.5
ANRP II	581.2	16.83	28.0	0.81	412.8	20.4
A.A. Mortgage Opportunities, L.P.	425.0	84.46	—	—	—	—
Apollo Rose, L.P.	299.1	100.00	—	—	99.0	—
Champ, L.P.	122.0	100.00	19.5	15.98	12.4	2.1
Apollo Royalties Management, LLC	108.6	100.00	—	—	—	—
Other Private Equity	140.6	Various	10.6	Various	36.1	1.7
Credit:						
Apollo Credit Opportunity Fund III, L.P. (“COF III”)	358.1	10.45	83.1	2.43	95.0	22.6
Apollo Credit Opportunity Fund II, L.P. (“COF II”)	30.5	1.93	23.4	1.48	—	—
Apollo Credit Opportunity Fund I, L.P. (“COF I”)	449.2	30.26	29.7	2.00	237.1	4.2
Apollo European Principal Finance Fund III, L.P. (“EPF III ⁽²⁾ ”)	528.5	12.37	94.7	2.22	528.5	94.7
Apollo European Principal Finance Fund II, L.P. (“EPF II ⁽²⁾ ”)	412.2	11.80	63.8	1.83	101.7	19.3
Apollo European Principal Finance Fund, L.P. (“EPF I ⁽²⁾ ”)	317.4	20.74	20.9	1.37	51.6	4.8
Financial Credit Investment III, L.P. (“FCI III”)	224.3	11.76	0.1	0.01	217.7	0.1
Financial Credit Investment II, L.P. (“FCI II”)	244.6	15.73	—	—	122.0	—
Financial Credit Investment I, L.P. (“FCI I”)	95.3	17.05	—	—	60.5	—
Apollo Structured Credit Recovery Master Fund III, L.P. (“SCRF III”)	230.2	18.59	3.6	0.29	121.3	1.9
MidCap	1,672.6	80.23	110.9	5.32	229.0	31.0
Apollo Moultrie Credit Fund, L.P.	400.0	100.00	—	—	160.0	—
Apollo/Palmetto Short-Maturity Loan Portfolio, L.P.	300.0	100.00	—	—	—	—
	158.5	69.06	0.1	0.04	—	—

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Apollo Asia Private Credit Fund, L.P. (“APC”)						
Apollo Energy Opportunity Fund, L.P. (“AEOF”)	5.4	0.52	4.9	0.47	3.9	3.6
AGER ⁽²⁾	177.2	6.90	147.7	5.75	177.2	147.7
Other Credit	507.8	Various	229.8	Various	282.9	104.5
Real Assets:						
U.S. RE Fund II	400.4	⁽³⁾ 46.44	4.7	0.55	216.2	2.6
U.S. RE Fund I	434.9	⁽³⁾ 66.47	16.6	2.54	123.9	2.8
CPI Capital Partners North America, L.P.	7.6	1.27	2.1	0.35	0.6	0.2
CPI Capital Partners Europe, L.P. ⁽²⁾	6.5	0.47	—	—	0.5	—
CPI Capital Partners Asia Pacific, L.P.	6.9	0.53	0.5	0.04	0.1	—
Asia RE Fund	455.9	⁽³⁾ 77.47	8.4	1.42	344.0	6.3
Other Real Assets	79.4	Various	1.7	Various	11.5	0.3
Other:						
Apollo SPN Investments I, L.P.	12.4	0.31	12.4	0.31	7.6	7.6
Total	\$ 14,074.4		\$ 2,380.2		\$ 6,322.4	\$ 1,504.2

(1) Apollo Only (Excluding Related Party) Remaining Commitments related to Fund IX are subject to future syndication to Apollo employees.

(2) Apollo’s commitment in these funds is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to \$1.18 as of September 30, 2017.

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Figures for U.S. RE Fund I include base, additional, and co-investment commitments. A co-investment vehicle within U.S. RE Fund I is denominated in pound sterling and translated into U.S. dollars at an exchange rate of (3) £1.00 to \$1.34 as of September 30, 2017. Figures for U.S. RE Fund II and Asia RE Fund include co-investment commitments.

On April 30, 2015, Apollo entered into the AAA Investments Credit Agreement (see note 13 for further disclosure regarding this facility). The 2013 AMH Credit Facilities, 2024 Senior Notes and 2026 Senior Notes will have future impacts on our cash uses. See note 9 of our condensed consolidated financial statements for information regarding the Company's debt arrangements.

Contingent Obligation—Carried interest income with respect to private equity funds and certain credit and real assets funds is subject to reversal in the event of future losses to the extent of the cumulative carried interest recognized in income to date. See note 14 to our condensed consolidated financial statements for a description of our contingent obligation.

One of the Company's subsidiaries, AGS, provides underwriting commitments in connection with securities offerings to the portfolio companies of the funds Apollo manages. As of September 30, 2017, there were no underwriting commitments outstanding related to such offerings.

As of September 30, 2017, one of the Company's subsidiaries had unfunded contingent commitments of \$29.8 million, to facilitate funding at closing by lead arrangers for syndicated term loans issued by portfolio companies of funds managed by Apollo. The commitments expired on November 2, 2017.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our predominant exposure to market risk is related to our role as investment manager and general partner for our funds and the sensitivity to movements in the fair value of their investments and resulting impact on carried interest income and management fee revenues. Our direct investments in the funds also expose us to market risk whereby movements in the fair values of the underlying investments will increase or decrease both net gains (losses) from investment activities and income (loss) from equity method investments. For a discussion of the impact of market risk factors on our financial instruments see "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Investments, at Fair Value."

The fair value of our financial assets and liabilities of our funds may fluctuate in response to changes in the value of investments, foreign exchange, commodities and interest rates. The net effect of these fair value changes impacts the gains and losses from investments in our condensed consolidated statements of operations. However, the majority of these fair value changes are absorbed by the Non-Controlling Interests.

The Company is subject to a concentration risk related to the investors in its funds. Although there are more than 1,000 investors in Apollo's active private equity, credit and real assets funds, no individual investor accounts for more than 10% of the total committed capital to Apollo's active funds.

Risks are analyzed across funds from the "bottom up" and from the "top down" with a particular focus on asymmetric risk. We gather and analyze data, monitor investments and markets in detail, and constantly strive to better quantify, qualify and circumscribe relevant risks.

Each risk management process is subject to our overall risk tolerance and philosophy and our enterprise-wide risk management framework. This framework includes identifying, measuring and managing market, credit and operational risks at each segment, as well as at the fund and Company level.

Each segment runs its own investment and risk management process subject to our overall risk tolerance and philosophy:

The investment process of our private equity funds involves a detailed analysis of potential acquisitions, and investment management teams assigned to monitor the strategic development, financing and capital deployment decisions of each portfolio investment.

Our credit funds continuously monitor a variety of markets for attractive trading opportunities, applying a number of traditional and customized risk management metrics to analyze risk related to specific assets or portfolios, as well as, fund-wide risks.

At the direction of the Company's manager, the Company has established a risk committee comprised of various members of senior management including the Company's Chief Financial Officer, Chief Legal Officer, and the

Company's Chief Risk Officer. The risk committee is tasked with assisting the Company's manager in monitoring and managing enterprise-wide

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risk. The risk committee generally meets on a quarterly basis and reports to senior management of the Company's manager at such times as the committee deems appropriate and at least on an annual basis.

On at least a monthly basis, the Company's risk department provides a summary analysis of fund level market and credit risk to the portfolio managers of the Company's funds and the heads of the various business segments. On a periodic basis, the Company's risk department presents a consolidated summary analysis of fund level market and credit risk to the Company's risk committee. In addition, the Company's Chief Risk Officer reviews specific investments from the perspective of risk mitigation and discusses such analysis with the Company's risk committee and/or the executive committee of the Company's manager at such times as the Company's Chief Risk Officer determines such discussions are warranted. On an annual basis, the Company's Chief Risk Officer provides senior management of the Company's manager with a comprehensive overview of risk management along with an update on current and future risk initiatives.

Impact on Management Fees—Our management fees are based on one of the following:

- capital commitments to an Apollo fund;
- capital invested in an Apollo fund;
- the gross, net or adjusted asset value of an Apollo fund, as defined; or
- as otherwise defined in the respective agreements.

Management fees could be impacted by changes in market risk factors and management could consider an investment permanently impaired as a result of (i) such market risk factors causing changes in invested capital or in market values to below cost, in the case of our private equity funds and certain credit funds or (ii) such market risk factors causing changes in gross or net asset value, for the credit funds. The proportion of our management fees that are based on NAV is dependent on the number and types of our funds in existence and the current stage of each fund's life cycle.

Impact on Advisory and Transaction Fees—We earn transaction fees relating to the negotiation of private equity, credit and real assets transactions and may obtain reimbursement for certain out-of-pocket expenses incurred. Subsequently, on a quarterly or annual basis, ongoing advisory fees, and additional transaction fees in connection with additional purchases, dispositions, or follow-on transactions, may be earned. Management Fee Offsets and any broken deal costs, if applicable, are reflected as a reduction to advisory and transaction fees from related parties. Advisory and transaction fees will be impacted by changes in market risk factors to the extent that they limit our opportunities to engage in private equity, credit and real assets transactions or impair our ability to consummate such transactions. The impact of changes in market risk factors on advisory and transaction fees is not readily predicted or estimated.

Impact on Carried Interest Income—We earn carried interest income from our funds as a result of such funds achieving specified performance criteria. Our carried interest income will be impacted by changes in market risk factors.

However, several major factors will influence the degree of impact:

- the performance criteria for each individual fund in relation to how that fund's results of operations are impacted by changes in market risk factors;
- whether such performance criteria are annual or over the life of the fund;
- to the extent applicable, the previous performance of each fund in relation to its performance criteria; and
- whether each funds' carried interest distributions are subject to contingent repayment.

As a result, the impact of changes in market risk factors on carried interest income will vary widely from fund to fund. The impact is heavily dependent on the prior and future performance of each fund, and therefore is not readily predicted or estimated.

Market Risk—We are directly and indirectly affected by changes in market conditions. Market risk generally represents the risk that values of assets and liabilities or revenues and expenses will be adversely affected by changes in market conditions. Market risk is inherent in each of our investments and activities, including equity investments, loans, short-term borrowings, long-term debt, hedging instruments, credit default swaps and derivatives. Just a few of the market conditions that may shift from time to time, thereby exposing us to market risk, include fluctuations in interest and currency exchange rates, equity prices, changes in the implied volatility of interest rates and price deterioration. Volatility in debt and equity markets can impact our pace of capital deployment, the timing of receipt of transaction fee revenues and the timing of realizations. These market conditions could have an impact on the value of fund investments and rates of return. Accordingly, depending on the instruments or activities impacted, market risks can

have wide ranging, complex adverse effects on our results from operations and our overall financial condition.

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We monitor market risk using certain strategies and methodologies which management evaluates periodically for appropriateness. We intend to continue to monitor this risk going forward and continue to monitor our exposure to all market factors.

Interest Rate Risk—Interest rate risk represents exposure we and our funds have to instruments whose values vary with the change in interest rates. These instruments include, but are not limited to, loans, borrowings, investments in interest bearing securities and derivative instruments. We may seek to mitigate risks associated with the exposures by having our funds take offsetting positions in derivative contracts. Hedging instruments allow us to seek to mitigate risks by reducing the effect of movements in the level of interest rates, changes in the shape of the yield curve, as well as, changes in interest rate volatility. Hedging instruments used to mitigate these risks may include related derivatives such as options, futures and swaps.

Credit Risk—Certain of our funds are subject to certain inherent risks through their investments.

Certain of our entities invest substantially all of their excess cash in open-end money market funds and money market demand accounts, which are included in cash and cash equivalents. The money market funds invest primarily in government securities and other short-term, highly liquid instruments with a low risk of loss. We continually monitor the funds' performance in order to manage any risk associated with these investments.

Certain of our funds hold derivative instruments that contain an element of risk in the event that the counterparties may be unable to meet the terms of such agreements. We seek to minimize our risk exposure by limiting the counterparties with which our funds enter into contracts to banks and investment banks who meet established credit and capital guidelines. As of September 30, 2017, we do not expect any counterparty to default on its obligations and therefore do not expect to incur any loss due to counterparty default.

Foreign Exchange Risk—Foreign exchange risk represents exposures our funds have to changes in the values of current fund holdings and future cash flows denominated in other currencies and investments in non-U.S. companies. The types of investments exposed to this risk include investments in foreign subsidiaries, foreign currency-denominated loans, foreign currency-denominated transactions, and various foreign exchange derivative instruments whose values fluctuate with changes in currency exchange rates or foreign interest rates. Instruments used to mitigate this risk are foreign exchange options, currency swaps, futures and forwards. These instruments may be used to help insulate our funds against losses that may arise due to volatile movements in foreign exchange rates and/or interest rates.

In our capacity as investment manager of the funds we manage, we continuously monitor a variety of markets for attractive opportunities for managing risk. For example, certain of the funds we manage may put in place foreign exchange hedges or borrowings with respect to certain foreign currency denominated investments to provide a hedge against foreign exchange exposure.

Non-U.S. Operations—We conduct business throughout the world and are continuing to expand into foreign markets. We currently have offices outside the U.S. in Toronto, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai and have been strategically growing our international presence. Our fund investments and our revenues are primarily derived from our U.S. operations. With respect to our non-U.S. operations, we are subject to risk of loss from currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, unfavorable political and diplomatic developments and changes in legislation relating to non-U.S. ownership. Our funds also invest in the securities of companies which are located in non-U.S. jurisdictions. As we continue to expand globally, we will continue to focus on monitoring and managing these risk factors as they relate to specific non-U.S. investments.

ITEM 4. CONTROLS AND PROCEDURES

We maintain “disclosure controls and procedures”, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about

the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end

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of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. No changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during our most recent quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

See note 14 to our condensed consolidated financial statements for a summary of the Company's legal proceedings.

ITEM 1A. RISK FACTORS

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our 2016 Annual Report, which is accessible on the Securities and Exchange Commission's website at www.sec.gov.

There have been no material changes to the risk factors for the three months ended September 30, 2017.

The risks described in our 2016 Annual Report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/ or operating results.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES

On August 4, 2017 we issued 233,248 Class A shares, net of taxes to Apollo Management Holdings, L.P., a subsidiary of Apollo Global Management, LLC, in connection with issuances of shares to participants in the Company's 2007 Equity Plan for an aggregate purchase price of \$6.7 million, respectively. The issuance was exempt from registration under the Securities Act in accordance with Section 4(a)(2) and Rule 506(b) thereof, as transactions by the issuer not involving a public offering. We determined that the purchaser of Class A shares in the transactions, Apollo Management Holdings, L.P., was an accredited investor.

Issuer Purchases of Equity Securities

The following table sets forth purchases of our Class A shares made by us or on our behalf during the fiscal quarter ended September 30, 2017.

Period	Total Number of Class A Shares Purchased ⁽¹⁾	Average Price Paid per Share	Class A Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Units that May be Purchased Under the Plan or Programs
July 1, 2017 through July 31, 2017	—	\$ —	—	\$ 137,062,230
August 1, 2017 through August 31, 2017	381,715	29.35	233,248	130,216,401
September 1, 2017 through September 30, 2017	—	—	—	130,216,401
Total	381,715		233,248	

(1) During the fiscal quarter ended September 30, 2017, we repurchased 148,467 Class A shares at an average price paid per share of \$29.35 in open-market transactions not pursuant to a publicly-announced repurchase plan or program. Such number of Class A shares was equal to the number of Class A restricted shares issued under the 2007 Equity Plan during the quarter.

In February 2016, the Company announced its adoption of a program to repurchase up to \$250 million in the aggregate of its Class A shares, including up to \$150 million in the aggregate of its outstanding Class A shares through a share repurchase program and up to \$100 million through a reduction of Class A shares to be issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under

the 2007 Equity Plan, which we refer to as net share settlement. Under the share repurchase program, shares may be repurchased from time to time in open market transactions, in privately negotiated transactions or otherwise, with the size and timing of these repurchases depending on legal requirements, price, market and economic conditions and other factors. The Company expects that the share repurchase program, which has no expiration date, will be in effect until the maximum approved dollar amount has been used to repurchase Class A shares. The share

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repurchase program does not require the Company to repurchase any specific number of Class A shares, and the share repurchase program may be suspended, extended, modified or discontinued at any time. Reductions of Class A shares issued to employees to satisfy associated tax obligations in connection with the settlement of equity-based awards granted under the 2007 Equity Plan are not included in the table.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

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ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
3.1	<u>Certificate of Formation of Apollo Global Management, LLC (incorporated by reference to Exhibit 3.1 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
3.2	<u>Second Amended and Restated Limited Liability Company Agreement of Apollo Global Management, LLC dated March 7, 2017 (incorporated by reference to Exhibit 3.1 to the Registrant’s Form 8-K filed with the Securities and Exchange Commission on March 7, 2017 (File No. 001-35107)).</u>
4.1	<u>Specimen Certificate evidencing the Registrant’s Class A shares (incorporated by reference to Exhibit 4.1 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
4.2	<u>Indenture dated as of May 30, 2014, among Apollo Management Holdings, L.P., the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant’s Form 8-K filed with the Securities and Exchange Commission on May 30, 2014 (File No. 001-35107)).</u>
4.3	<u>First Supplemental Indenture dated as of May 30, 2014, among Apollo Management Holdings, L.P., the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.2 to the Registrant’s Form 8-K filed with the Securities and Exchange Commission on May 30, 2014 (File No. 001-35107)).</u>
4.4	<u>Form of 4.000% Senior Note due 2024 (included in Exhibit 4.2 to the Registrant’s Form 8-K filed with the Securities and Exchange Commission on May 30, 2014 (File No. 001-35107), which is incorporated by reference).</u>
4.5	<u>Second Supplemental Indenture dated as of January 30, 2015, among Apollo Management Holdings, L.P., the Guarantors party thereto, Apollo Principal Holdings X, L.P. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.5 to the Registrant’s Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).</u>
4.6	<u>Third Supplemental Indenture dated as of February 1, 2016, among Apollo Management Holdings, L.P., the Guarantors party thereto, Apollo Principal Holdings XI, LLC and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.6 to the Registrant’s Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).</u>
4.7	<u>Fourth Supplemental Indenture dated as of May 27, 2016, among Apollo Management Holdings, L.P., the Guarantors party thereto and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Registrant’s Form 8-K filed with the Securities and Exchange Commission on May 27, 2016 (File No. 001-35107)).</u>
4.8	<u>Fifth Supplemental Indenture dated as of April 13, 2017, among Apollo Management Holdings, L.P., the Guarantors party thereto, Apollo Principal Holdings XII, L.P. and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.8 to the Registrant’s Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>

- 4.9 Form of 6.375% Series A Preferred Shares Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 7, 2017 (File No. 001-35107)).

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Exhibit Number	Exhibit Description
10.1	<u>Amended and Restated Limited Liability Company Operating Agreement of AGM Management, LLC dated as of July 10, 2007 (incorporated by reference to Exhibit 10.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).</u>
10.2	<u>Fourth Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings I, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.3	<u>Fourth Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings II, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.4	<u>Fourth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings III, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.5	<u>Fourth Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings IV, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
+10.6	<u>Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan, as amended and restated (incorporated by reference to Exhibit 10.8 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).</u>
10.7	<u>Agreement Among Principals, dated as of July 13, 2007, by and among Leon D. Black, Marc J. Rowan, Joshua J. Harris, Black Family Partners, L.P., MJR Foundation LLC, AP Professional Holdings, L.P. and BRH Holdings, L.P. (incorporated by reference to Exhibit 10.9 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).</u>
10.8	<u>Shareholders Agreement, dated as of July 13, 2007, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, Leon D. Black, Marc J. Rowan and Joshua J. Harris (incorporated by reference to Exhibit 10.10 to the Registrant's Registration Statement on Form S-1 (File No. 333-150141)).</u>
10.9	<u>Fifth Amended and Restated Exchange Agreement, dated as of April 28, 2017, by and among Apollo Global Management, LLC, Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, Apollo Principal Holdings XII, L.P., AMH Holdings (Cayman), L.P. and the Apollo Principal Holders (as defined therein) from time to time party thereto (incorporated by reference to Exhibit 10.9 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.10	<u>Amended and Restated Tax Receivable Agreement, dated as of May 6, 2013, by and among APO Corp., Apollo Principal Holdings II, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings VI, Apollo Principal Holdings VIII, L.P., AMH Holdings (Cayman), L.P. and each Holder defined therein.</u>

(incorporated by reference to Exhibit 10.10 to the Registrant's Form 10-Q for the period ended June 30, 2016 (File No. 001-35107)).

10.11 Employment Agreement with Leon D. Black dated January 4, 2017 (incorporated by reference to Exhibit 10.11 to the Registrant's Form 10-K for the period ended December 31, 2016 (File No. 001-35107)).

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Exhibit Number	Exhibit Description
10.12	<u>Employment Agreement with Marc J. Rowan dated January 4, 2017 (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-K for the period ended December 31, 2016 (File No. 001-35107)).</u>
10.13	<u>Employment Agreement with Joshua J. Harris dated January 4, 2017 (incorporated by reference to Exhibit 10.13 to the Registrant's Form 10-K for the period ended December 31, 2016 (File No. 001-35107)).</u>
10.14	<u>Third Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings V, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.14 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.15	<u>Third Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings VI, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.15 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.16	<u>Third Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings VII, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.16 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.17	<u>Third Amended and Restated Limited Partnership Agreement of Apollo Principal Holdings VIII, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.17 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.18	<u>Third Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings IX, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.18 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.19	<u>Second Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings X, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.19 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.20	<u>Second Amended and Restated Limited Liability Company Agreement of Apollo Principal Holdings XI, LLC dated as of March 7, 2017 (incorporated by reference to Exhibit 10.20 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.21	<u>Second Amended and Restated Exempted Limited Partnership Agreement of Apollo Principal Holdings XII, L.P. dated as of March 7, 2017 (incorporated by reference to Exhibit 10.21 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.22	<u>Fourth Amended and Restated Limited Partnership Agreement of Apollo Management Holdings, L.P. dated as of October 30, 2012 (incorporated by reference to Exhibit 10.25 to the Registrant's Form 10-Q for the period ended March 31, 2013 (File No. 001-35107)).</u>
10.23	<u>Settlement Agreement, dated December 14, 2008, by and among Huntsman Corporation, Jon M. Huntsman, Peter R. Huntsman, Hexion Specialty Chemicals, Inc., Hexion LLC, Nimbus Merger Sub, Inc., Craig O. Morrison, Leon Black, Joshua J. Harris and Apollo Global Management, LLC and certain of its affiliates (incorporated by reference to Exhibit 10.26 to the Registrant's Registration Statement on Form S-1 (File No.</u>

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Exhibit Number	Exhibit Description
10.24	<u>First Amendment and Joinder, dated as of August 18, 2009, to the Shareholders Agreement, dated as of July 13, 2007, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, Leon D. Black, Marc J. Rowan and Joshua J. Harris (incorporated by reference to Exhibit 10.27 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
10.25	<u>Joinder, dated as of May 5, 2016, to the Shareholders Agreement, dated as of July 13, 2007, as amended by the First Amendment and Joinder dated as of August 18, 2009, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, MJH Partners, L.P., Leon D. Black, Marc J. Rowan and Joshua J. Harris, and, solely in connection with Article VII of the Agreement, APO Corp., APO Asset Co., LLC, APO (FC), LLC, Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P. and Apollo Management Holdings, L.P. (incorporated by reference to Exhibit 10.24 to the Registrant’s Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).</u>
10.26	<u>Joinder, dated as of May 3, 2017, to the Shareholders Agreement, dated as of July 13, 2007, as amended by the First Amendment and Joinder dated as of August 18, 2009, by and among Apollo Global Management, LLC, AP Professional Holdings, L.P., BRH Holdings, L.P., Black Family Partners, L.P., MJR Foundation LLC, MJH Partners, L.P., Leon D. Black, Marc J. Rowan and Joshua J. Harris, and, solely in connection with Article VII of the Agreement, APO Corp., APO Asset Co., LLC, APO (FC), LLC, Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX, L.P. and Apollo Management Holdings, L.P. and as supplemented by the Joinder dated as of May 5, 2016, by and among Apollo Principal Holdings X, L.P., AMH Holdings (Cayman), L.P., Apollo Principal Holdings XI, LLC, APO (FC II), LLC and APO UK (FC), Limited (incorporated by reference to Exhibit 10.26 to the Registrant’s Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
10.27	<u>Form of Indemnification Agreement (incorporated by reference to Exhibit 10.28 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
+10.28	<u>Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Plan Grants) (incorporated by reference to Exhibit 10.31 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
+10.29	<u>Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Bonus Grants) (incorporated by reference to Exhibit 10.32 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
+10.30	<u>Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for new independent directors) (incorporated by reference to Exhibit 10.31 to the Registrant’s Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).</u>
+10.31	

Form of Restricted Share Unit Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for continuing independent directors) (incorporated by reference to Exhibit 10.32 to the Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).

+10.32 Form of Restricted Share Award Grant Notice and Restricted Share Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.33 to the Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).

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Exhibit Number	Exhibit Description
+10.33	<u>Form of Share Award Grant Notice and Share Award Agreement under the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan (for Retired Partners) (incorporated by reference to Exhibit 10.34 to the Registrant’s Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).</u>
+10.34	<u>Apollo Management Companies AAA Unit Plan (incorporated by reference to Exhibit 10.34 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
+10.35	<u>Non-Qualified Share Option Agreement pursuant to the Apollo Global Management, LLC 2007 Omnibus Equity Incentive Plan with Marc Spilker dated December 2, 2010 (incorporated by reference to Exhibit 10.40 to the Registrant’s Registration Statement on Form S-1 (File No. 333-150141)).</u>
10.36	<u>Amended Form of Independent Director Engagement Letter (incorporated by reference to Exhibit 10.38 to the Registrant’s Form 10-Q for the period ended March 31, 2014 (File No. 001-35107)).</u>
+10.37	<u>Employment Agreement with Martin Kelly, dated July 2, 2012 (incorporated by reference to Exhibit 10.42 to the Registrant’s Form 10-Q for the period ended June 30, 2012 (File No. 001-35107)).</u>
*+10.38	<u>Employment Agreement with John Suydam, dated July 19, 2017.</u>
10.39	<u>Third Amended and Restated Exempted Limited Partnership Agreement of AMH Holdings (Cayman), L.P., dated March 7, 2017 (incorporated by reference to Exhibit 10.38 to the Registrant’s Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).</u>
+10.40	<u>Amended and Restated Limited Partnership Agreement of Apollo Advisors VI, L.P., dated as of April 14, 2005 and amended as of August 26, 2005 (incorporated by reference to Exhibit 10.41 to the Registrant’s Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.41	<u>Third Amended and Restated Limited Partnership Agreement of Apollo Advisors VII, L.P. dated as of July 1, 2008 and effective as of August 30, 2007 (incorporated by reference to Exhibit 10.42 to the Registrant’s Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.42	<u>Third Amended and Restated Limited Partnership Agreement of Apollo Credit Opportunity Advisors I, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.43 to the Registrant’s Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.43	<u>Third Amended and Restated Limited Partnership Agreement of Apollo Credit Opportunity Advisors II, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.44 to the Registrant’s Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.44	

Third Amended and Restated Limited Partnership Agreement of Apollo Credit Liquidity Advisors, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.45 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).

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Exhibit Number	Exhibit Description
+10.45	<u>Second Amended and Restated Limited Partnership Agreement of Apollo Credit Liquidity CM Executive Carry, L.P., dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.46 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.46	<u>Second Amended and Restated Limited Partnership Agreement Apollo Credit Opportunity CM Executive Carry I, L.P. dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.47 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.47	<u>Second Amended and Restated Limited Partnership Agreement of Apollo Credit Opportunity CM Executive Carry II, L.P. dated January 12, 2011 and made effective as of July 14, 2009 (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
+10.48	<u>Second Amended and Restated Exempted Limited Partnership Agreement of AGM Incentive Pool, L.P., dated June 29, 2012 (incorporated by reference to Exhibit 10.49 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
10.49	<u>Credit Agreement, dated as of December 18, 2013, by and among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers party thereto, the other guarantors party thereto from time to time, the lenders party thereto from time to time, the issuing banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.50 to the Registrant's Form 10-K for the period ended December 31, 2013 (File No. 001-35107)).</u>
10.50	<u>Guarantor Joinder Agreement, dated as of January 30, 2015, by Apollo Principal Holdings X, L.P. to the Credit Agreement, dated as of December 18, 2013, by and among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers party thereto, the existing guarantors party thereto, the lenders party thereto from time to time, the issuing banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.49 to the Registrant's Form 10-Q for the period ended March 31, 2015 (File No. 001-35107)).</u>
10.51	<u>Guarantor Joinder Agreement, dated as of February 1, 2016, by Apollo Principal Holdings XI, LLC to the Credit Agreement, dated as of December 18, 2013, by and among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers party thereto, the existing guarantors party thereto, the lenders party thereto from time to time, the issuing banks party thereto from time to time and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.48 to the Registrant's Form 10-Q for the period ended March 31, 2016 (File No. 001-35107)).</u>
10.52	<u>Amendment No. 1, dated as of March 11, 2016, to the Credit Agreement, dated as of December 18, 2013, among Apollo Management Holdings, L.P., Apollo Management, L.P., Apollo Capital Management, L.P., Apollo International Management, L.P., AAA Holdings, L.P., Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P., Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P., Apollo Principal Holdings IX L.P., Apollo Principal Holdings X, L.P., Apollo Principal Holdings XI, LLC, ST Holdings GP, LLC and ST Management Holdings, LLC, the guarantors</u>

party thereto, the lenders party thereto, the issuing banks party thereto, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 15, 2016 (File No. 001-35107)).

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Number Exhibit Description

- 10.53 Guarantor Joinder Agreement, dated as of April 13, 2017, by Apollo Principal Holdings XII, L.P. to the Credit Agreement, dated as of December 18, 2013, as supplemented and as amended by Amendment No. 1 to the Credit Agreement dated as of March 11, 2016, among Apollo Management Holdings, L.P., as the Term Facility Borrower and a Revolving Facility Borrower, the other Revolving Facility Borrowers thereto, the existing guarantors party thereto, the lenders party thereto from time to time, the issuing banks party thereto from time to time, and JPMorgan Chase Bank, N.A., as administrative agent (incorporated by reference to Exhibit 10.52 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).
- +10.54 Form of Letter Agreement under the Amended and Restated Limited Partnership Agreement of Apollo Advisors VIII, L.P. effective as of January 1, 2014 (incorporated by reference to Exhibit 10.56 to the Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
- +10.55 Form of Award Letter under the Amended and Restated Limited Partnership Agreement of Apollo Advisors VIII, L.P. effective as of January 1, 2014 (incorporated by reference to Exhibit 10.57 to the Registrant's Form 10-Q for the period ended June 30, 2014 (File No. 001-35107)).
- +10.56 Amended and Restated Limited Partnership Agreement of Apollo EPF Advisors, L.P., dated as of February 3, 2011 (incorporated by reference to Exhibit 10.52 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
- +10.57 First Amended and Restated Exempted Limited Partnership Agreement of Apollo EPF Advisors II, L.P. dated as of April 9, 2012 (incorporated by reference to Exhibit 10.53 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
- +10.58 Amended and Restated Agreement of Exempted Limited Partnership of Apollo CIP Partner Pool, L.P., dated as of December 18, 2014 (incorporated by reference to Exhibit 10.54 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
- +10.59 Form of Award Letter under the Amended and Restated Agreement of Exempted Limited Partnership Agreement of Apollo CIP Partner Pool, L.P. (incorporated by reference to Exhibit 10.55 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
- +10.60 Second Amended and Restated Agreement of Limited Partnership of Apollo Credit Opportunity Advisors III (APO FC), L.P., dated as of December 18, 2014 (incorporated by reference to Exhibit 10.56 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
- +10.61 Form of Award Letter under Second Amended and Restated Agreement of Limited Partnership of Apollo Credit Opportunity Advisors III (APO FC), L.P. (incorporated by reference to Exhibit 10.57 to the Registrant's Form 10-K for the period ended December 31, 2014 (File No. 001-35107)).
- +10.62 Amended and Restated Agreement of Limited Partnership of Apollo Global Carry Pool Aggregator, L.P., dated May 4, 2017 and effective as of July 1, 2016 (incorporated by reference to Exhibit 10.61 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107)).
- +10.63

Form of Award Agreement for Apollo Global Carry Pool Aggregator, L.P. (incorporated by reference to Exhibit 10.62 to the Registrant's Form 10-Q for the period ended March 31, 2017 (File No. 001-35107))

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Exhibit Number	Exhibit Description
+10.64	<u>Form of Letter Agreement under the Amended and Restated Limited Partnership Agreement of Apollo ANRP Advisors II, L.P. dated March 2, 2017 and effective as of August 21, 2015.</u>
+10.65	<u>Form of Award Letter under the Amended and Restated Limited Partnership Agreement of Apollo ANRP Advisors II, L.P. dated March 2, 2017 and effective as of August 21, 2015.</u>
*31.1	<u>Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).</u>
*31.2	<u>Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).</u>
*32.1	<u>Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u>
*32.2	<u>Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</u>
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Scheme Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
* Filed herewith.	
+ Management contract or compensatory plan or arrangement.	

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Apollo Global Management, LLC
(Registrant)

Date: November 3, 2017 By: /s/ Martin Kelly
Name: Martin Kelly
Chief Financial Officer
Title: (principal financial officer and
authorized signatory)

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