Apollo Global Management LLC
Form 10-Q
May 08, 2018
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2018 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 x 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 x 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 x	Accelerated filer ¨
Non-accelerated filer o (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. ¨

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

As of May 3, 2018 there were 201,550,654 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-looki 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 credit, private equity, 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 12, 2018 (the "2017 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:

(i) the fair value of the investments of the private equity funds, partnerships and accounts we manage or advise plus 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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(v) 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 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.

"Performance Fee-Eligible AUM" refers to the AUM that may eventually produce performance fees. All funds for which we are entitled to receive a performance fee allocation or incentive fee are included in Performance Fee-Eligible AUM, which consists of the following:

(i) "Performance Fee-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, or earned by, the general partner in accordance with the applicable limited partnership agreements or other governing agreements;
(ii) "AUM Not Currently Generating Performance Fees", 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 below its hurdle rate or preferred return; and

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(iii) "Uninvested Performance Fee-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 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 performance fees allocable to, or earned by, 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 performance fees;

"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 U.K. 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 estate debt strategy;

"performance allocations", "performance fees", "performance revenues" and "incentive fees" 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 LLC ("Athene Asset Management" or "AAM") that are invested in commitment-based funds;

"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, performance fees allocated to the general partner and certain other 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 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 March 31, 2018 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, performance fees and certain other 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 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 March 31, 2018 or other date specified) starting on the date that each investment closes, and the return is annualized and compounded before management fees, performance fees, and certain other 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 credit fund represents the annualized return of a fund after management fees, performance fees allocated to the general partner and certain other 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 private equity fund means the gross IRR applicable to a fund, including returns for related parties which may not pay fees or performance fees, net of management fees, certain expenses (including interest incurred or earned by the fund itself) and realized performance fees 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 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 March 31, 2018 or other date specified is paid to investors), excluding certain non-fee and non-performance fee bearing parties, and the return is annualized and compounded after management fees, performance fees, 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 Athora Holding Ltd. ("Athora"), (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 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 addition, the investment

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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, as well as between 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 performance fees 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, and before the effect of certain taxes. 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 pursuant to 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 MARCH 31, 2018 AND DECEMBER 31, 2017
(dollars in thousands, except share data)

	As of March 31, 2018	As of December 31, 2017
Assets:		
Cash and cash equivalents	$988,284	$751,252
Cash and cash equivalents held at consolidated funds	3	21
Restricted cash	3,902	3,875
U.S. Treasury securities, at fair value	225,510	364,649
Investments (includes performance allocations of $1,396,075 and $1,828,930 as of March 31, 2018 and December 31, 2017, respectively)	3,198,685	3,559,834
Assets of consolidated variable interest entities:		
Cash and cash equivalents	74,798	92,912
Investments, at fair value	1,386,068	1,196,190
Other assets	39,006	39,484
Incentive fees receivable	7,891	43,176
Due from related parties	328,902	262,588
Deferred tax assets, net	380,565	337,638
Other assets	208,170	231,757
Goodwill	88,852	88,852
Intangible assets, net	17,861	18,842
Total Assets	$6,948,497	$6,991,070
Liabilities and Shareholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	$81,548	$68,873
Accrued compensation and benefits	60,489	62,474
Deferred revenue	145,282	128,146
Due to related parties	481,484	428,013
Profit sharing payable	644,883	752,276
Debt	1,361,711	1,362,402
Liabilities of consolidated variable interest entities:		
Debt, at fair value	1,026,012	1,002,063
Other liabilities	100,135	115,658
Other liabilities	140,197	173,369
Total Liabilities	4,041,741	4,093,274
Commitments and Contingencies (see note 14)		
Shareholders' Equity:		
Apollo Global Management, LLC shareholders' equity:		
Series A Preferred shares, 11,000,000 and 11,000,000 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	264,398	264,398
Series B Preferred shares, 12,000,000 and 0 shares issued and outstanding as of March 31, 2018 and December 31, 2017, respectively	289,815	—
Class A shares, no par value, unlimited shares authorized, 201,550,654 and 195,267,669 shares issued and outstanding at March 31, 2018 and December 31, 2017, respectively	—	—

Class B shares, no par value, unlimited shares authorized, 1 share issued and outstanding at March 31, 2018 and December 31, 2017	—	—
Additional paid in capital	1,483,244	1,579,797
Accumulated deficit	(481,772)	(379,460)
Accumulated other comprehensive loss	(815)	(1,809)
Total Apollo Global Management, LLC shareholders' equity	1,554,870	1,462,926
Non-Controlling Interests in consolidated entities	290,857	140,086
Non-Controlling Interests in Apollo Operating Group	1,061,029	1,294,784
Total Shareholders' Equity	2,906,756	2,897,796
Total Liabilities and Shareholders' Equity	$6,948,497	$6,991,070

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 MONTHS ENDED MARCH 31, 2018 AND 2017
(dollars in thousands, except share data)

	For the Three Months Ended March 31,	
	2018	2017
Revenues:		
Management fees	$286,726	$269,543
Advisory and transaction fees, net	13,551	15,067
Investment income (loss):		
Performance allocations	(124,165)	352,593
Principal investment income (loss)	(12,994)	38,553
Total Investment Income (Loss)	(137,159)	391,146
Incentive fees	3,785	6,348
Total Revenues	166,903	682,104
Expenses:		
Compensation and benefits:		
Salary, bonus and benefits	115,826	101,613
Equity-based compensation	35,525	23,107
Profit sharing expense	(12,277)	144,324
Total Compensation and Benefits	139,074	269,044
Interest expense	13,797	12,999
General, administrative and other	61,677	62,040
Placement fees	327	1,905
Total Expenses	214,875	345,988
Other Income (Loss):		
Net gains (losses) from investment activities	(67,133)	34,517
Net gains from investment activities of consolidated variable interest entities	6,532	4,108
Interest income	3,559	803
Other income, net	4,246	18,647
Total Other Income (Loss)	(52,796)	58,075
Income (loss) before income tax provision	(100,768)	394,191
Income tax provision	(8,580)	(39,161)
Net Income (Loss)	(109,348)	355,030
Net (income) loss attributable to Non-Controlling Interests	51,086	(209,834)
Net Income (Loss) Attributable to Apollo Global Management, LLC	(58,262)	145,196
Net income attributable to Series A Preferred Shareholders	(4,383)	—
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$(62,645)	$145,196
Distributions Declared per Class A Share	$0.66	$0.45
Net Income (Loss) Per Class A Share:		
Net Income (Loss) Available to Class A Share – Basic	$(0.34)	$0.75
Net Income (Loss) Available to Class A Share – Diluted	$(0.34)	$0.75
Weighted Average Number of Class A Shares Outstanding – Basic	198,432,603	186,537,367
Weighted Average Number of Class A Shares Outstanding – Diluted	198,432,603	186,537,367

See accompanying notes to condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, LLC
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
FOR THE THREE MONTHS ENDED MARCH 31, 2018 AND 2017
(dollars in thousands, except share data)

	For the Three Months Ended March 31,	
	2018	2017
Net Income (Loss)	$(109,348)	$355,030
Other Comprehensive Income (Loss), net of tax:		
Currency translation adjustments, net of tax	5,020	(2,279)
Net gain from change in fair value of cash flow hedge instruments	27	26
Net income (loss) on available-for-sale securities	(41)	48
Total Other Comprehensive Income (Loss), net of tax	5,006	(2,205)
Comprehensive Income (Loss)	(104,342)	352,825
Comprehensive (Income) Loss attributable to Non-Controlling Interests	47,074	(210,709)
Comprehensive Income (Loss) Attributable to Apollo Global Management, LLC	$(57,268)	$142,116

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 THREE MONTHS ENDED MARCH 31, 2018 AND 2017
(dollars in thousands, except share data)

	Apollo Global Management, LLC Shareholders									
	Class A Shares	Class B Shares	Series A Preferred Shares	Series B 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-Contro Interes Apollo Operat Group
Balance at January 1, 2017	185,460,294	1	$—	$—	$1,830,025	$(986,186)	$(8,723)	$835,116	$90,063	$942,3
Dilution impact of issuance of Class A shares	—	—	—	—	(23)	—	—	(23)	—	—
Equity issued in connection with Preferred shares offering	—	—	264,683	—	—	—	—	264,683	—	—
Adoption of new accounting guidance	—	—	—	—	—	22,901	—	22,901	—	—
Capital increase related to equity-based compensation	—	—	—	—	17,066	—	—	17,066	—	—
Capital contributions	—	—	—	—	—	—	—	—	28,701	—
Distributions	—	—	—	—	(87,074)	—	—	(87,074)	(2,124)	(96,95
Payments related to issuances of Class A shares for equity-based awards	1,683,798	—	—	—	—	(20,597)	—	(20,597)	—	—
Exchange of AOG Units for Class A shares	500,000	—	—	—	3,152	—	—	3,152	—	(2,291
Net income	—	—	—	—	—	145,196	—	145,196	3,384	206,45
Currency translation adjustments, net of tax	—	—	—	—	—	—	(3,140)	(3,140)	867	(6
Net gain from change in fair value of cash flow hedge	—	—	—	—	—	—	12	12	—	14

instruments										
Net income on available-for-sale securities	—	——	—	—	—	48	48	—	—	
Balance at March 31, 2017	187,644,092	1	$264,683	$—	$1,763,146	$(838,686)	$(11,803)	$1,177,340	$120,891	$1,049
Balance at January 1, 2018	195,267,669	1	$264,398	$—	$1,579,797	$(379,460)	$(1,809)	$1,462,926	$140,086	$1,294
Adoption of new accounting guidance	—	——	—	—	(8,149)	—	(8,149)	—	(11,21	
Dilution impact of issuance of Class A shares	—	——	—	104	—	—	104	—	—	
Equity issued in connection with Preferred shares offering	—	——	289,815	—	—	—	289,815	—	—	
Capital increase related to equity-based compensation	—	——	—	28,312	—	—	28,312	—	—	
Capital contributions	—	——	—	—	—	—	—	143,928	—	
Distributions	—	—(4,383)	—	(138,407)	—	—	(142,790)	(2,111)	(133,6	
Payments related to issuances of Class A shares for equity-based awards	1,879,695	——	—	—	(31,518)	—	(31,518)	—	—	
Repurchase of Class A shares	(777,310)	——	—	(26,444)	—	—	(26,444)	—	—	
Exchange of AOG Units for Class A shares	5,180,600	——	—	39,882	—	—	39,882	—	(32,82	
Net income (loss)	—	—4,383	—	—	(62,645)	—	(58,262)	5,979	(57,06	
Currency translation adjustments, net of tax	—	——	—	—	—	1,001	1,001	2,975	1,044	
Net gain from change in fair value of cash flow hedge instruments	—	——	—	—	—	13	13	—	14	
Net loss on available-for-sale securities	—	——	—	—	—	(20)	(20)	—	(21	
Balance at March 31, 2018	201,550,654	1	$264,398	$289,815	$1,483,244	$(481,772)	$(815)	$1,554,870	$290,857	$1,061

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 THREE MONTHS ENDED MARCH 31, 2018 AND 2017
(dollars in thousands, except share data)

	For the Three Months Ended March 31,	
	2018	2017
Cash Flows from Operating Activities:		
Net income (loss)	$(109,348)	$355,030
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Equity-based compensation	35,525	23,107
Depreciation and amortization	3,877	4,385
Unrealized (gains) losses from investment activities	69,018	(35,035)
Principal investment (income) loss	12,994	(38,553)
Performance allocations	124,165	(352,593)
Change in fair value of contingent obligations	466	(3,663)
Deferred taxes, net	6,958	34,478
Other non-cash amounts included in net income (loss), net	(7,540)	621
Cash flows due to changes in operating assets and liabilities:		
Incentive fees receivable	576	(2,733)
Due from related parties	(63,841)	(6,654)
Accounts payable and accrued expenses	12,675	14,705
Accrued compensation and benefits	(1,985)	1,503
Deferred revenue	17,978	(2,784)
Due to related parties	3,668	(7,048)
Profit sharing payable	(48,068)	103,139
Other assets and other liabilities, net	(9,037)	(6,470)
Cash distributions of earnings from principal investments	22,299	16,555
Cash distributions of earnings from performance allocations	148,658	154,561
Satisfaction of contingent obligations	(2,564)	(14,956)
Apollo Fund and VIE related:		
Net realized and unrealized gains from investing activities and debt	(6,668)	(1,241)
Purchases of investments	(228,807)	(187,567)
Proceeds from sale of investments	72,229	120,882
Changes in other assets and other liabilities, net	(11,701)	53,933
Net Cash Provided by Operating Activities	$41,527	$223,602
Cash Flows from Investing Activities:		
Purchases of fixed assets	$(2,174)	$(1,002)
Proceeds from sale of investments	28,315	—
Purchase of investments	(57,903)	—
Purchase of U.S. Treasury securities	(59,529)	—
Proceeds from maturities of U.S. Treasury securities	200,000	—
Cash contributions to equity method investments	(36,455)	(43,529)
Cash distributions from equity method investments	24,916	19,758
Issuance of related party loans	—	(5,434)
Repayment of related party loans	—	17,700
Other investing activities	45	(109)
Net Cash Provided by (Used in) Investing Activities	$97,215	$(12,616)
Cash Flows from Financing Activities:		

Principal repayments of debt	$(300,000)	$—
Issuance of Preferred shares, net of issuance costs	289,815	264,683
Distributions to Preferred Shareholders	(4,383)	—
Issuance of debt	299,676	—
Purchase of Class A shares	(40,823)	(151)
Payments related to deliveries of Class A shares for RSUs	(31,518)	(20,597)
Distributions paid	(138,407)	(87,074)
Distributions paid to Non-Controlling Interests in Apollo Operating Group	(133,689)	(96,956)
Other financing activities	(3,352)	(1,939)
Apollo Fund and VIE related:		
Principal repayment of debt	(1,073)	—
Distributions paid to Non-Controlling Interests in consolidated entities	(671)	(84)
Contributions from Non-Controlling Interests in consolidated entities	144,610	28,600
Net Cash Provided by Financing Activities	$80,185	$86,482
Net Increase in Cash and Cash Equivalents, Cash and Cash Equivalents Held at Consolidated Funds, Restricted Cash and Cash Held at Consolidated Variable Interest Entities	218,927	297,468
Cash and Cash Equivalents, Cash Held at Consolidated Funds, Restricted Cash and Cash Held at Consolidated Variable Interest Entities, Beginning of Period	848,060	859,662
Cash and Cash Equivalents, Cash Held at Consolidated Funds, Restricted Cash and Cash Held at Consolidated Variable Interest Entities, End of Period	$1,066,987	$1,157,130
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$4,234	$3,545
Interest paid by consolidated variable interest entities	4,457	1,776
Income taxes paid	3,750	2,733
Supplemental Disclosure of Non-Cash Investing Activities:		
Non-cash distributions from equity method investments	$(24,185)	$(13,673)
Non-cash contributions of other investments, at fair value	194,003	13,304
Non-cash distributions of other investments, at fair value	(46,623)	—
Supplemental Disclosure of Non-Cash Financing Activities:		
Capital increases related to equity-based compensation	$28,312	$17,066
Other non-cash financing activities	104	(33)
Adjustments related to exchange of Apollo Operating Group units:		
Deferred tax assets	$47,009	$861
Due to related parties	(39,955)	—
Additional paid in capital	(7,054)	(861)
Non-Controlling Interest in Apollo Operating Group	32,828	2,291
Reconciliation of Cash and Cash Equivalents, Cash and Cash Equivalents Held at Consolidated Funds, Restricted Cash and Cash Held at Consolidated Variable Interest Entities to the Condensed Consolidated Statements of Financial Condition:		
Cash and cash equivalents	$988,284	$1,084,218
Cash and cash equivalents held at consolidated funds	3	7,880
Restricted cash	3,902	4,946
Cash held at consolidated variable interest entities	74,798	60,086
Total Cash and Cash Equivalents, Cash and Cash Equivalents Held at Consolidated Funds, Restricted Cash and Cash and Cash Equivalents Held at Consolidated Variable Interest Entities	$1,066,987	$1,157,130

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 credit, private equity 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, incentive fees and performance allocations related to the performance of the respective funds that it manages. Apollo has three primary business segments:

- Credit—primarily invests in non-control corporate and structured debt instruments including performing, stressed and distressed investments across the capital structure;
- Private equity—primarily invests in control equity and related debt instruments, convertible securities and distressed debt investments; 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 March 31, 2018, the Company owned, through six intermediate holding companies, 49.9% 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 March 31, 2018, Holdings owned the remaining 50.1% 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 2017 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 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 periods' condensed consolidated financial statements and notes to conform to the current period's presentation and are disclosed accordingly.

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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. When 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 be deemed the primary beneficiary if it is the party that is most closely associated with the VIE. When Apollo and its related parties not under common control in the aggregate have a controlling financial interest in the VIE, Apollo would be 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.

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) loss attributable to Non-Controlling Interests in the condensed consolidated statements of operations. For additional disclosures regarding VIEs, see note 5.

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.

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 was $680.4 million and $404.7 million as of March 31, 2018 and December 31, 2017, respectively, 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.

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

Fair Value of Financial Instruments

Apollo has elected the fair value option for the Company's investment in Athene Holding, Athora 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.

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, financial instruments are generally recorded at fair value or at amounts whose carrying values approximate fair value. 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.

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.

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 principal investment income (loss) 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.

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.

Deferred Revenue

Apollo records deferred revenue, which is a type of contract liability, when consideration is received in advance of management services provided.

Apollo also earns management fees subject to the Management Fee Offset (described below). 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 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. There was $117.6 million of revenue recognized during the three months ended March 31, 2018 that was previously deferred as of January 1, 2018.

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.

Revenues

The Company's revenues are reported in four separate categories that include (i) management fees; (ii) advisory and transaction fees, net; (iii) investment income (loss) which is comprised of two subcomponents: (1) performance allocations and (2) principal investment income (loss); and (iv) incentive fees.

On January 1, 2018, the Company adopted new revenue guidance issued by the FASB for recognizing revenue from contracts with customers. The new revenue 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 revenue 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 revenue 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 Company has concluded that its management fees, advisory and transaction fees, and incentive fees are within the scope of the new revenue guidance. For incentive fees, the new revenue guidance delays the timing of certain revenues compared to the prior accounting treatment. These amounts were previously recognized in carried interest income in the condensed consolidated statements of operations and are now recognized separately within its own line, incentive fees.

Effective January 1, 2018, the Company implemented a change in accounting principle for performance allocations to be accounted for under guidance applicable to equity method investments, and therefore not within the scope of the new revenue guidance. The accounting change does not change the timing or amount of revenue recognized related to performance allocation arrangements. These amounts were previously recognized within carried interest income in the

condensed consolidated statements of operations and carried interest receivable within the condensed consolidated statements of financial condition. As a result of the change in accounting principle, the Company recognizes performance allocations within investment income along with the related principal investment income (loss) (as described further below) in the condensed consolidated statements of operations and within the investments line in the condensed consolidated statements of financial condition. The Company applied this change in accounting principle on a full retrospective basis.

The new revenue guidance was adopted on a modified retrospective basis. The adoption of the new revenue guidance did not have a material impact on the Company. In connection with the adoption of the new revenue guidance, the Company recorded a cumulative effect adjustment to total shareholders' equity as of January 1, 2018 in the amount of $19.4 million net of

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taxes. Prior periods have not been recast to reflect the new revenue guidance. Accordingly, prior periods reflect recognition under the previous guidance whereby incentive fees were recorded on an assumed liquidation basis at each reporting date. Refer to disclosures below for additional information on each of the Company's revenue streams.

Management Fees

Management fees for funds are recognized over time during the periods in which the related services are performed in accordance with the contractual terms of the related agreement. Management fees are generally based on (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, Net

Advisory fees, including monitoring fees and directors' fees, are generally recognized over time as the underlying services are provided in accordance with the contractual terms of the related agreement. The Company receives such fees in exchange for ongoing management consulting, monitoring, and oversight of portfolio company operations. Transaction fees, including structuring fees and arranging fees are generally recognized at a point in time when the underlying services rendered are complete.

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 are presented net of the Management Fee Offset in the condensed consolidated statements of operations.

Underwriting fees, which are also included within advisory and transaction fees, net, include gains, losses and fees, arising from securities offerings in which one of the Company's subsidiaries participates in the underwriter syndicate. Underwriting fees are recognized at a point in time when the underwriting is completed. Underwriting fees recognized but not received are recorded in other assets on the condensed consolidated statements of financial condition.

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. 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.

Investment Income (Loss)

Investment income (loss) is comprised of two subcomponents: (1) performance allocations and (2) principal investment income (loss).

Performance Allocations

Performance allocations are a type of performance revenue (i.e., income earned based on the extent to which an entity's performance exceeds predetermined thresholds). Performance allocations are generally structured from a legal standpoint as an allocation of capital in which the asset manager's capital account receives allocations of the returns of an entity when those returns exceed predetermined thresholds. The determination of which performance revenues are considered performance allocations is primarily based on the terms of an agreement with the entity.

As noted above, as a result of a change in accounting principle, the Company recognizes performance allocations within investment income (loss) along with the related principal investment income (loss) (as described further below) in the

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

Principal Investment Income (Loss)

Principal investment income (loss) includes the Company's income or loss from equity method investments and certain other investments in entities in which the Company is generally eligible to receive performance allocations. Income from equity method investments includes the Company's share of net income or loss generated from its investments, which are not consolidated, but in which the Company exerts significant influence. Prior to the change in accounting principle noted above, income from equity method investments was included within other income in the condensed consolidated statements of operations. All prior periods have been conformed to reflect this change in presentation.

Incentive Fees

Incentive fees are a type of performance revenue. Incentive fees differ from performance allocations in that incentive fees do not represent an allocation of capital but rather a contractual fee arrangement with the entity.

Incentive fees are considered a form of variable consideration under the new guidance as they are subject to clawback or reversal and therefore must be deferred until the fees are probable to not be significantly reversed. Accrued but unpaid incentive fees are reported within incentive fees receivable in the Company's condensed consolidated statements of financial condition. As noted earlier, prior to the adoption of the new revenue guidance, incentive fees were recognized on an assumed liquidation basis. The Company's incentive fees primarily relate to the credit segment and are generally received from the management of CLOs, managed accounts and AINV.

As it relates to AINV, incentive fees include a quarterly 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. Therefore, the recognition of these fees are not impacted by the adoption of the new revenue guidance.

Compensation and Benefits

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. In addition, the Company provides for the vesting of certain restricted stock units ("RSUs") subject to continued employment and certain performance metrics being achieved. In accordance with U.S. GAAP, equity-based compensation expense for such awards is recognized over the requisite service period to the extent the performance metrics are met or deemed probable. 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. The Company accounts for forfeitures of equity-based awards when they occur.

Profit Sharing

Profit sharing expense and profit sharing payable primarily consist of a portion of performance allocations and incentive fees (collectively, "performance revenues") earned from certain funds that are allocated to employees, former employees and Contributing Partners. Profit sharing amounts are recognized as the related performance revenues are earned. Accordingly, profit sharing amounts can be reversed during periods when there is a decline in performance revenues that were previously recognized.

Profit sharing amounts are generally not paid until the related performance revenue is distributed to the general partner upon realization of the fund's investments. Under certain profit sharing arrangements, a portion of the performance revenue distributed to the general partner is allocated by issuance of restricted shares, rather than cash to employees. Prior to distribution of the performance revenue 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. 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 performance revenue earned by the Company in a given year, which amounts are reflected in profit sharing expense in the accompanying condensed consolidated financial statements.

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. 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.

General, Administrative and Other

General, administrative and other primarily includes professional fees, occupancy, depreciation and amortization, travel, information technology and administration expenses.

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, performance allocations, incentive fees, 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.

Recent Accounting Pronouncements

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. 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 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. The Company adopted the standard beginning January

1, 2018 using a retrospective transition method to each period presented. Upon adoption of this standard restricted cash and cash and cash equivalents held at consolidated variable interest entities are included within the beginning of period and end of period balances in the Company's condensed consolidated statements of cash flows. Refer to the Company's condensed consolidated statements of cash flows for the impact of this standard.

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In January 2017, the FASB issued guidance that changes the definition of a business with the objective of adding guidance to assist companies with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The guidance is effective for interim and annual periods beginning after December 15, 2017. The adoption of this standard did not have an impact on the condensed consolidated financial statements of the Company.

In January 2017, the FASB issued guidance to simplify the test for goodwill impairment. The new guidance removes the requirement to perform a hypothetical purchase price allocation to measure goodwill impairment (Step 2). Under the new guidance, a goodwill impairment is calculated as the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill in the reporting unit. The guidance is effective for annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019 and should be performed prospectively. Early adoption is permitted for interim or annual goodwill impairment tests performed after January 1, 2017. The guidance is not expected to have an impact on the condensed consolidated financial statements of the Company.

3. INVESTMENTS

The following table represents Apollo's investments:

	As of March 31, 2018	As of December 31, 2017
Investments, at fair value	$986,016	$866,998
Equity method investments	816,594	863,906
Performance allocations	1,396,075	1,828,930
Total Investments	$3,198,685	$3,559,834

Investments, at Fair Value

Investments, at fair value, consist of investments for which the fair value option has been elected and primarily include the Company's investment in Athene Holding and investments in debt of unconsolidated CLOs. Changes in the fair value related to these investments are presented in net gains from investment activities except for certain investments which the Company is entitled to receive performance allocations. For those investments, changes in fair value are presented in principal investment income.

The Company's investment in Athene Holding, for which the fair value option was elected, met the significance criteria as defined by the SEC for the three months ended March 31, 2018. As such, the following table presents summarized financial information of Athene Holding:

	For the Three Months Ended March 31, 2018[(1)]	2017
	(in millions)	
Statements of Operations		
Revenues	$3,872	$1,619
Expenses	3,374	1,213
Income before income tax provision	498	406
Income tax provision	34	22
Net income available to Athene common shareholders	$464	$384

(1) The financial statement information for the three months ended March 31, 2018 is presented a quarter in arrears and is comprised of the financial information for the three months ended December 31, 2017, which represents the latest available financial information as of the date of this report.

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Net Gains (Losses) from Investment Activities

The following table presents the realized and net change in unrealized gains (losses) reported in net gains (losses) from investment activities:

	For the Three Months Ended March 31,	
	2018	2017
Realized gains on sales of investments, net	$66	$—
Net change in unrealized gains (losses) due to changes in fair value	(67,199)	34,517
Net gains (losses) from investment activities	$(67,133)	$34,517

Equity Method Investments

Apollo's equity method investments include its investments in the credit, private equity 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 in principal investment income (loss) in the condensed consolidated statements of operations.

Equity method investments consisted of the following:

	Equity Held as of	
	March 31, 2018[4]	December 31, 2017[4]
Credit[1][2]	$325,892	$325,267
Private Equity[1]	462,228	509,707
Real Assets	28,474	28,932
Total equity method investments[3]	$816,594	$863,906

(1) As of March 31, 2018, equity method investments include MidCap (Credit) and Fund VIII (Private Equity) of $80.2 million and $363.1 million, respectively, representing an ownership percentage of 4.2% and 2.2%, respectively. As of December 31, 2017, equity method investments include MidCap (Credit) and Fund VIII (Private Equity) of $79.6 million and $385.7 million, respectively, representing an ownership percentage of 4.2% and 2.2%, respectively.

(2) The equity method investment in AINV was $55.4 million and $56.5 million as of March 31, 2018 and December 31, 2017, respectively. The value of the Company's investment in AINV was $46.3 million and $50.2 million based on the quoted market price as of March 31, 2018 and December 31, 2017, respectively.

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

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

Performance Allocations

Performance allocations from private equity, credit and real assets funds consisted of the following:

	As of March 31, 2018	As of December 31, 2017
Private Equity	$966,551	$1,404,777
Credit	404,395	395,340
Real Assets	25,129	28,813
Total performance allocations	$1,396,075	$1,828,930

The table below provides a roll forward of the performance allocations balance:

	Private Equity	Credit	Real Assets	Total
Performance allocations, January 1, 2018	$ 1,404,777	$ 395,340	$ 28,813	$ 1,828,930
Change in fair value of funds	(153,630)	39,511	(198)	(114,317)
Fund distributions to the Company	(284,596) [1]	(30,456)	(3,486)	(318,538)
Performance allocations, March 31, 2018	$ 966,551	$ 404,395	$ 25,129	$ 1,396,075

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(1) Includes realized performance allocations of $169.9 million from AP Alternative Assets, L.P. ("AAA"), settled in the form of Athene shares.

The change in fair value of funds excludes the reversal of previously realized performance allocations due to the general partner obligation to return previously distributed performance allocations, which is recorded in due to related parties in the consolidated statements of financial condition. See note 13 for further disclosure regarding the general partner obligation.

The timing of the payment of performance allocations due to the general partner or investment manager varies depending on the terms of the applicable fund agreements. Generally, performance allocations 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.

4. PROFIT SHARING PAYABLE

Profit sharing payable consisted of the following:

	As of March 31, 2018	As of December 31, 2017
Credit	$262,138	$265,791
Private Equity	372,065	475,556
Real Assets	10,680	10,929
Total profit sharing payable	$644,883	$752,276

The table below provides a roll forward of the profit sharing payable balance:

	Private Equity	Credit	Real Assets	Total
Profit sharing payable, January 1, 2018	$ 475,556	$265,791	$ 10,929	$752,276
Profit sharing expense	(32,036)	22,697	496	(8,843)
Payments/other[1]	(71,455) [2]	(26,350)	(745)	(98,550)
Profit sharing payable, March 31, 2018	$ 372,065	$262,138	$ 10,680	$644,883

(1) Includes $10.6 million associated with the adoption of new revenue recognition accounting guidance, as discussed in note 2.

(2) Includes $46.6 million associated with profit sharing expense related to AAA that were settled in the form of Athene shares.

Profit sharing expense includes (i) changes in amounts payable to employees and former employees entitled to a share of performance revenues in Apollo's funds and (ii) changes to the fair value of the contingent consideration obligations recognized in connection with certain Apollo acquisitions. Profit sharing expense excludes the potential return of profit sharing distributions that would be due if certain funds were liquidated, which is recorded in due from related parties in the consolidated statements of financial condition. See note 13 for further disclosure regarding the potential return of profit sharing distributions.

As discussed in note 2, under certain profit sharing arrangements, a portion of the performance revenues distributed to the general partner is allocated by issuance of restricted shares, rather than cash to employees. Prior to distribution of the performance revenues 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. See note 7 for further disclosure regarding deferred equity-based compensation.

5. 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

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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.

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 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 CLOs and primarily relate to corporate loans that are expected to settle within 60 days.

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 Months Ended March 31,	
	2018 [1]	2017 [1]
Net gains from investment activities	$5,322	$1,990
Net gains (losses) from debt	1,350	(883)
Interest and other income	9,579	7,822
Interest and other expenses	(9,719)	(4,821)
Net gains from investment activities of consolidated variable interest entities	$6,532	$4,108

(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 March 31, 2018			As of December 31, 2017		
	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]	$827,058	1.67 %	11.9	$806,603	1.68 %	12.2
Subordinated Notes[2]	102,856	N/A [1]	22.2	100,188	N/A [1]	22.4
Secured Borrowings[2][3]	109,438	3.24 %	9.1	109,438	2.70 %	9.3
Total	$1,039,352			$1,016,229		

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

(2)

The debt 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. The fair value of the debt and collateralized assets of the Senior Secured Notes, Subordinated Notes and Secured Borrowings are presented below:

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	As of March 31, 2018	As of December 31, 2017
Debt at fair value	$1,026,012	$1,002,063
Collateralized assets	$1,499,872	$1,328,586

(3) 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 March 31, 2018 and December 31, 2017 was $109.4 million.

The consolidated VIEs' debt obligations contain various customary loan covenants. As of March 31, 2018, 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.

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. In addition, the table presents the maximum exposure to losses relating to these VIEs.

	As of March 31, 2018	As of December 31, 2017
Assets:		
Cash	$186,767	$254,791
Investments	4,463,148	6,230,397
Receivables	41,649	36,601
Total Assets	$4,691,564	$6,521,789
Liabilities:		
Debt and other payables	$3,129,631	$3,285,263
Total Liabilities	$3,129,631	$3,285,263
Apollo Exposure[(1)]	$223,814	$252,605

(1) Represents Apollo's direct investment in those entities in which Apollo holds a significant variable interest and certain other investments. Additionally, cumulative performance allocations are subject to reversal in the event of future losses, as discussed in note 14.

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6. 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 March 31, 2018				
	Level I	Level II	Level III	Total	Cost
Assets					
U.S. Treasury securities, at fair value	$225,510	$—	$—	$225,510	$223,342
Investments, at fair value:					
Investment in Athene Holding	194,164	688,713	—	882,877	510,784
Other investments	—	45,847	30,758	76,605	71,933
Investment in Athora Holding	—	—	26,534	26,534	26,534
Total investments, at fair value	194,164	734,560	57,292	986,016	609,251
Investments of VIEs, at fair value	—	1,088,761	293,260	1,382,021	
Investments of VIEs, valued using NAV	—	—	—	4,047	
Total investments of VIEs, at fair value	—	1,088,761	293,260	1,386,068	
Derivative assets[1]	—	172	—	172	
Total Assets	$419,674	$1,823,493	$350,552	$2,597,766	
Liabilities					
Liabilities of VIEs, at fair value	$—	$1,026,012	$—	$1,026,012	
Contingent consideration obligations[2]	—	—	90,500	90,500	
Derivative liabilities[1]	—	1,812	—	1,812	
Total Liabilities	$—	$1,027,824	$90,500	$1,118,324	

	As of December 31, 2017				
	Level I	Level II	Level III	Total	Cost
Assets					
U.S. Treasury securities, at fair value	$364,649	$—	$—	$364,649	$363,812
Investments, at fair value:					
Investment in Athene Holding	—	802,985	—	802,985	387,526
Other investments	205	28,107	35,701	64,013	61,179
Total investments, at fair value	205	831,092	35,701	866,998	448,705
Investments of VIEs, at fair value	—	1,058,999	132,348	1,191,347	
Investments of VIEs, valued using NAV	—	—	—	4,843	
Total investments of VIEs, at fair value	—	1,058,999	132,348	1,196,190	
Derivative assets[1]	—	478	—	478	
Total Assets	$364,854	$1,890,569	$168,049	$2,428,315	
Liabilities					
Liabilities of VIEs, at fair value	$—	$1,002,063	$12,620	$1,014,683	
Contingent consideration obligations[2]	—	—	92,600	92,600	
Derivative liabilities[1]	—	1,537	—	1,537	
Total Liabilities	$—	$1,003,600	$105,220	$1,108,820	

(1) Derivative assets and derivative liabilities are presented as a component of Other assets and Other liabilities, respectively, in the condensed consolidated statements of financial condition.

(2) Profit sharing payable include contingent obligations classified as Level III.

There were no transfers of financial assets or liabilities between Level I and Level II for the three months ended March 31, 2018 and 2017.

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The following tables summarize the changes in financial assets measured at fair value for which Level III inputs have been used to determine fair value:

	For the Three Months Ended March 31, 2018			
	Investment in Athora Holding	Other Investments	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	$—	$ 35,701	$ 132,348	$168,049
Purchases	26,534	39,228	142,487	208,249
Sale of investments/distributions	—	(28,315)	(11,661)	(39,976)
Net realized gains (losses)	—	413	(1,160)	(747)
Changes in net unrealized gains (losses)	—	(215)	8,909	8,694
Cumulative translation adjustment	—	1,686	3,554	5,240
Transfer into Level III[(1)]	—	—	18,783	18,783
Transfer out of Level III[(1)]	—	(17,740)	—	(17,740)
Balance, End of Period	$26,534	$ 30,758	$ 293,260	$350,552
Change in net unrealized losses included in net gains (losses) from investment activities related to investments still held at reporting date	$—	$ (217)	$ —	$(217)
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	—	6,950	6,950

	For the Three Months Ended March 31, 2017		
	Other Investments	Investments of Consolidated VIEs	Total
Balance, Beginning of Period	$45,721	$ 92,474	$138,195
Purchases	—	43,449	43,449
Sale of investments/distributions	—	(12,088)	(12,088)
Net realized gains (losses)	(14)	48	34
Changes in net unrealized gains (losses)	(61)	3,002	2,941
Cumulative translation adjustment	536	890	1,426
Transfer into Level III[(1)]	60	9,569	9,629
Balance, End of Period	$46,242	$ 137,344	$183,586
Change in net unrealized losses included in net gains (losses) from investment activities related to investments still held at reporting date	$(75)	$ —	$(75)
Change in net unrealized gains included in net gains from investment activities of consolidated VIEs related to investments still held at reporting date	—	2,873	2,873

(1) Transfers between Level II and III were a result of subjecting the broker quotes on these financial assets to various 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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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 March 31,					
	2018			2017		
	Liabilities of Consolidated VIEs & Apollo Funds	Contingent Consideration Obligations	Total	Liabilities of Consolidated VIEs & Apollo Funds	Contingent Consideration Obligations	Total
Balance, Beginning of Period	$12,620	$ 92,600	$105,220	$11,055	$ 106,282	$117,337
Additions	—	—	—	97	—	97
Payments	(12,620)	(2,564)	(15,184)	(59)	(14,956)	(15,015)
Net realized gains	—	—	—	(9)	—	(9)
Changes in net unrealized gains (losses)[1]	—	464	464	143	(3,663)	(3,520)
Balance, End of Period	$—	$ 90,500	$90,500	$11,227	$ 87,663	$98,890
Change in net unrealized gains (losses) included in net gains from investment activities of consolidated VIEs related to liabilities still held at reporting date	$—	$ —	$—	$139	$ —	$139

(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 March 31, 2018				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Investment in Athora Holding	$26,534	Cost[1]	N/A	N/A	N/A
Other investments	4,941	Third Party Pricing	N/A	N/A	N/A
	25,817	Cost[1]	N/A	N/A	N/A
Investments of consolidated VIEs:					
Corporate loans/bonds/CLO notes	18,782	Third party pricing	N/A	N/A	N/A
Equity securities	274,478	Book value multiple	Book value multiple	0.75x	0.75x
		Discounted cash flow	Discount rate	13.2%	13.2%
Total investments of consolidated VIEs	293,260				
Total Financial Assets	$350,552				
Financial Liabilities					
Contingent consideration obligation	$90,500	Discounted cash flow	Discount rate	17.8%	17.8%
Total Financial Liabilities	$90,500				

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	As of December 31, 2017				
	Fair Value	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average
Financial Assets					
Other investments	$20,641	Third party pricing	N/A	N/A	N/A
	15,060	Cost[(1)]	N/A	N/A	N/A
Investments of consolidated VIEs:					
Corporate loans/bonds/CLO notes	6,824	Third party pricing	N/A	N/A	N/A
Equity securities	125,524	Book value multiple	Book value multiple	0.71x	0.71x
		Discounted cash flow	Discount rate	13.4%	13.4%
Total investments of consolidated VIEs	132,348				
Total Financial Assets	$168,049				
Financial Liabilities					
Liabilities of consolidated VIEs	$12,620	Other	N/A	N/A	N/A
Contingent consideration obligation	92,600	Discounted cash flow	Discount rate	17.3%	17.3%
Total Financial Liabilities	$105,220				

(1) The valuation technique used is cost as it approximates the fair value of the investment.

Fair Value Measurement of Investment in Athene Holding

As of March 31, 2018 the fair value of Apollo's Level I investment in Athene Holding was estimated using the closing market price of Athene Holding shares of $47.81. As of March 31, 2018 and December 31, 2017 the fair value of Apollo's Level II investment in Athene Holding was estimated using the closing market price of Athene Holding shares of $47.81 and $51.71, respectively, less a discount due to a lack of marketability ("DLOM") of 4.6% and 4.0%, respectively, as applicable. The DLOM was derived based on the average remaining lock up restrictions on the shares of Athene Holding held by Apollo (8.3 months and 11.3 months as of March 31, 2018 and December 31, 2017, 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.

Apollo uses the closing market price of shares of Athene Holding, adjusted for a DLOM in order to reflect the post initial public offering ("IPO") sales restriction on such shares of Athene Holding, to value the opportunistic investment in 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.

Discounted Cash Flow Model

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 and the contingent consideration obligations; conversely decreases in the discount rate can significantly increase the fair value of an investment and the contingent consideration obligations.

Consolidated VIEs

Investments

As of March 31, 2018 and December 31, 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 inputs in isolation can cause significant increases or decreases in fair value. 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.

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Liabilities

As of March 31, 2018 and December 31, 2017, 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. 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.

Valuation of Underlying Investments of Equity Method Investees

As discussed previously, the underlying entities that the Company manages and invests in are primarily investment companies which account for their investments at estimated 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 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 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.

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.

Private Equity Investments

The fair 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.

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 credit, private equity, 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 the 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.

7. OTHER ASSETS

Other assets consisted of the following:

	As of March 31, 2018	As of December 31, 2017
Fixed assets	$101,345	$102,694
Less: Accumulated depreciation and amortization	(82,885)	(83,510)
Fixed assets, net	18,460	19,184
Prepaid expenses	174,137	189,542
Tax receivables	8,646	9,236
Other	6,927	13,795
Total Other Assets	$208,170	$231,757

Prepaid expenses includes $116.3 million and $135.0 million as of March 31, 2018 and December 31, 2017, respectively, of deferred equity-based compensation related to the value of the restricted shares that have been or are expected to be granted in connection with the settlement of certain profit sharing arrangements. A corresponding amount for awards expected to be granted of $96.0 million and $124.3 million, as of March 31, 2018 and December 31, 2017, respectively, is included in other liabilities on the condensed consolidated statements of financial condition. Depreciation expense for the three months ended March 31, 2018 and 2017 was $2.1 million and $2.3 million, respectively, and is presented as a component of general, administrative and other expense in the condensed consolidated statements of operations.

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8. INCOME TAXES

The Company's income tax provision totaled $8.6 million and $39.2 million for the three months ended March 31, 2018 and 2017, respectively. The Company's effective tax rate was approximately (8.5)% and 9.9% for the three months ended March 31, 2018 and 2017, respectively.

The Tax Cuts and Jobs Act (the "TCJA") was signed into law on December 22, 2017 and includes a broad range of tax reforms including a reduction in the corporate income tax rate to 21% from 35% effective January 1, 2018. In situations where the accounting for the income tax effects of the TJCA are incomplete by the time the company issues its financial statements (but the company can determine a reasonable estimate for those effects), the company can report provisional amounts that would be subject to adjustment during a measurement period until the accounting is complete. These amounts are subject to change as we obtain information necessary to complete the calculations. We will recognize any changes to the provisional amounts as we refine our estimates. We expect to complete our analysis of the provisional items during the second half of 2018. The effects of other provisions of the TCJA are not expected to have a material impact on our condensed consolidated financial statements.

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 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 March 31, 2018, the Company's U.S. federal, state, local and foreign income tax returns for the years 2014 through 2017 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 tax year. The State and City of New York are examining certain subsidiaries' tax returns for tax years 2011 to 2016.

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 is 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 benefit the Company obtains from the difference in the tax asset recognized and the related liability results in an increase to additional paid in capital. The amortization period for these tax basis intangibles is 15 years and the deferred tax assets will reverse over the same period.

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.

Exchange of AOG Units for Class A shares	Increase in Deferred Tax Asset	Increase in Tax Receivable Agreement Liability	Increase to Additional Paid In Capital

For the Three Months Ended March 31, 2018	$ 47,009	$ 39,955	$ 7,054
For the Three Months Ended March 31, 2017	$ 861	$ —	$ 861

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9. DEBT
Debt consisted of the following:

	As of March 31, 2018			As of December 31, 2017		
	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]	$—	$—	N/A	$299,655	$298,875 [3]	2.33 %
2024 Senior Notes[1]	496,023	502,911 [4]	4.00 %	495,860	511,096 [4]	4.00
2026 Senior Notes[1]	495,806	512,523 [4]	4.40	495,678	525,273 [4]	4.40
2048 Senior Notes[1]	296,839	307,226 [4]	5.00	—	—	—
2014 AMI Term Facility I[2]	16,805	16,912 [3]	2.00	16,399	16,482 [3]	2.00
2014 AMI Term Facility II[2]	19,011	19,108 [3]	1.75	18,548	18,605 [3]	1.75
2016 AMI Term Facility I[2]	20,914	20,914 [3]	1.40	20,372	20,372 [3]	1.75
2016 AMI Term Facility II[2]	16,313	16,340 [3]	2.00	15,890	15,931 [3]	2.00
Total Debt	$1,361,711	$1,395,934		$1,362,402	$1,406,634	

(1) Includes amortization of note discount, as applicable. Outstanding balance is presented net of unamortized debt issuance costs:

	As of March 31, 2018	As of December 31, 2017
2013 AMH Credit Facilities - Term Facility	$ —	$ 345
2024 Senior Notes	3,360	3,498
2026 Senior Notes	3,834	3,951
2048 Senior Notes	2,837	—

(2) Apollo Management International LLP (“AMI”), a subsidiary of the Company, entered into five year credit agreements to fund the Company’s investment in certain European CLOs it manages.

Facility	Date	Loan Amount
2014 AMI Term Facility I	July 3, 2014	€13,636
2014 AMI Term Facility II	December 9, 2014	€15,425
2016 AMI Term Facility I	January 18, 2016	€16,970
2016 AMI Term Facility II	June 22, 2016	€13,236

(3) Fair value is based on obtained broker quotes. These notes are 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. These notes are 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.

In connection with the issuance of the 2024 Senior Notes, the 2026 Senior Notes and the 2048 Senior Notes (as defined below), $250 million of the proceeds, $200 million of the proceeds, and $300 million of the proceeds, respectively, were used to

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repay the entire remaining amount of the Term Facility. The Revolver Facility is to remain available until its maturity, and any undrawn revolving commitments bear a commitment fee. The commitment fee on the $500 million undrawn Revolver Facility as of March 31, 2018 was 0.125%.

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 March 31, 2018 and December 31, 2017, 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 is 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 is 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.

2048 Senior Notes—On March 15, 2018, AMH issued $300 million in aggregate principal amount of its 5.000% Senior Notes due 2048 (the “2048 Senior Notes”), at an issue price of 99.892% of par. Interest on the 2048 Senior Notes is payable semi-annually in arrears on March 15 and September 15 of each year. The 2048 Senior Notes will mature on March 15, 2048. The discount is amortized into interest expense on the condensed consolidated statements of operations over the term of the 2048 Senior Notes. The face amount of $300 million related to the 2048 Senior Notes is the amount for which the Company is obligated to settle the 2048 Senior Notes.

As of March 31, 2018, the indentures governing the 2024 Senior Notes, the 2026 Senior Notes and the 2048 Senior Notes (the “Indentures”) include covenants that restrict the ability of AMH and, as applicable, the guarantors of the notes under the Indentures 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 Months Ended March 31,	
	2018	2017
Interest Expense:[1]		
2013 AMH Term Facility	$1,964	$1,912
2024 Senior Notes	5,163	5,163
2026 Senior Notes	5,628	5,628
2048 Senior Notes	667	—
AMI Term Facilities	375	296
Total Interest Expense	$13,797	$12,999

(1) Debt issuance costs incurred in connection with the Term Facility, the 2024 Senior Notes, the 2026 Senior Notes and the 2048 Senior Notes are amortized into interest expense over the term of the debt arrangement.

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10. NET INCOME (LOSS) PER CLASS A SHARE

The table below presents basic and diluted net income (loss) per Class A share using the two-class method:

	Basic and Diluted For the Three Months Ended March 31,	
	2018	2017
Numerator:		
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$(62,645)	$145,196
Distributions declared on Class A shares[1]	(133,023)	(84,215)
Distributions on participating securities[2]	(5,384)	(2,859)
Earnings allocable to participating securities	—[3]	(2,264)
Undistributed income (loss) attributable to Class A shareholders: Basic and Diluted	$(201,052)	$55,858
Denominator:		
Weighted average number of Class A shares outstanding: Basic and Diluted	198,432,603	186,537,367
Net Income (Loss) per Class A Share: Basic and Diluted[4]		
Distributed Income	$0.66	$0.45
Undistributed Income (Loss)	(1.00)	0.30
Net Income (Loss) per Class A Share: Basic and Diluted	$(0.34)	$0.75

(1) See note 12 for information regarding the quarterly distributions declared and paid during 2018 and 2017.

(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 months ended March 31, 2018 and 2017, 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 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. The RSU participating securities do not have a mandatory redemption amount and the holders of the participating securities are not obligated to fund losses, therefore, 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 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 52.4% and 55.8% of the total voting power of the Company's shares entitled to vote as of March 31, 2018 and 2017, respectively.

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The following table summarizes the anti-dilutive securities.

	For the Three Months Ended March 31,	
	2018	2017
Weighted average vested RSUs	1,176,450	1,233,685
Weighted average unvested RSUs	7,817,506	6,252,139
Weighted average unexercised options	204,167	222,920
Weighted average AOG Units outstanding	204,576,722	215,286,909
Weighted average unvested restricted shares	668,672	74,362

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 that require performance metrics to be met are only expensed when the performance metric is met or deemed probable. 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. 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. There were no Bonus Grants awarded during the three months ended March 31, 2017.

	For the Three Months Ended March 31,	
	2018	2017
Plan Grants:		
Discount for the lack of distributions until vested[(1)]	10.5%	11.0%
Marketability discount for transfer restrictions[(2)]	3.4 %	2.0 %
Bonus Grants:		
Marketability discount for transfer restrictions[(2)]	2.3 %	N/A

(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 for Plan Grants and Bonus Grants 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.

During the three months ended March 31, 2018, the Company granted 3.3 million RSUs to certain executives with a grant date fair value of $108.9 million, which will vest on the first five anniversaries of January 1, 2018 subject to continued employment on such date and achievement of certain performance conditions associated with realized performance revenues pursuant to the terms of the associated RSU award agreement. In accordance with U.S. GAAP, equity-based compensation expense for such awards is recognized over the requisite service period to the extent the performance metrics are met or deemed probable. Accordingly, for the three months ended March 31, 2018, equity-based compensation expense of $12.4 million was recognized relating to these RSUs.

The fair value of all RSU grants made during the three months ended March 31, 2018 and 2017 was $160.8 million and $8.4 million, respectively.

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The following table presents the forfeiture rate and equity-based compensation expense recognized:

	For the Three Months Ended March 31,	
	2018	2017
Actual forfeiture rate	5.9 %	4.1 %
Equity-based compensation	$30,747	$17,031

The following table summarizes RSU activity:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of RSUs Outstanding	
Balance at January 1, 2018	6,262,288	$ 15.58	2,802,277	9,064,565	(1)
Granted	4,826,811	33.31	—	4,826,811	
Forfeited	(561,692)	17.21	—	(561,692)	
Issued	—	18.44	(2,905,390)	(2,905,390)	
Vested	(356,813)	18.02	356,813	—	
Balance at March 31, 2018	10,170,594	(2) $ 23.82	253,700	10,424,294	(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 3.0 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 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 Months Ended March 31,

	2018	2017
Management fees	$(878)	$2,064
Equity-based compensation	(920)	2,904
Actual forfeiture rate	— %	— %

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 AGM and the Non-Controlling Interests, which results in a

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difference in the amounts charged to equity-based compensation expense and the amounts credited to shareholders' equity attributable to AGM 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 Three Months Ended March 31, 2018			
	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	$32,759	— %	$ —	$ 32,759
AHL Awards	(920)	50.1	(461)	(459)
Other equity-based compensation awards	3,686	50.1	1,848	1,838
Total equity-based compensation	$35,525		1,387	34,138
Less other equity-based compensation awards[2]			(1,387)	(5,826)
Capital increase related to equity-based compensation			$ —	$ 28,312

	For the Three Months Ended March 31, 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	$17,697	— %	$ —	$ 17,697
AHL Awards	2,904	53.4	1,551	1,353
Other equity-based compensation awards	2,506	53.4	1,333	1,173
Total equity-based compensation	$23,107		2,884	20,223
Less other equity-based compensation awards[2]			(2,884)	(3,157)
Capital increase related to equity-based compensation			$ —	$ 17,066

(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.

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 limited voting rights.

During the three months ended March 31, 2018 and 2017, 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.

In February 2016, Apollo 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 net share settlement of equity-based awards granted under the 2007 Equity Plan. The Company intends to continue the net share settlement program in excess of the $100 million pursuant to the repurchase plan adopted in February 2016.

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The table below summarizes the issuance of Class A shares for equity-based awards:

	For the Three Months Ended March 31,	
	2018	2017
Class A shares issued in settlement of vested RSUs and share options exercised[1]	2,911,640	2,614,093
Reduction of Class A shares issued[2]	(940,168)	(930,295)
Class A shares purchased related to restricted share issuances and forfeitures[3]	(91,777)	—
Issuance of Class A shares for equity-based awards	1,879,695	1,683,798

(1) The gross value of shares issued was $97.8 million and $57.9 million for the three months ended March 31, 2018 and 2017, respectively, based on the closing price of a Class A share at the time of issuance.

(2) Cash paid for tax liabilities associated with net share settlement was $31.5 million and $20.6 million for the three months ended March 31, 2018 and 2017, respectively.

(3) During the fiscal quarter ended March 31, 2018, we issued 341,214 restricted shares under the 2007 Equity Plan and repurchased 422,690 Class A shares in open-market transactions not pursuant to a publicly-announced repurchase plan or program. The number of Class A shares repurchased was equal to the number of Class A restricted shares issued under the 2007 Equity Plan during the quarter and during the prior quarter. In addition, there were 10,301 restricted shares forfeited during the quarter.

Additionally, during the three months ended March 31, 2018, 777,310 Class A shares were repurchased as part of the publicly announced share repurchase program adopted in February 2016. Cash paid for open market share repurchases and cancellations was $26.4 million for the three months ended March 31, 2018.

Preferred Share Issuance

On March 7, 2017, Apollo issued 11,000,000 6.375% Series A Preferred shares (the “Series A Preferred shares”) for gross proceeds of $275.0 million, or $264.4 million net of issuance costs and on March 19, 2018, Apollo issued 12,000,000 6.375% Series B Preferred shares (the “Series B Preferred shares” and collectively with the Series A Preferred shares, “Preferred shares”) for gross proceeds of $300.0 million or $289.8 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, 2018 for Series B Preferred shares, 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 or 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 19, 2018 to but excluding June 15, 2018 for Series B Preferred shares.

The Series A and Series B Preferred shares may be redeemed at Apollo’s option, in whole or in part, at any time on or after March 15, 2022 and March 15, 2023, respectively, at a price of $25.00 per Preferred share, plus declared and unpaid distributions to, but excluding, the redemption date, without payment of any undeclared distributions. Holders of the 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 and March 15, 2023 for Series A and Series B Preferred shares, respectively, 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 a

certain rating agency event occurs prior to March 15, 2023, the Series B 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 rating agency event, at a price of $25.50 per Series B 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 March 15, 2023 for Series A and Series B Preferred shares, respectively) 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.

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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 May 3, 2018, Apollo declared a cash distribution of $0.398438 and $0.380729 per Series A and Series B Preferred shares, respectively. The distributions on the Series A Preferred shares were $4.4 million for the three months ended March 31, 2018.

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 (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, 2017	$ 0.45	February 28, 2017	$ 84.2	$ 97.0	$ 181.2	$ 2.9
April 13, 2017	—	April 13, 2017	—	20.5 [1]	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
November 1, 2017	0.39	November 30, 2017	75.6	81.6	157.2	2.4
For the year ended December 31, 2017	$ 1.85		$ 354.9	$ 410.8	$ 765.7	$ 11.8
February 1, 2018	$ 0.66	February 28, 2018	$ 133.0	$ 133.7	$ 266.7	$ 5.4
For the three months ended March 31, 2018	$ 0.66		$ 133.0	$ 133.7	$ 266.7	$ 5.4

(1) On April 13, 2017, the Company made a $0.10 per AOG Unit pro rata distribution to the Non-Controlling Interest 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 March 31,	
	2018	2017
Net income attributable to Non-Controlling Interests in consolidated entities:		
Interest in management companies and a co-investment vehicle[1]	$1,395	$867
Other consolidated entities	4,584	2,517
Net income attributable to Non-Controlling Interests in consolidated entities	$5,979	$3,384
Net income (loss) attributable to Non-Controlling Interests in the Apollo Operating Group:		
Net income (loss)	$(109,348)	$355,030
Net income attributable to Non-Controlling Interests in consolidated entities	(5,979)	(3,384)
Net income (loss) after Non-Controlling Interests in consolidated entities	(115,327)	351,646
Adjustments:		
Income tax provision[2]	8,580	39,161
NYC UBT and foreign tax benefit[3]	(1,556)	(5,395)
Net loss in non-Apollo Operating Group entities	86	2
Net income attributable to Series A Preferred Shareholders	(4,383)	—
Total adjustments	2,727	33,768
Net income (loss) after adjustments	(112,600)	385,414
Weighted average ownership percentage of Apollo Operating Group	50.7%	53.6%
Net income (loss) attributable to Non-Controlling Interests in Apollo Operating Group	$(57,065)	$206,450
Net Income (Loss) attributable to Non-Controlling Interests	$(51,086)	$209,834
Other comprehensive income attributable to Non-Controlling Interests	4,012	875
Comprehensive Income (Loss) Attributable to Non-Controlling Interests	$(47,074)	$210,709

(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 New York City Unincorporated Business Tax ("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. Due from related parties and due to related parties are comprised of the following:

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	As of March 31, 2018	As of December 31, 2017
Due from Related Parties:		
Due from credit funds	$163,095	$128,198
Due from private equity funds	21,482	18,120
Due from portfolio companies	54,530	37,366
Due from Contributing Partners, employees and former employees	63,251	58,799
Due from real assets funds	26,544	20,105
Total Due from Related Parties	$328,902	$262,588
Due to Related Parties:		
Due to Managing Partners and Contributing Partners	$373,333	$333,379
Due to credit funds	61,105	63,491
Due to private equity funds	46,753	30,848
Due to real assets funds	285	283
Distributions payable to employees	8	12
Total Due to Related Parties	$481,484	$428,013

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.

Due from Contributing Partners, Employees and Former Employees

As of March 31, 2018 and December 31, 2017, 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 March 31, 2018 and December 31, 2017, the balance included interest-bearing employee loans receivable of $15.4 million and $15.3 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 March 31, 2018 and December 31, 2017 of $39.9 million and $36.4 million, respectively.

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Indemnity

Performance revenues from certain funds can be distributed to the Company on a current basis, but is subject to repayment by the subsidiaries of the Apollo Operating Group that act as general partners of the 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, 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 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 with respect to Fund IV, Fund V and Fund VI, 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 $10.1 million and $10.5 million as of March 31, 2018 and December 31, 2017, respectively.

Due to Credit and Private Equity Funds

Based upon an assumed liquidation of certain of the credit and private equity funds the Company manages the Company has recorded a general partner obligation to return previously distributed performance allocations, which represents amounts due to these funds. The general partner obligation is recognized based upon an assumed 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 or other governing document of the fund.

There was a general partner obligation to return previously distributed performance allocations related to certain private equity funds of $41.5 million and $30.1 million accrued as of March 31, 2018 and December 31, 2017, respectively. There was a general partner obligation to return previously distributed performance allocations related to certain credit funds of $55.8 million and $56.1 million accrued as of March 31, 2018 and December 31, 2017, respectively.

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 is currently listed 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 management fees of 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 (collectively, the “Athene North American Accounts”) up to $65.846 billion (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.

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Athora

The Company, through its consolidated subsidiary, AAME, provides investment advisory services to Athora, a strategic platform established to acquire or reinsure blocks of insurance business in the German and broader European life insurance market (collectively, the "Athora European Accounts").

Athene and Athora Sub-Advised

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, provides sub-advisory services with respect to a portion of the assets in the Athora 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" assets 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 "Athora Sub-Advised" assets as those assets in the Athora European Accounts which the Company explicitly sub-advises as well as those assets in the Athora European Accounts which are invested directly in funds and investment vehicles Apollo manages.

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

	As of March 31, 2018	
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	%
Athora 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 management fee earned by the Company described above.

(2) With respect to Athene Assets Directly Invested, Apollo earns performance revenues 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 performance revenues that Apollo earns on such assets, are in addition to the fees described above, with certain limited exceptions.

AAA Investments

Apollo, as general partner of AAA Investments, is generally entitled to performance allocations 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 performance allocations 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.

The following table presents the performance allocations earned from AAA Investments:

	For the Three Months Ended March 31,	
	2018	2017

Performance allocations from AAA Investments, net[(1)]	$(4,841)	$14,135

(1) Net of related profit sharing expense.

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The following table presents the revenues earned in aggregate from Athene, Athora and AAA Investments:

	For the Three Months Ended March 31,	
	2018	2017
Revenues earned in aggregate from Athene, Athora and AAA Investments, net[1]	$38,143	$152,238

(1) Consisting of management fees, sub-advisory fees, performance revenues from Athene, Athora and AAA Investments, as applicable (net of related profit sharing expense) and changes in the market value of the Athene Holding shares owned directly by Apollo. 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.

During the three months ended March 31, 2018, the Company received performance allocations of $169.9 million and settled $46.6 million of profit sharing expense in the form of Athene shares. The following table presents performance allocations and profit sharing payable from AAA Investments:

	As of March 31, 2018	As of December 31, 2017
Performance allocations	$2,048	$ 178,600
Profit sharing payable	562	49,038

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

	As of March 31, 2018 [1]	As of December 31, 2017 [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	0.3 %	14.0 %
Indirect interest in Athene Holding	— %	0.3 %
Plus: Direct interest in Athene Holding	10.1 %	8.5 %
Total interest in Athene Holding	10.1 %	8.8 %

(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 March 31, 2018 and December 31, 2017, $4.9 million and $4.5 million, respectively, had been advanced by the Company and remained outstanding on the AAA Investments Credit Agreement. AAA Investments shall pay the aggregate borrowings plus accrued interest at the earlier of (a) the third anniversary of the closing date, or (b) the date that is fifteen months following the initial public offering of shares of Athene Holding Ltd. (the "Maturity Date"). On January 30, 2018 the Company and AAA agreed to extend the maturity date of the AAA Investments Credit Agreement to April 30, 2019.

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 March 31, 2018. 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 $3.8 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 March 31, 2018.

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 March 31, 2018 and December 31, 2017 of $1.6 billion and $1.7 billion, respectively, of which $823 million related to Fund IX as of March 31, 2018 and December 31, 2017.

Debt Covenants—Apollo's debt obligations contain various customary loan covenants. As of March 31, 2018, 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 $109.4 million with a third party lending institution. The amount guaranteed by Apollo as of March 31, 2018 was $21.9 million.

On December 21, 2017, an investor group led by Apollo and certain other investors entered into an agreement (the "Venerable Transaction") to acquire Voya Financial, Inc.'s ("Voya") Closed Block Variable Annuity business (the "CBVA Business"). The investment will be made through an investment company into a newly formed standalone entity ("Venerable Holdings, Inc." or "Venerable") which will hold the underlying CBVA Business. The proposed transaction, which is expected to close during 2018, is subject to regulatory approvals and other customary closing conditions. Each of the investors will acquire minority positions in Venerable.

In connection with the Venerable Transaction, the Company provided a limited guarantee, applicable only in the event the deal is terminated under certain circumstances. Maximum exposure under this guarantee is $30.9 million. As of March 31, 2018, there is no liability recorded on the condensed consolidated statements of financial condition as the Company has deemed payment on this guarantee as not probable.

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. 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 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. As a result, the court has lifted the stay on the Intercreditor Actions, 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.

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 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.

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. Plaintiffs alleged causes of action against the AP Entities for violations of Sections 11 and 15 of the Securities Act of 1933, seeking compensatory damages for alleged losses sustained from a decline in SFM's stock price. Defendants moved to dismiss the action, and the court dismissed the Section 11

claim against the AP Entities but not the Section 15 claim. Discovery is ongoing. Because this action is in its early stages, no reasonable estimate of possible loss, if any, can be made at this time.

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. Hearings were held on May 17, 2017, on June 14, 2017, on November 7, 2017 and on January 18, 2018. After the Court's decision dated December 6, 2017, that the case can be decided without further evidence, the parties filed their final two briefs on March 19, 2018 and April 9, 2018, respectively. Based on the allegations made by the plaintiff during the proceedings, Apollo believes that there is no merit to Carige's claims. Additionally, although the case appears to be in its final stages, no reasonable estimate of possible loss, if any, can be made.

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. On November 9, 2017, the Trust filed a complaint in the Supreme Court of the State of New York for New York County, commencing an action captioned Core Litigation Trust v. Apollo Global Management, LLC, et al., Index No. 656856/2017. On January 16, 2018, defendants filed motions to dismiss the complaint. The Trust's opposition to the motions to dismiss is due February 14, 2018, and defendants' replies are due March 8, 2018. 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, (vii) Endemol USA Holding, Inc. ("Endemol") and certain Endemol-affiliated entities, and (viii) the joint venture through which the CORE Funds and Fox beneficially owned CORE Media and Endemol Shine. The Trust's complaint asserts against all defendants 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 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 also asserts alter-ego and de-facto-merger claims seeking to hold certain defendants liable for the guarantee provided

by CORE Entertainment Holdings, Inc. (CORE's parent holding company) of CORE's repayment obligations under the loans' repayment. The Trust seeks $240 million in compensatory, unspecified punitive damages, pre-judgment interests, and costs and expenses. On January 16, 2018, defendants filed motions to dismiss the complaint. The Trust opposed the motions to dismiss on February 16, 2018. Defendants filed their replies on March 12, 2018. The court has scheduled oral argument on defendants' motions for May 17, 2018. 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.

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

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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. 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. On November 21, 2017, the Florida court granted the parties' joint motion to stay the case pending resolution of the CIL bankruptcy trustee's motion to enforce the automatic stay, staying the case until further Order. On February 9, 2018, the bankruptcy court granted the CIL trustee's motion to enforce the automatic stay and enjoined further prosecution of the McEvoy Action (the "February 9 Order"). On February 23, 2018, defendants Beith and Turner filed a motion to correct certain statements in the February 9 Order. Also on February 23, 2018, Mr. McEvoy filed a motion for leave to appeal the February 9 Order. On April 3, 2018, the District Court for the Southern District of New York held that Mr. McEvoy's appeal of the February 9 Order was stayed pending the resolution of the motion to correct certain statements in that order. On April 12, 2018, the bankruptcy court granted the motion to correct, and entered an order to that effect on April 24, 2018. 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. On November 15, 2017, another plaintiff with separate counsel filed a motion to intervene, attaching a proposed complaint in intervention containing similar allegations but asserting claims only against ClubCorp and its directors, not AGM. On December 19, 2017, a hearing was held in which the motion to intervene was denied. On January 26, 2018, plaintiffs filed a second consolidated amended complaint. On February 23, 2018, AGM, ClubCorp, and the ClubCorp directors filed motions to dismiss the second consolidated amended complaint. On March 23, 2018, plaintiffs filed a brief in opposition to the motions to dismiss. On April 20, 2018, defendants filed reply briefs in further support of their motions to dismiss. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made.

On December 21, 2017, Harbinger Capital Partners II, LP, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Harbinger Capital Partners Special Situations GP, LLC, Harbinger Capital Partners Offshore Manager, L.L.C., Global Opportunities Breakaway Ltd. (in voluntary liquidation), and Credit Distressed Blue Line Master Fund, Ltd. (collectively, "Harbinger") commenced an action in New York Supreme Court captioned Harbinger Capital Partners II LP et al. v. Apollo Global Management LLC, et al. (No.

657515/2017). The complaint names as defendants (i) AGM, (ii) the funds managed by Apollo that invested in SkyTerra Communications, Inc. ("SkyTerra") equity before selling their interests to Harbinger under an April 2008 agreement that closed in 2010, and (iii) six former SkyTerra directors, five of whom are current or former Apollo employees. The complaint alleges that during the period of Harbinger's various equity and debt investments in SkyTerra, from 2004 to 2010, Defendants concealed from Harbinger material defects in SkyTerra technology that was to be used to create a new mobile wi-fi network. The complaint alleges that Harbinger would not have made investments in SkyTerra totaling approximately $1.9 billion had it known of the defects, and that the public disclosure of these defects ultimately led to SkyTerra filing for bankruptcy in 2012 (after it had been renamed LightSquared). The complaint asserts claims against (i) all defendants for fraud, civil conspiracy, and negligent misrepresentation, (ii) AGM and the Apollo-managed funds only for breach of fiduciary duty, breach of contract, and unjust enrichment, and (iii) the SkyTerra director defendants only for aiding and abetting breach of fiduciary duty. The complaint seeks $1.9 billion in damages, as well as punitive damages, interest, costs, and fees. On February 14, 2018, the parties filed a stipulation in the state court to stay the state court action until December 31, 2018. The Court entered the stay on February 21, 2018. On February 14, 2018, Defendants moved the United States Bankruptcy Court for the Southern District of New York to reopen the LightSquared bankruptcy proceeding for the limited purpose of enforcing

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Harbinger's assignment and release in that bankruptcy of the claims that it asserts in the New York state court action. On February 23, 2018, Apollo filed a Notice of Adjournment on behalf of all parties that adjourned without date the hearing on the motion to reopen, to be rescheduled to a new date and time following the expiration of the state-court stay. 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.

On February 9, 2018, plaintiffs Joseph M. Dropp, Mary E. Dropp, Robert Levine, Susan Levine, and Kaarina Pakka filed a complaint in the United States District Court for the District of Nevada against Apollo Management VIII, L.P. ("Management VIII"), Apollo Global Management, LLC ("AGM") and Diamond Resorts International, Inc. ("Diamond") and several of its affiliates and executives. Plaintiffs, who allege that they bought vacation interest points from Diamond, allege that the points are securities and that defendants violated federal securities laws by selling the points without registering them as securities. Plaintiffs also assert a "control person" claim against Management VIII and AGM. Plaintiffs assert their claims on their own behalf and on behalf of a purported class of Diamond customers who bought vacation interest points over the last three years. They seek injunctive relief prohibiting defendants from continuing to market and sell unregistered securities, the right to rescind their purchases, and unspecified compensatory damages. On April 11, 2018, Defendants filed motions to sever Ms. Pakka's claims from the claims of the other plaintiffs and to transfer those claims to the United States District Court for the District of Hawaii. In regard to the other plaintiffs, Defendants filed motions to compel those plaintiffs to arbitrate their claims; to strike their class action claim and to pursue their arbitration claim individually, rather than jointly; and to dismiss the complaint or, in the alternative, stay it pending arbitration. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.

Four substantially similar shareholder class action lawsuits related to the January 19, 2018 initial public offering ("IPO") of ADT Inc. ("ADT") common stock were filed in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida in March and April 2018. The actions are entitled Goldstrand Investments Inc. v. ADT Inc., Krebsbach v. ADT Inc., Katz v. ADT Inc., and Sweet v. ADT Inc. Plaintiffs in each case allege the purchase of ADT common stock in or traceable to the IPO or "pursuant to" ADT's registration statement, assert claims for alleged violations of the Securities Act of 1933 (the "1933 Act"), and seek to represent a class of similarly situated shareholders. Each of the complaints names ADT and various ADT officers, directors and IPO underwriters, including Apollo Global Securities, LLC, as defendants. Plaintiffs allege that the defendants violated the 1933 Act because the registration statement and prospectus used to effectuate the IPO purportedly were false and misleading in that they allegedly misled investors with respect to material litigation involving ADT, ADT's efforts to protect its intellectual property, competitive pressures ADT faced, ADT's customer acquisition costs, and false-alarm pressures. Because these actions are in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.
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 March 31, 2018, the approximate aggregate minimum future payments required for operating leases were as follows:

	Remaining 2018	2019	2020	2021	2022	Thereafter	Total

Aggregate minimum future payments	$ 29,084	$36,590	$18,013	$7,136	$4,923	$ 9,978	$105,724

Expenses related to non-cancellable contractual obligations for premises, equipment, auto and other assets were $9.8 million and $9.7 million for the three months ended March 31, 2018 and 2017, respectively, and are included in general, administrative and other on the condensed consolidated statements of operations.

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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 March 31, 2018, fixed and determinable payments due in connection with these obligations were as follows:

	Remaining 2018	2019	2020	2021	2022	Thereafter	Total
Other long-term obligations	$ 17,401	$4,786	$1,982	$1,982	$1,622	$ 1,365	$29,138

Contingent Obligations—Performance allocations with respect to certain funds are subject to reversal in the event of future losses to the extent of the cumulative revenues 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 March 31, 2018 and that would be reversed approximates $3.5 billion. Management views the possibility of all of the investments becoming worthless as remote. Performance allocations are 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 performance allocations 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 performance allocations as a result of unrealized and realized losses that are recognized in the current and prior reporting period. In certain cases, performance allocations 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 March 31, 2018, there were no underwriting commitments outstanding related to such offerings.

As of March 31, 2018, one of the Company’s subsidiaries had unfunded contingent commitments of $4.9 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 April 16, 2018, May 5, 2018 and May 7, 2018, respectively, 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 performance revenues 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 performance revenue 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 $90.5 million and $92.6 million as of March 31, 2018 and December 31, 2017, 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 6 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: credit, private equity and real assets.

Segment 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.

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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 (Loss)

Economic Income (Loss), or "EI", is a key performance measure used by management in evaluating the performance of Apollo's credit, private equity and real assets segments. Management believes the components of EI, such as the amount of management fees, advisory and transaction fees and performance fees, 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 related 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 performance fees 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 (loss) before income tax provision excluding transaction-related charges arising from the 2007 private placement, and any acquisitions. Transaction-related charges includes equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, EI 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. 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. EI also excludes impacts of the remeasurement of the tax receivable agreement recorded in other income, which arises from changes in the associated deferred tax balance, including the impacts related to the TCJA. Management believes that excluding the remeasurement of the tax receivable agreement from EI is meaningful as it increases comparability between periods. Remeasurement of the tax receivable agreement is an estimate, and may change due to changes in interpretations and assumptions based on additional guidance that may be issued pertaining to the TCJA.

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The following tables present financial data for Apollo's reportable segments.

	As of and for the Three Months Ended March 31, 2018			
	Credit Segment	Private Equity Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees	$183,070	$71,160	$17,973	$272,203
Advisory and transaction fees, net	2,348	10,598	48	12,994
Performance fees[1]:				
Unrealized[2]	27,711	(445,468)	(2,665)	(420,422)
Realized	15,057	279,275	3,126	297,458
Total performance fees	42,768	(166,193)	461	(122,964)
Principal investment income (loss)	5,409	(17,531)	(482)	(12,604)
Total Revenues[3]	233,595	(101,966)	18,000	149,629
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	61,074	35,021	10,436	106,531
Equity-based compensation	9,727	6,772	859	17,358
Profit sharing expense:				
Unrealized	15,713	(137,633)	(1,091)	(123,011)
Realized	6,602	102,082	1,586	110,270
Equity-based[4]	1,791	12,601	249	14,641
Total profit sharing expense	24,106	(22,950)	744	1,900
Total compensation and benefits	94,907	18,843	12,039	125,789
Non-compensation expenses:				
General, administrative and other	33,135	15,098	6,142	54,375
Placement fees	276	51	—	327
Total non-compensation expenses	33,411	15,149	6,142	54,702
Total Expenses[3]	128,318	33,992	18,181	180,491
Other Loss:				
Net gains (losses) from investment activities	(55,267)	(11,877)	7	(67,137)
Net interest loss	(4,971)	(3,927)	(1,043)	(9,941)
Other income, net	3,946	251	63	4,260
Total Other Loss[3]	(56,292)	(15,553)	(973)	(72,818)
Non-Controlling Interests	(1,215)	—	—	(1,215)
Economic Income (Loss)[3]	$47,770	$(151,511)	$(1,154)	$(104,895)
Total Assets[3]	$2,685,763	$2,625,479	$227,199	$5,538,441

(1) Performance fees includes performance allocations and incentive fees.

(2) Included in unrealized performance fees for the three months ended March 31, 2018 was a reversal of previously realized performance fees due to the general partner obligation to return previously distributed performance fees.

(3) 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.

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

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	For the Three Months Ended March 31, 2017			
	Credit Segment	Private Equity Segment	Real Assets Segment	Total Reportable Segments
Revenues:				
Management fees	$158,342	$77,398	$16,313	$252,053
Advisory and transaction fees, net	2,556	11,772	739	15,067
Performance fees[1]:				
Unrealized[2]	6,322	163,619	2,604	172,545
Realized	30,936	155,461	64	186,461
Total performance fees	37,258	319,080	2,668	359,006
Principal investment income	6,483	31,728	1,003	39,214
Total Revenues[3]	204,639	439,978	20,723	665,340
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	54,882	31,469	8,370	94,721
Equity-based compensation	9,102	7,095	548	16,745
Profit sharing expense:				
Unrealized	2,215	55,016	2,034	59,265
Realized	13,445	75,252	26	88,723
Equity-based	287	—	—	287
Total profit sharing expense	15,947	130,268	2,060	148,275
Total compensation and benefits	79,931	168,832	10,978	259,741
Non-compensation expenses:				
General, administrative and other	32,090	17,360	4,482	53,932
Placement fees	1,770	134	—	1,904
Total non-compensation expenses	33,860	17,494	4,482	55,836
Total Expenses[3]	113,791	186,326	15,460	315,577
Other Income (Loss):				
Net gains from investment activities	31,094	3,396	—	34,490
Net interest loss	(6,522)	(4,242)	(1,224)	(11,988)
Other income, net	811	17,790	63	18,664
Total Other Income (Loss)[3]	25,383	16,944	(1,161)	41,166
Non-Controlling Interests	(934)	—	—	(934)
Economic Income[3]	$115,297	$270,596	$4,102	$389,995

(1) Performance fees includes performance allocations and incentive fees.

(2) Included in unrealized performance fees for the three months ended March 31, 2017 was a reversal of previously realized performance fees due to the general partner obligation to return previously distributed performance fees.

(3) 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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The following table reconciles total consolidated revenues to total revenues for Apollo's reportable segments:

	For the Three Months Ended March 31,	
	2018	2017
Total Consolidated Revenues	$166,903	$682,104
Equity awards granted by unconsolidated related parties, reimbursable expenses and other[1]	(18,913)	(18,223)
Adjustments related to consolidated funds and VIEs[1]	1,639	1,459
Total Reportable Segments Revenues	$149,629	$665,340

(1) Represents advisory fees, management fees and performance fees 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 March 31,	
	2018	2017
Total Consolidated Expenses	$214,875	$345,988
Equity awards granted by unconsolidated related parties, reimbursable expenses and other[1]	(18,735)	(18,223)
Transaction-related compensation charges[1]	(892)	2,683
Reclassification of interest expenses	(13,797)	(12,999)
Amortization of transaction-related intangibles[1]	(960)	(1,872)
Total Reportable Segments Expenses	$180,491	$315,577

(1) 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 (loss) to total other income (loss) for Apollo's reportable segments:

	For the Three Months Ended March 31,	
	2018	2017
Total Consolidated Other Income (Loss)	$(52,796)	$58,075
Reclassification of interest expense	(13,797)	(12,999)
Adjustments related to consolidated funds and VIEs[1]	(6,225)	(3,910)
Total Reportable Segments Other Income (Loss)	$(72,818)	$41,166

(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 March 31,	
	2018	2017
Income (loss) before income tax provision	$(100,768)	$394,191
Adjustments:		
Transaction-related charges[1]	1,852	(812)
Net income attributable to Non-Controlling Interests in consolidated entities and appropriated partners' capital	(5,979)	(3,384)
Total consolidation adjustments and other	(4,127)	(4,196)
Economic Income (Loss)	$(104,895)	$389,995

(1) 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 presents the reconciliation of Apollo's total reportable segment assets to total assets:

	As of March 31, 2018	As of December 31, 2017
Total reportable segment assets	$5,538,441	$5,740,943
Adjustments[1]	1,410,056	1,250,127
Total assets	$6,948,497	$6,991,070

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

16. SUBSEQUENT EVENTS

On May 3, 2018, the Company declared a cash distribution of $0.38 per Class A share, which will be paid on May 31, 2018 to holders of record on May 18, 2018.

On May 3, 2018, the Company declared a cash distribution of $0.398438 and $0.380729 per Series A and Series B Preferred share, respectively, which will be paid on June 15, 2018 to holders of record on June 1, 2018.

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ITEM 1A. UNAUDITED SUPPLEMENTAL PRESENTATION OF STATEMENTS OF FINANCIAL CONDITION

APOLLO GLOBAL MANAGEMENT, LLC

CONSOLIDATING STATEMENTS OF FINANCIAL CONDITION (Unaudited)

(dollars in thousands, except share data)

	As of March 31, 2018			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$988,284	$—	$—	$988,284
Cash and cash equivalents held at consolidated funds	—	3	—	3
Restricted cash	3,902	—	—	3,902
U.S. Treasury securities, at fair value	225,510	—	—	225,510
Investments	3,284,383	634	(86,332)	3,198,685
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	74,798	—	74,798
Investments, at fair value	—	1,386,400	(332)	1,386,068
Other assets	—	39,006	—	39,006
Incentive fees receivable	7,891	—	—	7,891
Due from related parties	332,690	—	(3,788)	328,902
Deferred tax assets	380,565	—	—	380,565
Other assets	208,503	—	(333)	208,170
Goodwill	88,852	—	—	88,852
Intangible assets, net	17,861	—	—	17,861
Total Assets	$5,538,441	$1,500,841	$(90,785)	$6,948,497
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$81,548	$—	$—	$81,548
Accrued compensation and benefits	60,489	—	—	60,489
Deferred revenue	145,282	—	—	145,282
Due to related parties	481,484	—	—	481,484
Profit sharing payable	644,883	—	—	644,883
Debt	1,361,711	—	—	1,361,711
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	1,074,338	(48,326)	1,026,012
Other liabilities	—	100,468	(333)	100,135
Due to related parties	—	988	(988)	—
Other liabilities	140,197	—	—	140,197
Total Liabilities	2,915,594	1,175,794	(49,647)	4,041,741
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Series A Preferred shares	264,398	—	—	264,398
Series B Preferred shares	289,815	—	—	289,815
Additional paid in capital	1,483,244	—	—	1,483,244

Accumulated deficit	(481,773)	9,315	(9,314)	(481,772)
Accumulated other comprehensive loss	(887)	235	(163)	(815)
Total Apollo Global Management, LLC shareholders' equity	1,554,797	9,550	(9,477)	1,554,870
Non-Controlling Interests in consolidated entities	7,021	315,497	(31,661)	290,857
Non-Controlling Interests in Apollo Operating Group	1,061,029	—	—	1,061,029
Total Shareholders' Equity	2,622,847	325,047	(41,138)	2,906,756
Total Liabilities and Shareholders' Equity	$5,538,441	$1,500,841	$ (90,785)	$6,948,497

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

	As of December 31, 2017			
	Apollo Global Management, LLC and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets:				
Cash and cash equivalents	$751,252	$—	$ —	$751,252
Cash and cash equivalents held at consolidated funds	—	21	—	21
Restricted cash	3,875	—	—	3,875
U.S. Treasury securities, at fair value	364,649	—	—	364,649
Investments	3,637,042	854	(78,062)	3,559,834
Assets of consolidated variable interest entities:				
Cash and cash equivalents	—	92,912	—	92,912
Investments, at fair value	—	1,196,512	(322)	1,196,190
Other assets	—	39,484	—	39,484
Incentive fees receivable	43,176	—	—	43,176
Due from related parties	263,572	—	(984)	262,588
Deferred tax assets	337,638	—	—	337,638
Other assets	232,045	5	(293)	231,757
Goodwill	88,852	—	—	88,852
Intangible assets, net	18,842	—	—	18,842
Total Assets	$5,740,943	$1,329,788	$ (79,661)	$6,991,070
Liabilities and Shareholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$68,873	$—	$ —	$68,873
Accrued compensation and benefits	62,474	—	—	62,474
Deferred revenue	128,146	—	—	128,146
Due to related parties	428,013	—	—	428,013
Profit sharing payable	752,276	—	—	752,276
Debt	1,362,402	—	—	1,362,402
Liabilities of consolidated variable interest entities:				
Debt, at fair value	—	1,049,235	(47,172)	1,002,063
Other liabilities	—	115,951	(293)	115,658
Due to related parties	—	2,719	(2,719)	—
Other liabilities	173,369	—	—	173,369
Total Liabilities	2,975,553	1,167,905	(50,184)	4,093,274
Shareholders' Equity:				
Apollo Global Management, LLC shareholders' equity:				
Series A Preferred shares	264,398	—	—	264,398
Additional paid in capital	1,579,797	—	—	1,579,797
Accumulated deficit	(379,461)	9,037	(9,036)	(379,460)
Accumulated other comprehensive loss	(1,878)	(381)	450	(1,809)
Total Apollo Global Management, LLC shareholders' equity	1,462,856	8,656	(8,586)	1,462,926

Non-Controlling Interests in consolidated entities	7,750	153,227	(20,891)	140,086
Non-Controlling Interests in Apollo Operating Group	1,294,784	—	—	1,294,784
Total Shareholders' Equity	2,765,390	161,883	(29,477)	2,897,796
Total Liabilities and Shareholders' Equity	$5,740,943	$1,329,788	$ (79,661)	$6,991,070

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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, 2017 filed with the SEC on February 12, 2018 (the "2017 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 credit, private equity 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 32 years and lead a team of 1,030 employees, including 372 investment professionals, as of March 31, 2018.

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

(ii) Private equity—primarily invests in control equity and related debt instruments, convertible securities and distressed debt instruments; 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 performance fees, 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 March 31, 2018, we had total AUM of $247.4 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 43% of such AUM was in Permanent Capital Vehicles. For our credit segment, total gross and net returns, excluding Athene and Athora assets that are managed by Apollo but not directly invested in Apollo funds and investment vehicles or sub-advised by Apollo, were 1.3% and 1.1%, respectively, for the three months ended March 31, 2018.

As of December 31, 2017, Fund IX held its final closing, raising a total of $23.5 billion in third-party capital and approximately $1.2 billion of additional capital from Apollo and affiliated investors for total commitments of $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

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million of additional capital from Apollo and affiliated investors, and as of March 31, 2018, Fund VIII had $5.2 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 March 31, 2018, 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 March 31, 2018. Apollo's private equity fund appreciation was (2.7)% for the three months ended March 31, 2018.

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 1.9% and 1.6%, respectively, for the three months ended March 31, 2018.

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 May 3, 2018.

(1) The Strategic Investor holds 8.7% 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 47.6% of the total voting power of our shares entitled to vote and 45.6% 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.

(2) Our Managing Partners own BRH Holdings GP, Ltd., which in turn holds our only outstanding Class B share. The Class B share represents 52.4% 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 45.4% of the limited partner interests in the Apollo Operating Group.

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

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(4) Holdings owns 50.1% 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 Holdings, beneficially own 45.4% of the AOG Units. Our Contributing Partners, through their ownership interests in Holdings, beneficially own 4.7% of the AOG Units.

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

(6) Represents 49.9% of the limited partner interests in each Apollo Operating Group entity, held through the 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' portfolio companies and related income we may recognize.

In the U.S., the S&P 500 Index decreased by 1.2% in the first quarter of 2018, following an increase of 6.1% in the fourth quarter of 2017. Outside the U.S., global equity markets declined during the first quarter of 2018. The MSCI All Country World ex USA Index decreased 1.7% following an increase of 4.6% in the fourth quarter of 2017.

Conditions in the credit markets also have a significant impact on our business. Credit markets were mixed in the first quarter of 2018, with the Bof AML HY Master II Index decreasing 0.9% while the S&P/LSTA Leveraged Loan Index increased 1.5%. Benchmark interest rates finished the quarter higher from where they were at the end of 2017, as the Federal Reserve increased the target federal funds rate 25 basis points to 1.50%-1.75% in March, the sixth rate hike since December 2015. Accordingly, the U.S. 10-year Treasury yield rose to finish the quarter at 2.7%.

Foreign exchange rates can materially impact the valuations of our investments that are denominated in currencies other than the U.S. dollar. Relative to the U.S. dollar, the Euro appreciated 2.7% in the first quarter of 2018, after appreciating 1.6% in the fourth quarter of 2017, while the British pound appreciated 3.7% in the first quarter of 2018, after appreciating by 0.9% in the fourth quarter of 2017. Commodities were generally mixed in the first quarter of 2018, with crude oil, gold and wheat appreciating, while natural gas, copper and sugar depreciated. The price of crude oil increased 7.5% during the first quarter, continuing to rise for the third consecutive quarter.

In terms of economic conditions in the U.S., the Bureau of Economic Analysis reported real GDP increased at an annual rate of 2.3% in the first quarter of 2018, lower than the 2.9% growth experienced in the fourth quarter of 2017. As of April 2018, The International Monetary Fund estimated that the U.S. economy will expand by 2.9% in 2018 and 2.7% in 2019. Additionally, the U.S. unemployment rate stood at 4.1% as of March 31, 2018, the lowest level since 2000.

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 $3.0 billion and $14.4 billion of capital through the funds it manages during the first quarter and the twelve months ended March 31, 2018, respectively. We believe Apollo’s expertise in credit and its focus on nine core industry sectors, combined with more than 28 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 $4.9 billion and $56.1 billion of capital inflows during the first quarter and the twelve months ended March 31, 2018, respectively. While Apollo continues to attract capital inflows, it also continues to generate realizations for fund investors. Apollo returned $4.1 billion and $13.1 billion of capital and realized gains to the investors in the funds it manages during the first quarter and the twelve months ended March 31, 2018, 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 (Loss)

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 includes equity-based compensation charges, the amortization of intangible assets, contingent consideration and certain other charges associated with acquisitions. In addition, EI 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 variable interest entities ("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. EI also excludes impacts of the remeasurement of the tax receivable agreement which arises from changes in the associated deferred tax balance, including the impacts related to the Tax Cuts and Jobs Act (the "TCJA").

Economic Net Income ("ENI") 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. ENI excludes the impacts of the remeasurement of deferred tax assets and liabilities which arises from changes in estimated future tax rates, including impacts related to the TCJA. 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 and Series B 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.

Management believes that excluding the remeasurement of the tax receivable agreement and deferred taxes from EI and ENI, respectively, is meaningful as it increases comparability between periods. Remeasurement of the tax receivable agreement and deferred taxes are estimates, and may change due to changes in interpretations and assumptions based on additional guidance that may be issued pertaining to the TCJA.

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 performance 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

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is the sum across all segments of (i) management fees, (ii) advisory and transaction fees, (iii) performance fees earned from a publicly traded business development company we manage and (iv) other income, net, less (y) salary, bonus and benefits, excluding equity-based compensation and (z) other associated operating expenses.

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), (iii) realized performance fees, excluding realizations received in the form of shares 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 and Series B 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 performance fees" represents fee-related EBITDA plus realized performance fees 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 March 31, 2018			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating	$129,484	$43,758	$9,225	$182,467
Non-Fee-Generating	35,781	25,191	3,977	64,949
Total Assets Under Management	$165,265	$68,949	$13,202	$247,416

	As of March 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating	$114,914	$30,774	$8,466	$154,154
Non-Fee-Generating	26,018	13,799	3,495	43,312
Total Assets Under Management	$140,932	$44,573	$11,961	$197,466

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	As of December 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating	$130,150	$29,792	$9,023	$168,965
Non-Fee-Generating	33,963	42,640	3,360	79,963
Total Assets Under Management	$164,113	$72,432	$12,383	$248,928

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 March 31, 2018	As of March 31, 2017	As of December 31, 2017
	(in millions)		
Credit	$10,241	$6,622	$ 10,057
Private Equity	6,662	1,895	$ 25,912
Real Assets	803	759	464
Total AUM with Future Management Fee Potential	$17,706	$9,276	$ 36,433

The following tables present the components of Performance Fee-Eligible AUM for each of Apollo's three segments:

	As of March 31, 2018			
	Credit[(1)]	Private Equity	Real Assets	Total
	(in millions)			
Performance Fee-Generating AUM	$31,237	$24,707	$645	$56,589
AUM Not Currently Generating Performance Fees	13,097	1,552	505	15,154
Uninvested Performance Fee-Eligible AUM	12,910	32,461	1,271	46,642
Total Performance Fee-Eligible AUM	$57,244	$58,720	$2,421	$118,385

	As of March 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Performance Fee-Generating AUM	$27,752	$23,964	$837	$52,553
AUM Not Currently Generating Performance Fees	12,936	264	355	13,555
Uninvested Performance Fee-Eligible AUM	10,737	11,906	1,090	23,733
Total Performance Fee-Eligible AUM	$51,425	$36,134	$2,282	$89,841

	As of December 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Performance Fee-Generating AUM	$25,814	$26,775	$694	$53,283
AUM Not Currently Generating Performance Fees	17,901	494	437	18,832
Uninvested Performance Fee-Eligible AUM	11,607	33,412	923	45,942
Total Performance Fee-Eligible AUM	$55,322	$60,681	$2,054	$118,057

(1) As of March 31, 2018, $7.7 billion of the performance-fee generating AUM is currently above its hurdle rate or preferred return, but in accordance with the adoption of the revenue recognition standard effective January 1, 2018, recognition of performance fees associated with such performance-fee generating AUM has been deferred to future periods when the fees are probable to not be significantly reversed.

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The following table presents AUM Not Currently Generating Performance Fees for funds that have commenced investing capital for more than 24 months as of March 31, 2018 and the corresponding appreciation required to reach the preferred return or high watermark in order to generate performance fees:

Category / Fund	Invested AUM Not Currently Generating Performance Fees (in millions)	Investment Period Active > 24 Months	Appreciation Required to Achieve Performance Fees[1]
Credit:			
Drawdown	$3,637	$ 3,162	40%
		3,357	< 250bps
Liquid/Performing	8,259	69	250-500bps
		363	> 500bps
MidCap, AINV, AFT, AIF	1,201	831	< 250bps
Total Credit	13,097	7,782	18%
Private Equity:			
ANRP I	688	688	2%
Other PE	864	864	11%
Total Private Equity	1,552	1,552	7%
Real Assets:			
Total Real Assets	505	280	> 250bps
Total	$15,154	$ 9,614	

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

The components of Fee-Generating AUM by segment are presented below:

	As of March 31, 2018			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$8,257	$27,805	$784	$36,846
Fee-Generating AUM based on invested capital	5,646	15,211	4,725	25,582
Fee-Generating AUM based on gross/adjusted assets	97,691	742	3,652	102,085
Fee-Generating AUM based on NAV	17,890	—	64	17,954
Total Fee-Generating AUM	$129,484	$43,758[1]	$9,225	$182,467

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at March 31, 2018 was 87 months.

	As of March 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$5,693	$21,782	$724	$28,199
Fee-Generating AUM based on invested capital	6,680	8,060	4,565	19,305
Fee-Generating AUM based on gross/adjusted assets	89,904	932	3,113	93,949
Fee-Generating AUM based on NAV	12,637	—	64	12,701
Total Fee-Generating AUM	$114,914	$30,774[1]	$8,466	$154,154

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at March 31, 2017 was 63 months.

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	As of December 31, 2017			
	Credit	Private Equity	Real Assets	Total
	(in millions)			
Fee-Generating AUM based on capital commitments	$8,771	$21,803	$784	$31,358
Fee-Generating AUM based on invested capital	6,186	7,197	4,535	17,918
Fee-Generating AUM based on gross/adjusted assets	97,514	792	3,658	101,964
Fee-Generating AUM based on NAV	17,679	—	46	17,725
Total Fee-Generating AUM	$130,150	$29,792[1]	$9,023	$168,965

(1) The weighted average remaining life of the private equity funds excluding permanent capital vehicles at December 31, 2017 was 57 months.

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 March 31,		As of December 31,	As of March 31,		As of December 31,
	2018	2017	2017	2018	2017	2017
	(in millions)					
Liquid/Performing	$45,282	$37,203	$43,306	$36,503	$32,919	$36,863
Drawdown	28,147	23,810	28,468	15,749	13,794	16,778
MidCap, AINV, AFT, AIF	13,610	12,328	13,428	12,749	11,462	12,623
Athene Non-Sub-Advised[1]	60,365	52,346	59,670	60,365	52,346	59,670
Athora Non-Sub-Advised[1]	6,798	4,393	6,719	4,118	4,393	4,216
Advisory	11,063	10,852	12,522	—	—	—
Total	$165,265	$140,932	$164,113	$129,484	$114,914	$130,150

(1) The Company refers to the portion of the AUM related to Athora that is not sub-advised by Apollo or invested in funds and or investment vehicles managed by Apollo as "Athora Non-Sub-Advised" AUM. Athene Non-Sub-Advised AUM and Athora Non-Sub-Advised AUM reflects total combined AUM of $86.6 billion less $19.5 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. Athora Non-Sub-Advised AUM includes $4.1 billion of AUM for which AAME provides investment advisory services.

Investment Management and Sub-Advisory Agreements - AAM

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 Athora European Accounts and sub-advises certain assets in the Athora 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 Athora European Accounts.

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

	Total AUM		
	As of March 31,		As of December 31,
	2018	2017	2017
	(in millions)		
Credit			
Liquid/Performing	$12,139	$10,100	$ 10,986
Drawdown	1,246	1,083	1,327
Total Credit	13,385	11,183	12,313
Private Equity	912	1,136	1,121
Real Assets			
Real Estate Debt	4,677	3,628	4,509
Real Estate Equity	492	423	488
Total Real Assets	5,169	4,051	4,997
Total	$19,466	$16,370	$ 18,431

Athene and Athora 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. The Company refers to the portion of the Athora AUM that is not Athora Sub-Advised AUM as “Athora Non-Sub-Advised” AUM.

The following table presents the AUM for Athene and Athora:

	As of March 31, 2018		
	Sub-Advised AUM[1]	Non-Sub-Advised AUM	Total AUM
	(in millions)		
Athene	$18,017	$ 60,364	$78,381
Athora	1,449	6,799	8,248
Total	$19,466	$ 67,163	$86,629

(1) Of the total $19.5 billion Athene Sub-Advised AUM and Athora Sub-Advised AUM as of March 31, 2018, $2.8 billion was Athene Assets Directly Invested.

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

	Total AUM			Fee-Generating AUM		
	As of March 31,		As of December 31,	As of March 31,		As of December 31,
	2018	2017	2017	2018	2017	2017
	(in millions)					
Traditional Private Equity Funds	$55,048	$31,004	$ 57,250	$37,579	$24,457	$ 23,580
Natural Resources	4,449	5,505	4,709	4,058	4,181	4,058
Other[1]	9,452	8,064	10,473	2,121	2,136	2,154
Total	$68,949	$44,573	$ 72,432	$43,758	$30,774	$ 29,792

(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.

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

	Total AUM			Fee-Generating AUM		
	As of March 31,		As of December 31,	As of March 31,		As of December 31,
	2018	2017	2017	2018	2017	2017
	(in millions)					
Debt	$10,405	$8,861	$ 9,965	$7,660	$6,666	$ 7,451
Equity	2,797	3,100	2,418	1,565	1,800	1,572
Total	$13,202	$11,961	$ 12,383	$9,225	$8,466	$ 9,023

The following tables summarize changes in total AUM for each of Apollo's three segments:

	For the Three Months Ended March 31,							
	2018				2017			
	Credit	Private Equity	Real Assets	Total	Credit	Private Equity	Real Assets	Total
	(in millions)							
Change in Total AUM[1]:								
Beginning of Period	$164,113	$72,432	$12,383	$248,928	$136,607	$43,628	$11,453	$191,688
Inflows	3,295	461	1,118	4,874	4,385	297	631	5,313
Outflows[2]	(1,569)	(180)	—	(1,749)	(698)	(71)	—	(769)
Net Flows	1,726	281	1,118	3,125	3,687	226	631	4,544
Realizations	(2,144)	(1,513)	(412)	(4,069)	(365)	(1,050)	(265)	(1,680)
Market Activity[3]	1,570	(2,251)	113	(568)	1,003	1,769	142	2,914
End of Period	$165,265	$68,949	$13,202	$247,416	$140,932	$44,573	$11,961	$197,466

(1) 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, 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 $184.2 million and $297.9 million during the three months ended March 31, 2018 and 2017, respectively.

(3) Includes foreign exchange impacts of $862.0 million, $44.3 million and $23.9 million for credit, private equity and real assets, respectively, during the three months ended March 31, 2018, and foreign exchange impacts of $288.8 million, $38.2 million and $25.5 million for credit, private equity and real assets, respectively, during the three months ended March 31, 2017.

Assets Under Management

Total AUM was $247.4 billion at March 31, 2018, a decrease of $1.5 billion, or 0.6%, compared to $248.9 billion at December 31, 2017. The net decrease was primarily due to:

Realizations of $4.1 billion primarily related to:

- $2.1 billion related to funds we manage in the credit segment primarily consisting of distributions of $0.4 billion, $0.3 billion, $0.9 billion and $0.5 billion from Apollo Credit Opportunity Fund III, L.P. ("COF III"), Financial Credit Investment III, L.P. ("FCI III"), liquid/performing funds and other drawdown funds, respectively;
- $1.5 billion related to funds we manage in the private equity segment primarily consisting of distributions of $0.7 billion and $0.5 billion from Fund VIII and Fund VI, respectively; and
- $0.4 billion related to funds we manage in the real assets segment primarily consisting of distributions of $0.4 billion from our real estate debt funds.

Market activity of $0.6 billion primarily related to:

-

a $2.3 billion decrease related to funds we manage in the private equity segment as a result of depreciation in Fund VIII and co-investment vehicles;

- offset by $1.6 billion of appreciation throughout the funds we manage in the credit segment as a result of favorable market conditions.

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Offsetting these decreases were:

Net flows of $3.1 billion primarily related to:

- a $1.7 billion increase related to funds we manage in the credit segment primarily consisting of a net increase in AUM relating to Athene of $1.7 billion, subscriptions of $1.3 billion primarily related to liquid/performing funds and drawdown funds of $1.0 billion and $0.3 billion, respectively, offset by a decrease in AUM relating to Advisory assets of $1.3 billion driven by portfolio company activity; and
- a $1.1 billion increase related to funds we manage in the real assets segment primarily consisting of subscriptions of $0.4 billion related to the real estate equity funds and ARI, an increase in net leverage of $0.3 billion and net segment transfers of $0.2 billion.

The following tables summarize changes in Fee-Generating AUM for each of Apollo's three segments:

	For the Three Months Ended March 31,							
	2018				2017			
	Credit	Private Equity	Real Assets	Total	Credit	Private Equity	Real Assets	Total
	(in millions)							
Change in Fee-Generating AUM[1]:								
Beginning of Period	$130,150	$29,792	$9,023	$168,965	$111,781	$30,722	$8,295	$150,798
Inflows	3,027	23,518	239	26,784	3,602	31	347	3,980
Outflows[2]	(3,100)	(9,560)	—	(12,660)	(984)	—	—	(984)
Net Flows	(73)	13,958	239	14,124	2,618	31	347	2,996
Realizations	(1,256)	—	(94)	(1,350)	(236)	—	(245)	(481)
Market Activity[3]	663	8	57	728	751	21	69	841
End of Period	$129,484	$43,758	$9,225	$182,467	$114,914	$30,774	$8,466	$154,154

(1) 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, 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 $172.1 million and $277.3 million during the three months ended March 31, 2018 and 2017, respectively.

(3) Includes foreign exchange impacts of $430.7 million and $22.8 million for credit and real assets, respectively, during the three months ended March 31, 2018, and foreign exchange impacts of $140.7 million and $2.8 million for credit and real assets, respectively, during the three months ended March 31, 2017.

Total Fee-Generating AUM was $182.5 billion at March 31, 2018, an increase of $13.5 billion or 8.0%, compared to $169.0 billion at December 31, 2017. The net increase was primarily due to:

Net flows of $14.1 billion primarily related to:

- a $14.0 billion increase related to funds we manage in the private equity segment primarily consisting of an increase of $23.5 billion relating to Fund IX commencing its investment period, offset by a fee basis adjustment of $6.7 billion in Fund VIII related to Fund IX's commencement and a decrease of $2.8 billion relating to Fund VI's management fee termination;

Market activity of $0.7 billion primarily related to appreciation in the funds we manage in the credit segment as a result of favorable market conditions.

Offsetting these increases were:

Realizations of $1.4 billion primarily related to:

- $1.3 billion related to funds we manage in the credit segment primarily driven by distributions from our liquid/performing funds and Apollo European Principal Finance Fund II, L.P. ("EPF II") of $0.8 billion and $0.4 billion, respectively.

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

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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:

	For the Three Months Ended March 31,	
	2018	2017
	(in millions)	
Credit	$909	$992
Private Equity	1,294	1,564
Real Assets[(1)]	835	867
Total capital deployed	$3,038	$3,423

(1) Included in capital deployed is $822.8 million, and $735.0 million for the three months ended March 31, 2018 and 2017, respectively, related to funds in Apollo's real estate debt strategy.

Uncalled Commitments

The following table summarizes the uncalled commitments by segment:

	As of March 31, 2018	As of December 31, 2017
	(in millions)	
Credit	$15,730	$ 15,225
Private Equity	35,879	36,810
Real Assets	1,356	1,074
Total uncalled commitments[(1)]	$52,965	$ 53,109

(1) As of March 31, 2018 and December 31, 2017, $46.5 billion and $47.6 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.

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

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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 March 31, 2018, while Fund V generated a 61% gross IRR and a 44% net IRR since its inception through March 31, 2018. 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 and our Preferred shares” in the 2017 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 March 31, 2018, unless otherwise noted:

($ in millions)	Vintage Year[1]	Total AUM	Committed Capital	Total Invested Capital[1]	Realized Value[1]	Remaining Cost[1]	Unrealized Value[1]	Total Value[1]	Gross IRR[1]	Net IRR[1]
Private Equity:										
Fund IX	2018	$24,729	$24,729	$—	$—	$—	$—	$—	— %	— %
Fund VIII	2013	21,554	18,377	13,599	4,162	11,328	16,159	20,321	26	18
Fund VII	2008	5,731	14,677	16,198	30,328	3,341	3,396	33,724	34	26
Fund VI	2006	2,724	10,136	12,457	19,118	2,389	2,108	21,226	12	9
Fund V	2001	296	3,742	5,192	12,711	124	40	12,751	61	44
Fund I, II, III, IV & MIA[3]	Various	14	7,320	8,753	17,400	—	—	17,400	39	26
Traditional Private Equity Funds[4]		$55,048	$78,981	$56,199	$83,719	$17,182	$21,703	$105,422	39 %	25 %
ANRP II	2016	3,414	3,454	1,638	656	1,343	1,554	2,210	46	25
ANRP I	2012	1,035	1,323	1,112	765	705	781	1,546	12	8
AION	2013	713	826	407	251	225	308	559	18	8
Total Private Equity[9]		$60,210	$84,584	$59,356	$85,391	$19,455	$24,346	$109,737		
Credit:										
Credit Opportunity Funds										
COF III	2014	$2,646	$3,426	$5,016	$3,555	$1,739	$1,608	$5,163	1 %	— %
COF II	2008	55	1,583	2,176	3,136	39	44	3,180	14	11
COF I	2008	324	1,485	1,611	4,336	38	54	4,390	30	27
European Principal Finance Funds										
EPF III[5]	2017	4,542	4,652	511	—	511	512	512	NM [2]	NM [2]
EPF II[5]	2012	3,063	3,536	3,726	3,169	1,529	2,223	5,392	19	11
EPF I[5]	2007	271	1,593	2,093	3,505	—	14	3,519	23	17
Structured Credit Funds										
FCI III	2017	2,728	1,906	1,608	366	1,367	1,666	2,032	NM [2]	NM [2]
FCI II	2013	2,476	1,555	2,299	1,065	1,759	1,823	2,888	12	8
FCI I	2012	975	559	1,410	1,087	852	815	1,902	14	11
SCRF IV [12]	2017	1,416	1,709	823	74	598	741	815	NM [2]	NM [2]
SCRF III	2015	—	1,238	2,110	2,428	—	—	2,428	18	14
SCRF II	2012	—	104	467	528	—	—	528	15	12
SCRF I	2008	—	118	240	357	—	—	357	33	26

Other Drawdown Funds & SIAs[6]	Various	6,868	9,572	9,672	9,502	2,374	2,341	11,843	9		7	
Total Credit[10]		$25,364	$ 33,036	$ 33,762	$ 33,108	$ 10,806	$ 11,841	$44,949				
Real Assets:												
U.S. RE Fund II[7]	2016	$921	$ 862	$ 560	$ 222	$ 448	$ 537	$759	20	%	17	%
U.S. RE Fund I[7]	2012	446	658	640	659	244	285	944	15		12	
AGRE Debt Fund I[13]	2011	866	2,091	2,089	1,457	879	853	2,310	9		7	
CPI Funds[8]	Various	410	5,106	2,620	2,681	259	68	2,749	14		11	
Asia RE Fund[7]	2017	615	588	244	40	216	250	290	NM	(2)	NM	(2)
Total Real Assets[11]		$3,258	$ 9,305	$ 6,153	$ 5,059	$ 2,046	$ 1,993	$7,052				

(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 $1.23 as of March 31, 2018.

(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 $1.23 as of March 31, 2018. Additionally, certain

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SIAs totaling $1.7 billion of AUM have been excluded from Total Invested Capital, Realized Value, Remaining Cost, Unrealized Value 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 $10.4 billion of Total Invested Capital through March 31, 2018.

(7) U.S. RE Fund I, U.S. RE Fund II and Asia RE Fund had $162 million, $390 million and $245 million of co-investment commitments raised as of March 31, 2018, 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 $1.40 as of March 31, 2018.

(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 March 31, 2018 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 $8.7 billion of aggregate AUM as of March 31, 2018.

(10) Certain credit funds and SIAs with AUM less than $500 million and $200 million, respectively, have been excluded. These funds and SIAs had $2.8 billion of aggregate AUM as of March 31, 2018.

(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 $5.1 billion of aggregate AUM as of March 31, 2018.

(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 March 31, 2018 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 March 31, 2018:

	Total Invested Capital	Total Value	Gross IRR
	(in millions)		
Distressed for Control	$7,885	$ 19,043	29 %
Non-Control Distressed	5,416	8,418	71
Total	13,301	27,461	49
Corporate Carve-outs, Opportunistic Buyouts and Other Credit[(1)]	42,898	77,961	22
Total	$56,199	$ 105,422	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 March 31, 2018:

Fund VIII[1]

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$2,391	$ 4,181
Opportunistic Buyouts	10,694	15,324
Distressed	514	816
Total	$13,599	$ 20,321

Fund VII[1]

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$2,277	$ 4,348
Opportunistic Buyouts	4,338	10,675
Distressed/Other Credit[2]	9,583	18,701
Total	$16,198	$ 33,724

Fund VI

	Total Invested Capital	Total Value
	(in millions)	
Corporate Carve-outs	$3,397	$ 5,844
Opportunistic Buyouts	6,374	10,411
Distressed/Other Credit[2]	2,686	4,971
Total	$12,457	$ 21,226

(1) Committed capital less unfunded capital commitments for Fund VIII and Fund VII was $13.2 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.

(2) The distressed investment strategy includes distressed for control, non-control distressed and other credit.

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 March 31, 2018), our private equity funds have invested $47.5 billion, of which $18.9 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 March 31, 2018. 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:

	As of March 31, 2018				Gross Returns[1]	Net Returns[1]
	AUM	Fee-Generating AUM	Performance Fee-Eligible AUM	Performance Fee-Generating AUM[2]	For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2018
Category	(in millions)					
Liquid/Performing	$45,282	$ 36,503	$ 22,302	$ 12,936	0.8%	0.7%
Drawdown[3]	28,147	15,749	21,908	8,780	2.4	1.8
Permanent capital vehicles ex Athene	13,610	12,749	10,970	9,521	3.2	2.2
Non-Sub-Advised[4]						
Athene Non-Sub-Advised[4]	60,365	60,365	—	—	N/A	N/A
Athora Non-Sub-Advised[4]	6,798	4,118	2,064	—	N/A	N/A
Advisory	11,063	—	—	—	N/A	N/A
Total Credit	$165,265	$ 129,484	$ 57,244	$ 31,237	1.3%	1.1%

(1) The gross and net returns for the three months ended March 31, 2018 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 March 31, 2018, $7.7 billion of the performance-fee generating AUM is currently above its hurdle rate or preferred return, but in accordance with the adoption of the revenue recognition standard effective January 1, 2018, recognition of performance fees associated with such performance-fee generating AUM has been deferred to future periods when the fees are probable to not be significantly reversed.

(3) As of March 31, 2018, significant drawdown funds and SIAs had inception-to-date gross and net IRRs of 16.0% and 12.1%, 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.

(4) Athene Non-Sub-Advised and Athora Non-Sub-Advised reflects total combined AUM of $86.6 billion less $19.5 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. Athora Non-Sub-Advised includes $4.1 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.

		Total AUM	Net Returns	
	Vintage Year	As of March 31, 2018	For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2017
Credit:		(in millions)		
Hedge Funds[1]	Various	$ 6,775	1%	1 %
CLOs[2]	Various	12,336	1	1
SIAs / Other	Various	26,171	—	2

Total	$ 45,282

(1) Hedge Funds primarily includes Apollo Credit Strategies Master Fund Ltd. and Apollo Credit Master Fund Ltd. CLO returns are calculated based on gross return on invested assets, which excludes cash. Included within Total AUM of CLOs is $2.8 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 Athora-related assets managed or advised by Athene Asset Management and AAME:

	IPO Year[2]	Total AUM As of March 31, 2018	Total Returns[1] For the Three Months Ended March 31, 2018	For the Three Months Ended March 31, 2017
Credit:		(in millions)		
MidCap[3]	N/A	$ 8,346	4 %	4 %
AIF	2013	391	2	9
AFT	2011	429	6	2
AINV[4]	2004	4,472	(5)	14
Real Assets:				
ARI[5]	2009	4,305	— %	16 %
Total		$ 17,943		

(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 initial public offering ("IPO") year represents the year in which the vehicle commenced trading on a national securities exchange.

(3) 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 3% and 2% for the three months ended March 31, 2018 and 2017, respectively.

(4) All amounts are as of December 31, 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 within Total AUM of AINV is $1.8 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.

(5) All amounts are as of December 31, 2017 except for total returns. Refer to www.apolloreit.com for the most recent financial information on ARI. The information contained on ARI's website is not part of this report.

Athene and SIAs

As of March 31, 2018, Apollo managed or advised $86.6 billion of total AUM in accounts owned by or related to Athene and Athora, of which approximately $19.5 billion was either sub-advised by Apollo or invested in Apollo funds and investment vehicles managed by Apollo. Of the approximately $19.5 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 March 31, 2018, Apollo managed approximately $22 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 credit, private equity and real assets funds.

Overview of Results of Operations

Revenues

Advisory and Transaction, Net. As a result of providing advisory services with respect to actual and potential credit, private equity, 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, 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, net).

The Management Fee Offsets are calculated for each fund as follows:

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

Apollo expects more than $35 billion of fee-generating asset growth from Fund IX and the Venerable transaction to drive nearly $270 million of annualized management fees (see note 14 to the condensed consolidated financial statements for further information regarding the Venerable transaction).

As a result of Fund IX's investment period commencement on April 1, 2018, there was a corresponding decrease in fee-generating AUM and management fees related to Fund VIII, in accordance with its Limited Partnership Agreement, whereby Fund VIII will earn management fees on fee-generating invested capital at a lower fee rate (rather than third-party committed capital at a higher fee rate). The net impact of Fund IX's investment period commencement, net of Fund VIII's fee rate step-down, resulted in an addition of $17 billion of fee-generating AUM, which is included in fee-generating AUM as of March 31, 2018. This increase in fee-generating AUM is expected to generate $210 million of annualized management fees, which is based on Fund IX's committed capital and Fund VIII's fee-generating invested capital as of March 31, 2018. Fund VIII's basis of fee-generating invested capital is subject to change and dependent upon timing of capital investment and realizations. Fund IX's annualized management fee rate is based on the terms as defined in Fund IX's Limited Partnership Agreement.

In connection with the Venerable transaction, Athene Holding Ltd. has signed a definitive agreement to reinsure approximately $19 billion of Voya's fixed annuities, for which Athene Asset Management will provide asset management services. In addition, Athene will be Venerable's strategic partner for fixed annuity blocks as opportunities arise going forward. The addition of the $19 billion of fee-generating AUM is expected to generate management fees at a fee rate of 0.30%, or approximately $57 million annually. This projection excludes incremental fee potential from sub-advisory mandates.

Performance Fees. The general partners of our funds are entitled to an incentive return of normally up to 20% of the total returns of a fund's capital, depending upon performance of the underlying funds and subject to preferred returns and high water marks, as applicable. Performance fees, categorized as performance allocations, are accounted for as an equity method investment, and effectively, the performance fees 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. Performance fees not accounted as an equity method investment, categorized as incentive fees, are deferred until fees are probable to not be significantly reversed. The majority of performance fees are comprised of performance allocations.

As of March 31, 2018, approximately 55% 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 45% was determined primarily by comparable company and industry multiples or discounted cash flow models. For our credit, private equity and real assets segments, the percentage determined using market-based valuation methods as of March 31, 2018 was 70%, 28% and 41%, 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 2017 Annual Report for a discussion regarding certain industry-specific risks that could affect the fair value of our private equity funds' portfolio company investments.

In our private equity funds, the Company does not earn performance fees 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 performance fee rates and hurdle rates. Certain of our credit and real assets funds allocate performance fees 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 performance fees equate to its incentive fee rate for that fund; thereafter, the Company

participates in returns from the fund at the performance fee rate. Performance fees, categorized as performance allocations, are subject to reversal to the extent that the performance fees distributed exceed the amount due to the general partner based on a fund's cumulative investment returns. The Company recognizes potential repayment of previously received performance fees 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) performance fees receivable on an unconsolidated basis and (ii) realized and unrealized performance fees for Apollo's combined segments:

	As of March 31, 2018	For the Three Months Ended March 31, 2018		
	Performance Fees Receivable on an Unconsolidated Basis	Unrealized Performance Fees	Realized Performance Fees	Total Performance Fees
	(in thousands)			
Private Equity:				
Fund VIII	$749,229	$(267,771)	$ 99,186	$ (168,585)
Fund VII[1]	89,077	18,579	5,213	23,792
Fund VI[1]	34,821	(3,937)	—	(3,937)
Fund IV and V	— [3]	718	—	718
ANRP I and II	30,395 [3]	(12,276)	—	(12,276)
AAA/Other[2]	63,029	(180,781)	174,876	(5,905)
Total Private Equity	966,551	(445,468)	279,275	(166,193)
Total Private Equity, net of profit share	594,486	(307,835)	177,194	(130,641)
Credit:				
Drawdown	334,087 [3]	15,684	9,762	25,446
Liquid/Performing	4,071	2,481	21	2,502
Permanent capital vehicles	71,329	9,546	5,275	14,821
Total Credit	409,487	27,711	15,058	42,769
Total Credit, net of profit share	147,349	11,998	8,455	20,453
Real Assets Funds:				
U.S. RE Fund I & II	16,364	(931)	735	(196)
Other[5]	8,765	(1,734)	2,391	657
Total Real Assets	25,129	(2,665)	3,126	461
Total Real Assets, net of profit share	14,449	(1,574)	1,540	(34)
Total	$1,401,167	$(420,422)	$ 297,459	$ (122,963)
Total, net of profit share	$756,284 [4]	$(297,411)	$ 187,189	$ (110,222)

(1) As of March 31, 2018, the remaining investments and escrow cash of Fund VII, Fund VI, and ANRP II were valued at 99%, 92%, and 108% 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 performance fees 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 March 31, 2018, Fund VII had $114.5 million of gross performance fees, or $65.2 million net of profit sharing, in escrow. As of March 31, 2018, Fund VI had $167.6 million of gross performance fees, or $112.4 million net of profit sharing, in escrow. As of March 31, 2018, ANRP II had $10.7 million of gross performance fees, or $6.5 million net of profit sharing, in escrow. With respect to Fund VII, Fund VI, and ANRP II, realized performance fees currently distributed to the general partner is limited to potential tax distributions per the fund's partnership agreement.

(2) The Company elected to receive the AAA performance fee payment in the form of Athene shares for $169.9 million, or $123.3 million net of profit sharing. The reduction to performance fees receivable was offset by a corresponding increase to investments within the condensed consolidated statement of financial position. Other includes certain SIAs.

(3) As of March 31, 2018, certain credit funds and certain private equity funds had $55.8 million and $41.5 million, respectively, in general partner obligations to return previously distributed performance fees. The fair value 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 $296.9 million and $183.6 million, respectively, as of March 31, 2018.

(4) There was a corresponding profit sharing payable of $644.9 million as of March 31, 2018, including profit sharing payable related to amounts in escrow and contingent consideration obligations of $90.5 million.

The general partners of certain of our credit funds accrue performance fees, categorized as performance allocations, 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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Performance fees from our private equity funds and certain credit and real assets funds are subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative performance fees 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 performance fees since inception for our combined segments through March 31, 2018:

	Performance Fees 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 March 31, 2018[3]	Maximum Performance Fees Subject to Potential Reversal[4]
	(in millions)				
Private Equity:					
Fund VIII	$749.2	$ 316.2	$ 1,065.4	$ —	$ 946.6
Fund VII	89.1	3,126.7	3,215.8	—	662.4
Fund VI	34.8	1,658.9	1,693.7	—	1,147.5
Fund IV and V	—	2,053.1	2,053.1	24.1	8.1
ANRP I and II	30.4	78.9	109.3	17.4	56.0
AAA/Other	63.0	535.2	598.2	—	80.6
Total Private Equity	966.5	7,769.0	8,735.5	41.5	2,901.2
Credit[5]:					
Drawdown	334.1	1,103.2	1,437.3	55.8	463.7
Liquid/Performing	4.1	532.9	537.0	—	3.4
Permanent capital vehicles ex AAM	63.4	—	63.4	—	63.4
Total Credit	401.6	1,636.1	2,037.7	55.8	530.5
Real Assets:					
U.S. RE Fund I and II	16.4	25.5	41.9	—	36.3
Other[6]	8.8	21.5	30.3	—	15.9
Total Real Assets	25.2	47.0	72.2	—	52.2
Total	$1,393.3	$ 9,452.1	$ 10,845.4	$ 97.3	$ 3,483.9

(1) Certain funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.23 as of March 31, 2018.

(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 March 31, 2018. Performance fees have been allocated to and recognized by the general partner. Based on the amount 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 performance fees at March 31, 2018. 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 performance fees that would be reversed if remaining fund investments became worthless on March 31, 2018. Amounts subject to potential reversal of performance fees include amounts undistributed by a fund (i.e., the performance fees 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 performance fees, except for those funds that are gross of taxes as defined in the respective funds' governing documents.

(5) Amounts exclude AINV, as performance fees from this entity are 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 performance fees earned from credit, private equity, 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 performance fees 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 credit, private equity and real assets performance fees. Profit sharing expense can reverse during periods when there is a decline in performance fees that were 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 performance fees have the same effect on our profit sharing expense. Profit sharing expense increases when unrealized performance fees increases. 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 performance fees 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 realized gains with respect to Fund IV, Fund V and Fund VI, 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 information regarding the Company's indemnification liability.

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, remeasurement of the tax receivable agreement liability related to the TCJA 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 New York City unincorporated business tax ("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 50.1% and 53.4% ownership interest in the Apollo Operating Group held by the Managing Partners and Contributing Partners through their limited partner interests in Holdings as of March 31, 2018 and 2017, 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 months ended March 31, 2018 and 2017. For additional analysis of the factors that affected our results at the segment level, see "—Segment Analysis" below:

	For the Three Months Ended March 31,		Amount Change	Percentage Change
	2018	2017		
	(in thousands)			
Revenues:				
Management fees	$286,726	$269,543	$17,183	6.4 %
Advisory and transaction, net	13,551	15,067	(1,516)	(10.1)
Investment income (loss):				
Performance allocations	(124,165)	352,593	(476,758)	NM
Principal investment income (loss)	(12,994)	38,553	(51,547)	NM
Total Investment Income (Loss)	(137,159)	391,146	(528,305)	NM
Incentive fees	3,785	6,348	(2,563)	(40.4)
Total Revenues	166,903	682,104	(515,201)	(75.5)
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	115,826	101,613	14,213	14.0
Equity-based compensation	35,525	23,107	12,418	53.7
Profit sharing expense	(12,277)	144,324	(156,601)	NM
Total Compensation and Benefits	139,074	269,044	(129,970)	(48.3)
Interest expense	13,797	12,999	798	6.1
General, administrative and other	61,677	62,040	(363)	(0.6)
Placement fees	327	1,905	(1,578)	(82.8)
Total Expenses	214,875	345,988	(131,113)	(37.9)
Other Income (Loss):				
Net gains (losses) from investment activities	(67,133)	34,517	(101,650)	NM
Net gains from investment activities of consolidated variable interest entities	6,532	4,108	2,424	59.0
Interest income	3,559	803	2,756	343.2
Other income, net	4,246	18,647	(14,401)	(77.2)
Total Other Income (Loss)	(52,796)	58,075	(110,871)	NM
Income (loss) before income tax provision	(100,768)	394,191	(494,959)	NM
Income tax provision	(8,580)	(39,161)	30,581	(78.1)
Net Income (Loss)	(109,348)	355,030	(464,378)	NM
Net (income) loss attributable to Non-Controlling Interests	51,086	(209,834)	260,920	NM
Net Income (Loss) Attributable to Apollo Global Management, LLC	(58,262)	145,196	(203,458)	NM
Net income attributable to Series A Preferred Shareholders	(4,383)	—	(4,383)	NM
Net Income (Loss) Attributable to AGM Class A Shareholders	$(62,645)	$145,196	$(207,841)	NM

Note: "NM" denotes not meaningful. Changes from negative to positive amounts and positive to negative amounts are 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 March 31, 2018 Compared to Three Months Ended March 31, 2017

Management fees increased by $17.2 million for the three months ended March 31, 2018 as compared to the three months ended March 31, 2017. This change was primarily attributable to increases in management fees earned from Athene, EPF III, Apollo Credit Master Fund Ltd., Apollo Total Return Fund L.P. and Athora of $8.8 million, $6.4 million, $4.9 million, $3.5 million and $2.4 million, respectively, offset by decreases in management fees earned from Fund VI and Apollo Offshore Credit Fund Ltd. of $5.7 million and $4.6 million, respectively, during the three months ended March 31, 2018, as compared to the same period during 2017. For additional details regarding changes in management fees in each segment, see “—Segment Analysis” below.

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Advisory and transaction fees, net, decreased by $1.5 million for the three months ended March 31, 2018 as compared to the three months ended March 31, 2017. This change was primarily attributable to decreases in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies and certain sub-advisory arrangements of $2.4 million, respectively, partially offset by an increase in net advisory and transaction fees earned with respect to ANRP II's portfolio companies of $1.3 million during the three months ended March 31, 2018 as compared to the same period during 2017.

Performance allocations were $(124.2) million for the three months ended March 31, 2018 as compared to performance allocations of $352.6 million for the three months ended March 31, 2017. This change was primarily attributable to decreased performance allocations earned from our private equity funds of $485.3 million, offset by increased performance allocations earned from our credit funds of $10.7 million during the three months ended March 31, 2018 as compared to the same period in 2017. For additional details regarding changes in performance allocations in each segment, see "—Segment Analysis" below.

Principal investment loss was $13.0 million for the three months ended March 31, 2018, as compared to principal investment income of $38.6 million for the three months ended March 31, 2017. This change was primarily driven by decreases 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 $38.6 million and $5.7 million, respectively, during the three months ended March 31, 2018 as compared to the same period in 2017.

Incentive fees decreased by $2.6 million for the three months ended March 31, 2018 as compared to the three months ended March 31, 2017, primarily attributable to a decrease in incentive fees recognized from a strategic investment account of $3.0 million during the three months ended March 31, 2018 as a result of adoption of the revenue recognition standard effective January 1, 2018. See note 2 to the condensed consolidated financial statements for further information regarding adoption of the revenue recognition standard.

Expenses

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Compensation and benefits decreased by $130.0 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to a decrease in profit sharing expense of $156.6 million due to decreased performance revenues during the three months ended March 31, 2018, as compared to the same period in 2017. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance allocations in the period. This decrease was partially offset by an increase in salary, bonus and benefits of $14.2 million during the three months ended March 31, 2018, as compared to the same period in 2017 primarily due to increased headcount. In addition, equity-based compensation increased $12.4 million primarily attributable to a grant of RSUs under our omnibus equity incentive plan during the three months ended March 31, 2018 (see note 11 to the condensed consolidated financial statements).

Included in profit sharing expense is $15.5 million and $18.0 million for the three months ended March 31, 2018 and 2017, 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"). 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 $0.8 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017 primarily as a result of the issuance of the 2048 Senior Notes in March 2018, as described in note 9 to our condensed consolidated financial statements.

Placement fees decreased by $1.6 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily driven by placement fees incurred in connection with capital raising activity relating to EPF III of $1.4 million during the three months ended March 31, 2017. Placement fees are incurred in connection with raising capital for new and existing funds. The fees are normally payable to placement agents, who are third parties that assist in identifying potential investors, securing commitments to invest from such potential investors, preparing or revising offering 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.

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Other Income

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Net losses from investment activities were $67.1 million for the three months ended March 31, 2018, as compared to net gains from investment activities of $34.5 million for the three months ended March 31, 2017. This change was primarily attributable to a loss on the Company's investment in Athene Holding during the three months ended March 31, 2018, as compared a gain in the fair value of the Company's investment in Athene Holding during the three months ended March 31, 2017. See note 6 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 $2.4 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. See note 5 to the condensed consolidated financial statements for details regarding net gains from investment activities of consolidated VIEs.

Interest income increased by $2.8 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017 primarily due to additional interest income earned from money market funds and U.S. Treasury securities held after March 31, 2017.

Other income, net decreased by $14.4 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to insurance proceeds of $17.5 million received during the three months ended March 31, 2017 in connection with fees and expenses relating to a legal proceeding. This change was partially offset by income of $3.8 million recognized in connection with the assignment of a CLO collateral management agreement during the three months ended March 31, 2018.

Net Income Attributable to Non-Controlling Interests and Series A Preferred Shareholders

For information related to net income attributable to Non-Controlling Interests and net income attributable to Series A 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 March 31, 2018 Compared to Three Months Ended March 31, 2017

The income tax provision decreased by $30.6 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. The decrease was due to the following: i) reduction in the federal corporate income tax rate from 35% to 21% as a result of legislative reforms in the TCJA enacted on December 22, 2017, ii) a decrease in pre-tax GAAP net income during the three months ended March 31, 2018 as compared to the three months ended March 31, 2017 and iii) 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 (8.5)% and 9.9% for the three months ended March 31, 2018 and 2017, 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).

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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: credit, private equity 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 performance fees, which generally constitute 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.

Credit

The following table sets forth our segment statement of operations information and EI within our credit segment.

	For the Three Months Ended March 31,		Total Change	Percentage Change
	2018	2017		
	(in thousands)			
Credit:				
Revenues:				
Management fees	$183,070	$158,342	$24,728	15.6 %
Advisory and transaction fees, net	2,348	2,556	(208)	(8.1)
Performance fees[1]				
Unrealized	27,711	6,322	21,389	338.3
Realized	15,057	30,936	(15,879)	(51.3)
Total performance fees	42,768	37,258	5,510	14.8
Principal investment income	5,409	6,483	(1,074)	(16.6)
Total Revenues	233,595	204,639	28,956	14.1
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	61,074	54,882	6,192	11.3
Equity-based compensation	9,727	9,102	625	6.9
Profit sharing expense:				
Unrealized	15,713	2,215	13,498	NM
Realized	6,602	13,445	(6,843)	(50.9)
Equity-based	1,791	287	1,504	NM
Total profit sharing expense	24,106	15,947	8,159	51.2
Total compensation and benefits	94,907	79,931	14,976	18.7
Non-compensation expenses				
General, administrative and other	33,135	32,090	1,045	3.3
Placement fees	276	1,770	(1,494)	(84.4)
Total non-compensation expenses	33,411	33,860	(449)	(1.3)
Total Expenses	128,318	113,791	14,527	12.8
Other Income (Loss):				

Net gains (losses) from investment activities	(55,267)	31,094	(86,361)	NM
Net interest loss	(4,971)	(6,522)	1,551	(23.8)%
Other income, net	3,946	811	3,135	386.6%
Total Other Income (Loss)	(56,292)	25,383	(81,675)	NM
Non-Controlling Interest	(1,215)	(934)	(281)	30.1%
Economic Income	$47,770	$115,297	$(67,527)	(58.6)%

(1) Performance fees includes performance allocations and incentive fees.

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Revenues

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Management fees increased by $24.7 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to increases in management fees earned from Athene, EPF III, Apollo Total Return Fund L.P. and Athora of $8.8 million, $6.4 million, $3.5 million and $2.4 million, respectively, during the three months ended March 31, 2018, as compared to the same period during 2017.

Performance fees increased by $5.5 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to increases in performance fees earned from FCI III and EPF II of $6.3 million and $4.9 million, respectively, partially offset by a decrease in performance fees earned from SCRF III of $3.6 million during the three months ended March 31, 2018, as compared to the same period during 2017.

The increase in performance fees earned from FCI III was due to higher valuations of the fund's life settlements portfolio during the three months ended March 31, 2018. The increase in performance fees earned from EPF II was due to higher than expected realizations of UK hotel assets in the fund's portfolio during the three months ended March 31, 2018 as compared to the same period in 2017. The decrease in performance fees related to SCRF III was attributable to performance fees being generated at a slower rate as the fund unwound its portfolio during the three months ended March 31, 2018.

Principal investment income decreased by $1.1 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily driven by decreases in income from Apollo's equity ownership interest in COF III during the three months ended March 31, 2018, as compared to the same period in 2017.

Expenses

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Compensation and benefits expense increased by $15.0 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to an increase in profit sharing expense of $8.2 million during the three months ended March 31, 2018, as compared to the same period in 2017, as a result of a corresponding increase in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period. Profit sharing expense also increased as a result of a grant of RSUs under our omnibus equity incentive plan during the three months ended March 31, 2018 (see note 11 to the condensed consolidated financial statements). In addition, the change was attributable to an increase in salary, bonus and benefits of $6.2 million during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017 primarily due to increased headcount.

Included in profit sharing expense is $0.9 million and $2.5 million related to the Incentive Pool for the three months ended March 31, 2018 and 2017, 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.

Placement fees decreased by $1.5 million during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily driven by placement fees incurred in connection with capital raising activity relating to EPF III of $1.4 million during the three months ended March 31, 2017.

Other Income (Loss)

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Net losses from investment activities was $55.3 million for the three months ended March 31, 2018, as compared to net gains from investment activities of $31.1 million for the three months ended March 31, 2017. This change was primarily attributable to a loss on the Company's investment in Athene Holding during the three months ended March 31, 2018, as compared a gain on the Company's investment in Athene Holding during the three months ended March 31, 2017. See note 6 to the condensed consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Net interest loss decreased by $1.6 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017, primarily due to additional interest income earned from money market funds and U.S. Treasury securities held after March 31, 2017.

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Other income, net increased by $3.1 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to income of $3.8 million recognized from the assignment of a CLO collateral management agreement during the three months ended March 31, 2018.

Non-Controlling Interests

For information related to Non-Controlling Interests, see note 12 to the condensed consolidated financial statements for further details.

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 Months Ended March 31,		Total Change	Percentage Change
	2018	2017		
	(in thousands)			
Private Equity:				
Revenues:				
Management fees	$71,160	$77,398	$(6,238)	(8.1)%
Advisory and transaction fees, net	10,598	11,772	(1,174)	(10.0)
Performance fees[1]				
Unrealized	(445,468)	163,619	(609,087)	NM
Realized	279,275	155,461	123,814	79.6
Total performance fees	(166,193)	319,080	(485,273)	NM
Principal investment income (loss)	(17,531)	31,728	(49,259)	NM
Total Revenues	(101,966)	439,978	(541,944)	NM
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	35,021	31,469	3,552	11.3
Equity-based compensation	6,772	7,095	(323)	(4.6)
Profit sharing expense:				
Unrealized	(137,633)	55,016	(192,649)	NM
Realized	102,082	75,252	26,830	35.7
Equity-based	12,601	—	12,601	NM
Total profit sharing expense	(22,950)	130,268	(153,218)	NM
Total compensation and benefits	18,843	168,832	(149,989)	(88.8)
Non-compensation expenses:				
General, administrative and other	15,098	17,360	(2,262)	(13.0)
Placement fees	51	134	(83)	(61.9)
Total non-compensation expenses	15,149	17,494	(2,345)	(13.4)
Total Expenses	33,992	186,326	(152,334)	(81.8)
Other Income (Loss):				
Net gains (losses) from investment activities	(11,877)	3,396	(15,273)	NM
Net interest loss	(3,927)	(4,242)	315	(7.4)
Other income, net	251	17,790	(17,539)	(98.6)
Total Other Income (Loss)	(15,553)	16,944	(32,497)	NM
Economic Income (Loss)	$(151,511)	$270,596	$(422,107)	NM

(1) Performance fees includes performance allocations and incentive fees.

Revenues

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Management fees decreased by $6.2 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to a decrease in management fees earned with

respect to Fund VI of $5.7 million during the three months ended March 31, 2018 as compared to the three months ended March 31, 2017. The decrease in management fees earned from Fund VI resulted from the termination of the fund's management fee agreement.

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Advisory and transaction fees, net decreased by $1.2 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to a decrease in net advisory and transaction fees earned with respect to Fund VIII's portfolio companies of $2.4 million, partially offset by an increase in net advisory and transaction fees earned with respect to ANRP II's portfolio companies of $1.3 million during the three months ended March 31, 2018, as compared to the same period during 2017.

Performance fees were $(166.2) million for the three months ended March 31, 2018, as compared to performance fees of $319.1 million for the three months ended March 31, 2017. This change was primarily attributable to decreases in performance fees earned from Fund VIII, ANRP I and Fund VI of $324.4 million, $41.8 million and $39.4 million, respectively, during the three months ended March 31, 2018 as compared to the three months ended March 31, 2017. The decrease in performance fees earned from Fund VIII and Fund VI was primarily driven by depreciation in value in the funds' public portfolio companies. The decrease in performance fees earned from ANRP I was primarily driven by depreciation in value in the fund's private portfolio companies.

Principal investment loss was $17.5 million for the three months ended March 31, 2018, as compared to principal investment income of $31.7 million for the three months ended March 31, 2017. This change was primarily attributable to decreases in income from Apollo's equity ownership interest in Fund VIII and AAA of $38.6 million and $5.8 million, respectively, during the three months ended March 31, 2018, as compared to the same period in 2017.

Expenses

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Compensation and benefits expense decreased by $150.0 million for the three months ended March 31, 2018 as compared to the three months ended March 31, 2017. This change was primarily attributable to a decrease in profit sharing expense of $153.2 million during the three months ended March 31, 2018, as compared to the same period in 2017, as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period. This change was partially offset by an increase in equity-based profit sharing expense as a result of a grant of RSUs under our omnibus equity incentive plan during the three months ended March 31, 2018 (see note 11 to the condensed consolidated financial statements).

Included in profit sharing expense is $14.1 million and $15.5 million related to the Incentive Pool for the three months ended March 31, 2018 and 2017, 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 $2.3 million during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. The change was primarily driven by new fund organizational expenses related to the launch of Fund IX incurred during the three months ended March 31, 2017.

Other Income (Loss)

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Net losses from investment activities were $11.9 million for the three months ended March 31, 2018, as compared to net gains from investment activities of $3.4 million for the three months ended March 31, 2017. This change was primarily attributable to a loss on the Company's investment in Athene Holding during the three months ended March 31, 2018, as compared a gain on the Company's investment in Athene Holding during the three months ended March 31, 2017. See note 6 to the condensed consolidated financial statements for further information regarding the Company's investment in Athene Holding.

Other income, net decreased by $17.5 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to insurance proceeds of $17.5 million received during the three months ended March 31, 2017 in connection with fees and expenses relating to a legal proceeding.

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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 Months Ended March 31,		Total Change	Percentage Change
	2018	2017		
	(in thousands)			
Real Assets:				
Revenues:				
Management fees	$17,973	$16,313	$1,660	10.2 %
Advisory and transaction fees, net	48	739	(691)	(93.5)
Performance fees[1]				
Unrealized	(2,665)	2,604	(5,269)	NM
Realized	3,126	64	3,062	NM
Total performance fees	461	2,668	(2,207)	(82.7)
Principal investment income (loss)	(482)	1,003	(1,485)	NM
Total Revenues	18,000	20,723	(2,723)	(13.1)
Expenses:				
Compensation and benefits:				
Salary, bonus and benefits	10,436	8,370	2,066	24.7
Equity-based compensation	859	548	311	56.8
Profit sharing expense:				
Unrealized	(1,091)	2,034	(3,125)	NM
Realized	1,586	26	1,560	NM
Equity-based	249	—	249	NM
Total profit sharing expense	744	2,060	(1,316)	(63.9)
Total compensation and benefits	12,039	10,978	1,061	9.7
Non-compensation expenses:				
General, administrative and other	6,142	4,482	1,660	37.0
Placement fees	—	—	—	NM
Total non-compensation expenses	6,142	4,482	1,660	37.0
Total Expenses	18,181	15,460	2,721	17.6
Other Loss:				
Net income from investment activities	7	—	7	NM
Net interest loss	(1,043)	(1,224)	181	(14.8)
Other income, net	63	63	—	—
Total Other Loss	(973)	(1,161)	188	(16.2)
Economic Income (Loss)	$(1,154)	$4,102	$(5,256)	NM

(1) Performance fees includes performance allocations and incentive fees.

Revenues

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Management fees increased by $1.7 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to an increase in management fees earned with respect to ARI of $1.5 million during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017, in connection with capital raises for the vehicle after March 31, 2017.

Performance fees decreased by $2.2 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to decreases in performance fees earned from U.S. RE Fund II and U.S. RE Fund I of $1.4 million and $1.1 million, respectively, during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. The decrease in performance fees earned

from U.S. RE Fund II was primarily due to the appreciation of a leisure asset during the three months ended March 31, 2017, that did not recur during the three months ended March 31, 2018. Performance fees earned from U.S. RE Fund I was generated at a slower rate as the fund continued to unwind during the three months ended March 31, 2018. Principal investment loss was $0.5 million for the three months ended March 31, 2018, as compared principal investment income of $1.0 million for the three months ended March 31, 2017. This change was driven by decreases in the income

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from Apollo's equity ownership interest in U.S. RE Fund I and ARI of $1.0 million and $0.4 million, respectively, during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017.

Expenses

Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

Compensation and benefits increased by $1.1 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to an increase in salary, bonus and benefits of $2.1 million during the three months ended March 31, 2018, as compared to the same period during 2017 primarily due to increased headcount. In addition, the change was attributable to an increase in equity-based compensation of $0.3 million during the three months ended March 31, 2018, as compared to the same period during 2017. These increases were partially offset by a decrease in profit sharing expense of $1.3 million during the three months ended March 31, 2018, as compared to the same period in 2017, as a result of a corresponding decrease in performance fees as described above. In any period the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance fees in the period.

Included in profit sharing expense is $0.5 million related to the Incentive Pool for the three months ended March 31, 2018. 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 $1.7 million during the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. This change was primarily attributable to an increase in professional fees during the three months ended March 31, 2018 as compared to the same period in 2017.

Summary of Fee Related Earnings

The following table is a summary of Fee Related Earnings.

	For the Three Months Ended March 31,	
	2018	2017
	(in thousands)	
Management fees	$272,203	$252,053
Advisory and transaction fees, net	12,994	15,067
Performance fees[(1)]	5,275	726
Salary, bonus and benefits	(106,531)	(94,721)
Non-compensation expenses	(54,702)	(55,836)
Other income attributable to Fee Related Earnings[(2)]	4,875	18,120
Non-Controlling Interest	(1,215)	(934)
Fee Related Earnings	$132,899	$134,475

(1) Represents performance fees earned from a publicly traded business development company we manage.

(2) Includes $17.5 million in insurance proceeds recognized in connection with fees and expenses relating to a legal proceeding during the three months ended March 31, 2017.

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Summary of Distributable Earnings

The following table is a reconciliation of Distributable Earnings per share of common and equivalents to net distribution per share of common and equivalent.

	For the Three Months Ended March 31,	
	2018	2017
	(in thousands, except per share data)	
Distributable Earnings	$206,753	$239,605
Taxes and related payables[1]	(11,198)	(6,348)
Preferred distributions	(4,383)	—
Distributable Earnings After Taxes and Related Payables	191,172	233,257
Add back: Tax and related payables attributable to common and equivalents	9,167	4,560
Distributable Earnings before certain payables[2]	200,339	237,817
Percent to common and equivalents	51%	47%
Distributable Earnings before other payables attributable to common and equivalents	101,952	112,874
Less: Taxes and related payables attributable to common and equivalents	(9,167)	(4,560)
Distributable Earnings attributable to common and equivalents	$92,785	$108,314
Distributable Earnings per share of common and equivalent[3]	$0.46	$0.57
Retained capital per share of common and equivalent[3][4]	(0.08)	(0.08)
Net distribution per share of common and equivalent[3]	$0.38	$0.49

(1) Represents the 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 calculated after current taxes and the impact of the tax receivable agreement ("TRA"). The TRA component of taxes used in calculating DE After Taxes was previously estimated based on the tax asset used to reduce the prior year's tax liability. In 2018, the DE effective tax rate, using this estimation methodology, results in an increase in the tax rate despite the significantly reduced federal tax rate under tax reform. We believe it is more meaningful to estimate the current year impact of the TRA component of taxes when calculating DE After Taxes. The impact of this change is not significant to DE After Taxes and Related Payables as previously reported. DE After Taxes and Related Payables would have been $225.2 million for the three months ended March 31, 2017.

(2) 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.

(3) Per share calculations are based on end of period Distributable Earnings Shares Outstanding, which consists of total Class A shares outstanding, AOG Units and RSUs that participate in distributions (collectively referred to as "common & equivalents").

(4) 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 (loss) attributable Apollo Global Management, LLC Class A Shareholders to our non-U.S. GAAP performance measures:

	For the Three Months Ended March 31,	
	2018	2017
	(in thousands)	
Net Income (Loss) Attributable to Apollo Global Management, LLC Class A Shareholders	$(62,645)	$145,196
Preferred distributions	4,383	—
Net income attributable to Non-Controlling Interests in consolidated entities	5,979	3,384
Net income (loss) attributable to Non-Controlling Interests in the Apollo Operating Group	(57,065)	206,450
Net Income (Loss)	$(109,348)	$355,030
Income tax provision	8,580	39,161
Income (Loss) Before Income Tax Provision	$(100,768)	$394,191
Transaction-related charges and equity-based compensation	1,852	(812)
Net income attributable to Non-Controlling Interests in consolidated entities	(5,979)	(3,384)
Economic Income (Loss)[1]	$(104,895)	$389,995
Income tax provision on Economic Income (Loss)	(11,736)	(58,372)
Preferred distributions	(4,383)	—
Economic Net Income (Loss)	$(121,014)	$331,623
Preferred distributions	4,383	—
Income tax provision on Economic Income (Loss)	11,736	58,372
Performance fees[2]	128,239	(358,280)
Profit sharing expense	1,900	148,275
Equity-based compensation[3]	17,358	16,745
Principal investment (income) loss	12,604	(39,214)
Net (gains) losses from investment activities	67,137	(34,490)
Net interest loss	9,941	11,988
Other	615	(544)
Fee Related Earnings	$132,899	$134,475
Depreciation, amortization and other, net	2,589	2,513
Fee Related EBITDA	$135,488	$136,988
Realized performance fees[4]	122,302	185,735
Realized profit sharing expense[4]	(63,647)	(88,723)
Fee Related EBITDA + 100% of Net Realized Performance Fees	$194,143	$234,000
Non-cash revenues	(842)	(843)
Realized principal investment income	23,393	18,436
Net interest loss	(9,941)	(11,988)
Distributable Earnings	$206,753	$239,605
Taxes and related payables	(11,198)	(6,348)
Preferred distributions	(4,383)	—
Distributable Earnings After Taxes and Related Payables	$191,172	$233,257

(1) See note 15 for more details regarding Economic Income for the combined segments.

(2) Excludes performance fees 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.

(4) Excludes realized performance fees and realized profit sharing expense in the form of Athene shares.

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Liquidity and Capital Resources

Overview

Apollo's business model primarily derives revenues and cash flows from the assets it manages. Apollo targets operating expense levels such that fee income exceeds total operating expenses each period. The company intends to distribute to its shareholders on a quarterly basis substantially all of its distributable earnings after taxes and related payables in excess of amounts determined to be necessary or appropriate to provide for the conduct of the business. As a result, the Company requires limited capital resources to support the working capital or operating needs of the business. While primarily met by cash flows generated through fee income received, liquidity needs are also met (to a limited extent) through proceeds from borrowings and equity issuances as described in note 9 and note 12 to the condensed consolidated financial statements, respectively. The Company had cash and cash equivalents of $988 million at March 31, 2018. The Company also has investments in U.S. Treasury securities, at fair value of approximately $226 million at March 31, 2018 with original maturities greater than three months when purchased.

Primary Sources & Uses of Cash

The Company has multiple sources of short-term liquidity to meet its capital needs, including cash on hand, annual cash flows from its activities, and available funds from the Company's $500 million revolving credit facility as of March 31, 2018. The Company believes these sources will be sufficient to fund our capital needs for at least the next twelve months. If the Company determines that market conditions are favorable after taking into account our liquidity requirements, we may seek to issue additional senior notes, preferred equity, or other financing instruments.

The section below discusses in more detail the Company's primary sources and uses of cash and the primary drivers of cash flows within the Company's condensed consolidated statements of cash flows for the three months ended March 31, 2018 and 2017:

	For the Three Months Ended March 31,	
	2018	2017
	(in thousands)	
Operating Activities	$41,527	$223,602
Investing Activities	97,215	(12,616)
Financing Activities	80,185	86,482
Net Increase in Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities	$218,927	$297,468

Operating Activities

The Company's operating activities support its asset management activities. The primary sources of cash within the operating activities section include: (a) management fees, (b) advisory and transaction fees, (c) realized performance revenues, and (d) realized principal investment income. The primary uses of cash within the operating activities section include: (a) compensation and non-compensation related expenses, (b) placement fees, and (c) interest and taxes.

- During the three months ended 2018 and 2017, cash provided by operating activities primarily include cash inflows from the receipt of management fees, advisory and transaction fees, realized performance revenues, and realized principal investment income, offset by cash outflows for compensation, general, administrative, and other expenses.
- Net cash provided by operating activities also reflects the operating activity of our consolidated Funds and VIEs, which primarily include cash inflows from the sale of investments offset by cash outflows for purchases of investments.

Investing Activities

The Company's investing activities support growth of its business. The primary sources of cash within the investing activities section include distributions from investments. The primary uses of cash within the investing activities section include: (a) capital expenditures, (b) investment purchases, including purchases of U.S. Treasury securities, and (c) equity method investments in the funds we manage.

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During the three months ended 2018, cash provided by investing activities primarily reflected proceeds from maturities of U.S. Treasury securities, offset by purchases of U.S. Treasury securities and other investments.

During the three months ended 2017, cash used by investing activities primarily reflected net contributions to equity method investments, offset by repayment of related party loans.

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Financing Activities

The Company's financing activities reflect its capital market transactions and transactions with owners. The primary sources of cash within the financing activities section includes proceeds from debt and preferred equity issuances. The primary uses of cash within the financing activities section include: (a) dividend distributions, (b) tax receivable agreement payments, (c) share repurchases, (d) net share settlements, and (e) repayments of debt.

- During the three months ended 2018, cash provided by financing activities primarily reflected proceeds from issuance of Series B Preferred shares, issuance of 2048 Senior Notes, partially offset by repayments on the term loan facility to AMH and distributions to Class A Shareholders and Non-Controlling interests.
- During the three months ended 2017, cash provided by financing activities primarily reflected proceeds from issuance of Series A Preferred shares, offset by distributions to Class A Shareholders and Non-Controlling interests.

Future Debt Obligations

The Company had long-term debt of $1.4 billion at March 31, 2018, which includes $1.3 billion of Senior Notes with maturities in 2024, 2026 and 2048. See note 9 to the condensed consolidated financial statements for further information regarding the Company's debt arrangements.

Contractual Obligations, Commitments and Contingencies

The Company had unfunded general partner commitments of $1.6 billion at March 31, 2018, of which $823 million related to Fund IX. For a summary and a description of the nature of the Company's commitments, contingencies and contractual obligations, see note 14 to the condensed consolidated financial statements and "—Contractual Obligations, Commitments and Contingencies". The Company's commitments are primarily fulfilled through cash flows from operations and (to a limited extent) through borrowings and equity issuances as described in note 9 and note 12 to the condensed consolidated financial statements, respectively.

Consolidated Funds and VIEs

The Company manages its liquidity needs by evaluating unconsolidated cash flows; however, the Company's financial statements reflect the financial position of Apollo as well as Apollo's consolidated funds and VIE. The primary sources and uses of cash at Apollo's consolidated funds and VIEs include: (a) raising capital from their investors, which have been reflected historically as Non-Controlling Interests of the consolidated subsidiaries in our financial statements, (b) using capital to make investments, (c) generating cash flows from operations through distributions, interest and the realization of investments, (d) distributing cash flow to investors, and (e) issuing debt to finance investments (CLOs).

Other Liquidity and Capital Resource Considerations

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, access to credit facilities, 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 or adjusted assets. Additionally, higher performance fees 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 until realized.

Consideration of Financing Arrangements

As noted above, in limited circumstances, the Company may issue debt or preferred shares to supplement its liquidity. The decision to enter into a particular financing arrangement is made after careful consideration of various factors including the Company's cash flows from operations, future cash needs, current sources of liquidity, demand for the Company's debt or equity, and prevailing interest rates.

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Revolver Facility

As further described in note 9 to the condensed consolidated financial statements, under the Company's 2013 AMH Credit Facilities, the Company may borrow in an aggregate amount not to exceed $500 million plus additional amounts so long as a net leverage ratio not to exceed 3.75 to 1.00 is complied with. Borrowings under the Revolver Facility may be used for working capital and general corporate purposes, including without limitation, permitted acquisitions. As of March 31, 2018 and December 31, 2017, the Revolver Facility was undrawn.

Distributions

For information regarding the quarterly distributions which were made at the sole discretion of the Company's manager during 2018 and 2017 to Class A Shareholders, Non-Controlling Interest Holders in the Apollo Operating Group and Participating Securities, see note 12 to the condensed consolidated financial statements.

Although the Company expects 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.

On May 3, 2018, the Company declared a cash distribution of $0.38 per Class A share, which will be paid on May 31, 2018 to holders of record on May 18, 2018. Also, the Company declared a cash distribution of $0.398438 and $0.380729 per Series A and Series B Preferred shares, respectively, which will be paid on June 15, 2018 to holders of record on June 1, 2018.

Tax Receivable Agreement

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. realizes subject to the agreement. For more information regarding the tax receivable agreement, see note 13 to the condensed consolidated financial statements.

APO Share Repurchases

In February 2016, Apollo 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.

AINV Share Repurchases

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 March 31, 2018, Apollo had purchased approximately 871 thousand shares, or approximately $4.9 million of AINV's common stock.

Athora

On April 14, 2017, Apollo made an unfunded commitment to Athora, 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 Athora during the commitment period may be reduced to the extent that certain employees, officers, directors and advisors of the Company, Athora, Apollo and/or their respective affiliates hereafter commit to purchase from Athora more than €25 million of new equity interests in Athora. Apollo further committed to purchase new Class C-1 equity interests in Athora on the closing date that represent a profits interest in Athora which, upon meeting certain vesting triggers, will be convertible by Apollo into additional Class B-1 equity interests in Athora. Apollo and Athene are minority investors in Athora 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".

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Athene Holding Follow-on Offerings

On April 4, 2014, Athene Holding completed an initial closing of a private placement offering of common equity in which it raised $1.048 billion of primary commitments from third-party institutional and certain existing investors in Athene Holding (the "Athene Private Placement").

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 performance fees 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 performance fees in cash or in common shares of Athene Holding (valued at the fair market value); and if Apollo elects to receive payment of such performance fees in cash, then common shares of Athene Holding shall be distributed to Apollo and immediately sold by Apollo to pay for such performance fees 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. The March and May offerings resulted in realizations of performance fees from AAA of $96.4 million, net of profit sharing expense.

Fund VII and Fund VI Escrow

As of March 31, 2018, the remaining investments and escrow cash of Fund VII, Fund VI and ANRP II were valued at 99%, 92% and 108% 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 performance fees distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation.

Clawback

Performance fees 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 performance fees distributed from inception to date exceeds the amount computed as due to the general partner at the final distribution. See "—Overview of Results of Operations - Performance Fees" for the maximum performance fees subject to potential reversal by each fund.

Indemnification Liability

The Company recorded an indemnification liability 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 performance fees. See note 13 to the condensed consolidated financial statements for further information regarding the Company's indemnification liability.

Equity-Based Profit Sharing Expense

Profit sharing amounts are generally not paid until the related performance fees are distributed to the general partner upon realization of the fund's investments. Under certain profit sharing arrangements, a portion of the performance fees distributed to the general partner is allocated by issuance of restricted shares, rather than cash to employees. See note 2 to the condensed consolidated financial statements for further information regarding the accounting for the Company's profit sharing arrangements.

Strategic Relationship Agreement with CalPERS

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

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capital commitments from CalPERS. As of March 31, 2018, the Company had reduced fees charged to CalPERS on the funds it manages by approximately $106.6 million.

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 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 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

Performance Fees. We earn performance fees from our funds as a result of such funds achieving specified performance criteria. Such performance fees generally are earned based upon a fixed percentage of realized and unrealized gains of various funds after meeting any applicable hurdle rate or threshold minimum.

Performance allocations are performance fees that are generally structured from a legal standpoint as an allocation of capital to the asset manager. Performance allocations from certain of the funds that we manage are 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 performance fees 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. We account for performance allocations as an equity method investment, and accordingly, we accrue performance allocations quarterly based on fair value of the underlying investments and separately assess if contingent repayment is necessary. The determination of performance allocations 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 credit, private equity and real assets funds.

Incentive fees are performance fees structured as a contractual fee arrangement rather than a capital allocation. Incentive fees are generally received from the management of CLOs, managed accounts and AINV. For a majority of our incentive fees, once the quarterly or annual incentive fees have been determined, there is no look-back to prior periods for a potential contingent repayment, however, certain other incentive fees can be subject to contingent repayment at the end of the life of the entity. In accordance with the new revenue recognition standard, certain incentive fees are considered a form of variable consideration and therefore are deferred until fees are probable to not be significantly reversed. There is significant judgment involved in determining if the incentive fees are probable to not be significantly reversed, but generally the Company will defer the revenue until the fees are crystallized or are no longer subject to clawback or reversal.

Management Fees. Management fees related to our credit funds, 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 private equity funds, by contrast, 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. 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 credit, private equity 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.

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

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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.

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 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.

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.

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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 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 2017 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 performance fees 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 performance fees 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 performance fees 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. See notes 3, 5, and 6 to the condensed consolidated financial statements for further disclosure.

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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 to our condensed consolidated financial statements, 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 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 utilized the present value of a growing annuity formula to calculate a discount for the lack of pre-vesting distributions on Plan Grant RSUs. There were no Bonus Grants awarded during the three months ended March 31, 2017. The weighted average for the inputs utilized for the shares granted are presented in the table below for Plan Grants:

	For the Three Months Ended March 31,	
	2018	2017
Distribution Yield[(1)]	5.3%	6.5%
Cost of Equity Capital Rate[(2)]	10.5%	11.3%

(1) Calculated based on the historical distributions paid during the twelve months ended March 31, 2018 and the Company's Class A share price as of the measurement date of the grant on a weighted average basis.

(2) 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 Months Ended March 31,	
	2018	2017
Plan Grants:		
Discount for the lack of distributions until vested[(1)]	10.5%	11.0%

(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 are presented in the table below for Plan Grants and Bonus Grants:

	For the Three Months Ended March 31,	
	2018	2017
Plan Grants		
Holding Period Restriction (in years)	0.4	0.2
Volatility[(1)]	22.9%	20.0%
Distribution Yield[(2)]	5.3%	6.5%
Bonus Grants		
Holding Period Restriction (in years)	0.2	N/A
Volatility[(1)]	22.5%	N/A
Distribution Yield[(2)]	5.3%	N/A

(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 March 31, 2018 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 Months Ended March 31,	
	2018	2017
Plan Grants:		
Marketability discount for transfer restrictions[(1)]	3.4%	2.0%
Bonus Grants:		
Marketability discount for transfer restrictions[(1)]	2.3%	N/A

(1) Based on the Finnerty Model calculation.

For awards prior to the adoption of the new share-based payment guidance, which was applied prospectively as of January 1, 2017, after the grant date fair value was determined, an estimated forfeiture rate was applied. The estimated fair value was determined and recognized over the vesting period on a straight-line basis and a 4.0% forfeiture rate was estimated for RSUs, based on the Company's historical attrition rate as well as industry comparable rates. If employees were no longer associated with Apollo or if there was no turnover, we would revise its estimated compensation expense to the actual amount of expense based on the RSUs vested at the reporting date in accordance with U.S. GAAP.

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 6 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.

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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.

Contractual Obligations, Commitments and Contingencies

As of March 31, 2018, 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 2018	2019	2020	2021	2022	Thereafter	Total
	(in thousands)						
Operating lease obligations	$29,084	$36,590	$18,013	$7,136	$4,923	$9,978	$105,724
Other long-term obligations[1]	17,401	4,786	1,982	1,982	1,622	1,365	29,138
2013 AMH Credit Facilities - Revolver Facility[2]	469	625	625	8	—	—	1,727
2024 Senior Notes[3]	15,000	20,000	20,000	20,000	20,000	528,333	623,333
2026 Senior Notes[4]	16,500	22,000	22,000	22,000	22,000	574,983	679,483
2048 Senior Notes[5]	11,250	15,000	15,000	15,000	15,000	678,750	750,000
2014 AMI Term Facility I	253	337	337	17,076	—	—	18,003
2014 AMI Term Facility II	250	333	333	333	19,096	—	20,345
2016 AMI Term Facility I	204	272	272	272	272	21,470	22,762
2016 AMI Term Facility II	245	326	326	16,469	—	—	17,366
Obligations as of March 31, 2018	$90,656	$100,269	$78,888	$100,276	$82,913	$1,814,879	$2,267,881

(1) Includes (i) payments on management service agreements related to certain assets and (ii) payments with respect to certain consulting agreements entered into by the Company. Note that a significant portion of these costs are reimbursable by funds.

(2) The commitment fee as of March 31, 2018 on the $500 million undrawn Revolver Facility was 0.125%. See note 9 of the condensed consolidated financial statements for further discussion of the 2013 AMH Credit Facilities.

(3) $500 million of the 2024 Senior Notes matures in May 2024. The interest rate on the 2024 Senior Notes as of March 31, 2018 was 4.00%. See note 9 of the condensed consolidated financial statements for further discussion of the 2024 Senior Notes.

(4) $500 million of the 2026 Senior Notes matures in May 2026. The interest rate on the 2026 Senior Notes as of March 31, 2018 was 4.40%. See note 9 of the condensed consolidated financial statements for further discussion of the 2026 Senior Notes.

(5) $300 million of the 2048 Senior Notes matures in March 2048. The interest rate on the 2048 Senior Notes as of March 31, 2018 was 5.00%. 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.

(i) 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 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.

(iii) In connection with the Stone Tower acquisition, the Company agreed to pay the former owners of Stone Tower a specified percentage of any future performance fees earned from certain of the Stone Tower funds, CLOs 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 credit, private equity and real assets fund as of March 31, 2018 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
Credit:						
Apollo Credit Opportunity Fund III, L.P. (“COF III”)	$ 358.1	10.45 %	$ 83.1	2.43 %	$ 89.6	$ 21.6
Apollo Credit Opportunity Fund II, L.P. (“COF II”)	30.5	1.93	23.4	1.48	0.8	0.6
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”)[1]	609.4	13.10	93.2	2.00	553.5	85.7
Apollo European Principal Finance Fund II, L.P. (“EPF II”)[1]	413.3	11.69	60.2	1.70	102.1	19.1
Apollo European Principal Finance Fund, L.P. (“EPF I”)[1]	330.4	20.74	21.8	1.37	53.8	5.0
Financial Credit Investment III, L.P. (“FCI III”)	224.3	11.76	0.1	0.01	129.0	0.1
Financial Credit Investment II, L.P. (“FCI II”)	244.6	15.72	—	—	122.1	—
Financial Credit Investment I, L.P. (“FCI I”)	151.3	27.07	—	—	97.8	—
Apollo Structured Credit Recovery Master Fund IV, L.P. (“SCRF IV”)	351.8	20.58	36.8	2.15	228.7	23.9
MidCap	1,672.6	80.23	110.9	5.32	199.0	31.0
Apollo Moultrie Credit Fund, L.P.	400.0	100.00	—	—	180.0	—
Apollo/Palmetto Short-Maturity Loan Portfolio, L.P.	300.0	100.00	—	—	—	—
Apollo Asia Private Credit Fund, L.P. (“APC”)	158.5	69.06	0.1	0.04	40.4	—
Apollo Energy Opportunity Fund, L.P. (“AEOF”)	125.5	12.01	25.5	2.44	92.8	18.9
Athora[1]	615.0	22.99	153.8	5.75	504.7	126.2
VA Capital Company LLC[2]	229.1	44.41	118.3	22.93	229.1	118.3
Other Credit	2,496.5	Various	234.9	Various	1,090.2	102.7
Private Equity:						
Fund IX[3]	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	443.5	115.2
Fund VII	467.2	3.18	178.1	1.21	69.7	25.7
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	73.7	23.8
ANRP I	426.1	32.21	10.1	0.76	68.8	1.3
ANRP II	581.2	16.83	25.9	0.75	305.1	13.5

A.A. Mortgage Opportunities, L.P.	425.0	84.46	—	—	—	—
Apollo Rose, L.P.	299.1	100.00	—	—	74.3	—
Champ, L.P.	231.5	80.14	39.2	13.57	24.7	11.0
Apollo Royalties Management, LLC	108.6	100.00	—	—	—	—
Other Private Equity	140.5	Various	6.3	Various	22.1	0.9
Real Assets:						
U.S. RE Fund II[4]	400.4	[3] 46.45	4.7	0.55	197.0	2.6
U.S. RE Fund I[4]	435.5	[3] 66.18	16.8	2.55	123.2	2.8
CPI Capital Partners Europe, L.P.[1]	6.7	0.47	—	—	—	—
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	337.7	6.3
Other Real Assets	81.2	Various	1.8	Various	11.6	0.2
Other:						
Apollo SPN Investments I, L.P.	15.6	0.39	15.6	0.39	10.4	10.4
Total	$ 17,230.3		$ 2,574.0		$ 7,576.5	$ 1,593.7

(1) Apollo's commitment in these funds is denominated in Euros and translated into U.S. dollars at an exchange rate of €1.00 to $1.23 as of March 31, 2018.

(2) Commitment amounts in the table above represent Apollo and Athene's initial capital commitment to VA Capital. Apollo and Athene each committed additional capital in the event that the third party investors do not fund their commitments in respect of the transaction. Inclusive of such additional commitments, Apollo and Athene have maximum commitments of $244.4 million and $229.6 million, respectively.

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(3) Apollo Only (Excluding Related Party) Remaining Commitments related to Fund IX are subject to future syndication to Apollo employees.

(4) 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 £1.00 to $1.40 as of March 31, 2018. 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 of our condensed consolidated financial statements for further disclosure regarding this facility). The 2013 AMH Credit Facilities - Term Facility, 2024 Senior Notes, 2026 Senior Notes and 2048 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—Performance fees with respect to certain credit and private equity funds and real assets funds is subject to reversal in the event of future losses to the extent of the cumulative performance fees recognized in income to date. See note 14 of 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 March 31, 2018, there were no underwriting commitments outstanding related to such offerings.

As of March 31, 2018, one of the Company's subsidiaries had unfunded contingent commitments of $4.9 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 April 16, 2018, May 5, 2018 and May 7, 2018, respectively, and were not funded.

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 performance fees 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 credit, private equity 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:

- 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.
- 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.

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 certain credit funds and our private equity 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 credit, private equity 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. Advisory and transaction fees will be impacted by changes in market risk factors to the extent that they limit our opportunities to engage in credit, private equity 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 Performance Fees—We earn performance fees from our funds as a result of such funds achieving specified performance criteria. Our performance fees 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' performance fees distributions are subject to contingent repayment.

As a result, the impact of changes in market risk factors on performance fees 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 March 31, 2018, 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 2017 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 March 31, 2018.

The risks described in our 2017 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 February 5, 2018, February 7, 2018 and March 20, 2018, we issued 341,214, 1,970,611 and 861 Class A shares, respectively, 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 Omnibus Equity Incentive Plan (the "2007 Equity Plan") for an aggregate purchase price of $11.8 million, $66.2 million and $28.9 thousand, 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 March 31, 2018.

Period	Number of Class A Shares Purchased[1]	Average Price Paid per Share	Class A Shares Purchased as Part of Publicly Announced Plans or Programs[2]	Approximate Dollar Value of Class A Shares that May be Purchased Under the Plan or Programs
January 1, 2018 through January 31, 2018	—	$ ——		$130,216,401
February 1, 2018 through February 28, 2018	1,200,000	34.02	777,310	103,772,315
March 1, 2018 through March 31, 2018	—	—	—	103,772,315
Total	1,200,000		777,310	

(1) During the fiscal quarter ended March 31, 2018, we repurchased 422,690 Class A shares at an average price paid per share of $34.02 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 and the prior quarter. See note 12 for further information on Class A Shares.

(2) 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

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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 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. The Company intends to continue the net share settlement program in excess of the $100 million pursuant to the repurchase program announced in February 2016.

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	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)).
3.2	Third Amended and Restated Limited Liability Company Agreement of Apollo Global Management, LLC dated March 19, 2018 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on March 19, 2018 (File No. 001-35107)).
4.1	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)).
4.2	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)).
4.3	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)).
4.4	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).
4.5	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)).
4.6	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)).
4.7	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)).
4.8	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)).

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
4.10	Sixth Supplemental Indenture dated as of March 15, 2018, 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 March 15, 2018 (File No. 001-35107)).
4.11	Form of 6.375% Series B 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 19, 2018 (File No. 001-35107)).
10.1	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)).
10.2	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)).
10.3	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)).
10.4	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)).
10.5	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)).
+10.6	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)).
10.7	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)).
10.8	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)).
10.9	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)).

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Exhibit Number	Exhibit Description
10.10	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. (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)).
10.12	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)).
10.13	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)).
10.14	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)).
10.15	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)).
10.16	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)).
10.17	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)).
10.18	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)).
10.19	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)).
10.20	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)).
10.21	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)).

10.22	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)).

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Exhibit Number	Exhibit Description
10.23	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. 333-150141)).
10.24	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)).
10.25	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)).
10.26	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)).
10.27	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)).
+10.28	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)).
+10.29	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)).
+10.30	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)).

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Exhibit Number	Exhibit Description
+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)).
+10.33	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)).
+10.34	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)).
+10.35	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)).
10.36	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)).
+10.37	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)).
+10.38	Employment Agreement with John Suydam, dated July 19, 2017 (incorporated by reference to Exhibit 10.38 to the Registrant's Form 10-Q for the period ended September 30, 2017 (File No. 001-35107))
10.39	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)).
+10.40	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)).
+10.41	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)).
+10.42	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)).

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Exhibit Number	Exhibit Description
+10.43	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)).
+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)).
+10.45	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)).
+10.46	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)).
+10.47	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)).
+10.48	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)).
10.49	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)).
10.50	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)).
10.51	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)).

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Exhibit Number	Exhibit Description
10.52	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 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)).
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)).

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Exhibit Number	Exhibit Description
+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))
+10.64	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 (incorporated by reference to Exhibit 10.63 to the Registrant's Form 10-Q for the period ended June 30, 2017 (File No. 001-35107)).
+10.65	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 (incorporated by reference to Exhibit 10.64 to the Registrant's Form 10-Q for the period ended June 30, 2017 (File No. 001-35107)).
*31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
*31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
*32.1	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).
*32.2	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).
*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

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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: May 8, 2018 By: /s/ Martin Kelly
Name: Martin Kelly
Title: Chief Financial Officer
(principal financial officer and
authorized signatory)