

06-May-2026

Apollo Global Management, Inc. (APO)

Q1 2026 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, and welcome to Apollo Global Management's First Quarter 2026 Earnings Conference Call. During today's discussion, all callers will be placed in listen-only mode and following management's prepared remarks, the conference call will be opened for questions. [Operator Instructions] This conference is being recorded.

This call may contain forward-looking statements and projections which do not guarantee future events or performance. Please refer to Apollo's most recent SEC filings for risk factors related to these statements. Apollo will be discussing certain non-GAAP measures on this call, which management believes are relevant in assessing the financial performance of the business. These non-GAAP measures are reconciled to GAAP figures in Apollo's earnings presentation, which is available on the company's website. Also note that nothing on this call constitutes an offer to sell or a solicitation of an offer to purchase an interest in any Apollo fund.

I would now like to turn the call over to Noah Gunn, Global Head of Investor Relations.

Noah R. Gunn

Partner & Global Head-Investor Relations, Apollo Global Management, Inc.

Great. Thanks, operator. And welcome again, everyone, to our call this morning. Joining me to discuss our results and the momentum we're seeing across the business are Marc Rowan, CEO; Jim Zelter, President; and Martin Kelly, CFO.

Earlier this morning, we published our earnings release and financial supplement on the Investor Relations portion of our website. As you can see, our first quarter results set a strong tone for the year. We generated record fee related earnings of \$728 million or \$1.17 per share, spread-related earnings of \$719 million or \$1.15 per share, and total earnings or adjusted net income of \$1.2 billion or \$1.94 per share. We also declared a common dividend at our new higher rate, annualizing to \$2.25 per share and reflecting a 10% growth rate year-on-year.

Lastly, I would flag that we published several presentations on Athene's website last Friday that provide in-depth, insightful information about the asset portfolio. This effort highlights our continued commitment to lead with transparency and be responsive to market feedback.

And with that, I'll turn the call over to Marc.

Marc Jeffrey Rowan

Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.

Thanks, Noah. Let me start where Noah ended. Strong results set a strong tone for a strong year. FRE of \$728 million was up 30% year-over-year and 6% quarter-over-quarter. ACS fees \$246 million for the quarter, it's the fourth straight quarter over \$200 million. And just to spend a second there, ACS fees being strong means origination has been strong, not just in the quantity of origination, but in the quality of origination. No one pays a fee for a normal course CLO, which many people count as origination.

Origination for us comes from our syndication activities, which is also how we expand our client base and many of our syndication partners turn into management fee over time, once they see repeatable transactions. We continue

to build businesses on this basis and use ACS fees and origination as a diagnostic of just how strong the business is.

SRE of \$719 million at our long-term alts return of 11% would have been \$907 million. On that basis, 2% quarter-over-quarter, 6% year-over-year, strong organic growth and in line core spreads. The alts portfolio low for the quarter, but doing exactly what it is supposed to do. The quarter S&P was off 17%, the Russell was off 16%. Levered equity, private equity, which is the strategy that most of our industry uses in their alts portfolio, would have been worse down north of 20%, we were up 6% for the quarter.

While this is not in line with our long-term expectations, this is not a miss. This is entirely how we invest. AAA, which continues to constitute the vast majority of Athene's alts portfolio, is now the largest fund at Apollo, north of \$27.5 billion, 12% net returns since inception. We are, in short, exactly where we want to be.

We're seeing momentum across the business. Origination for the quarter was of particularly high quality, \$71 billion. Based on the pipeline we see, I expect origination in Q2 to be even stronger. Recall that our record quarter for origination ever has been \$97 billion. Whether we get all the way there or not will depend on how hard the team works but I think we have a shot doing something very close to that.

Origination is not just about numbers, it's about spread. Here, origination for the quarter was 350 basis points over treasuries, with an average rating of BBB, and I'm sure Jim will spend more time on that in his remarks.

Capital formation also really strong, \$115 billion for the quarter, of which \$50 billion was organic and \$65 billion was the closing of the Pension Investment Corp [Pension Insurance Corporation] transaction for Athora. To break down, the organic asset management was \$30 billion, Athene \$20 billion. Based on what we're seeing for the first quarter and what we see in the pipeline for the year, we're reaffirming our 26% outlook of 20% FRE growth and 10% SRE growth, and the business trends continued to be highly favorable.

The business, of course, is dependent on the macro environment and the macro environment, notwithstanding the noise of what's happening geopolitically continues to be consistent with how we view the business over the past few years. Jim and I, each of us, have now worked more than 40 years, and for the vast, vast majority of that time, we have seen and managed our business and managed our investments with the notion that 95% of the outcomes will occur on the playing field and not outside the sidelines.

And sometimes we like what's on the playing field, and sometimes we don't in terms of rates and economic cycle. But we know how to navigate that. And we never spent much time thinking about the small chance of out of box results. Because if I go through at least my career 1987, 1990, 1997, 2000, 2001, 2008 and COVID, almost every out of the box event was unpredictable, uncorrelated and not something you could have spent your time preparing for.

We have a little bit different situation today where, I don't know, 65/35, 70/30, we just have a much greater chance, in our opinion, of out of sideline results. Everything we see in front of us is actually quite strong. Everyone has a job. Employment stats are good. CapEx cycle is awesome. Government policy, incredibly accommodative. Capital markets, wide open. Why do we think that we have a greater than average chance of out of the box results? Well, geopolitical reset is taking place around the globe and I'm not just talking about what's happening with Iran. It's a total geopolitical reset. Again, maybe much needed, but nonetheless has the potential to cause out of the line results.

Second, almost everything we're doing, whether intentional or not, has the potential to be inflationary, at least in the short-term. Restricting the supply of goods, restricting the supply of labor, and the free movement of goods and labor, maybe for good and valid reasons that need to be done, are all inflationary in the short-term, even if we are not seeing signs of it.

Third, we are seeing the most comprehensive tech cycle we have ever seen, or certainly I've ever seen in my career. This will be very, very far reaching. Almost every job will be enhanced or replaced. We're going to see, in our opinion, a complete flip of blue collar ascendancy and white collar stress. The political and other consequences of that, I just think are unknown.

And finally, consumers and businesses are actually in great shape. Governments, not so much and this is not just the US. What is the natural reaction to this higher percentage of out-of-the-box results? Well, for us it's to be defensive and continue to be defensive. That doesn't mean we're not investing, but it means we're investing with an eye toward protecting our capital and making sure that we are here to ride through cycles if there are corrections, which we quite frankly expect.

That leaves us positioned well and ready to play offense. How does that play out in practice? Well, look at our equity business. In our equity business, whether it is the private equity business or the hybrid equity business, zero exposure to software. Hybrid value results for the last 12 months plus 16%, private equity results fund 10%, 20% net IRR, 0.4 DPI versus zero for the industry. In equity, again, that's how this defensive posture plays out.

In credit, almost everything we've done recently is up market, moving more toward investment grade, moving more towards structure, moving more toward protection. Recall that better than 80% of what we originated last year was investment grade. If you look across the entirety of our credit business, sub 2% software exposure, all buckets of credit up 8% to 11% LTM, credit AUM is now vast majority investment grade.

Let me flip now to discuss private credit. The market, actually the press, remains fixated on a \$2 trillion slice of this market, which properly should be called levered lending. Most of the financial press treats this as if it is the entire story of what's happening in private markets and it is far from it. The investment grade private credit market, which is being driven by the global industrial renaissance, is a \$38 trillion market. Therefore, the total opportunity in private credit is some \$40 trillion.

The obsession with this very narrow corner of the market, this \$2 trillion slice levered lending, is, frankly, a failure of imagination. Credit, in any economy, only comes from one of two places. It comes from the banking system or the investment marketplace. There is no third choice. If levered lending is risky, do we want it as a policy matter inside the banking system, or do we want it in the investment marketplace? I think, the market has spoken. I think, regulators have spoken.

Does that mean that risk has been transferred to investors? I don't think so. What has happened in our marketplace and the growth of levered lending, particularly exposure to BDCs, is a rational move by investors who are looking to de-risk. Why do I say de-risk? Because most of the fund's investors have invested in levered lending, have come from the sale of their equity portfolio. Investors rationally have decided that they can earn equity-like returns from first lien risk, rather than by holding equity for a portion of their more speculative exposures.

This is not, people who have taken their treasury portfolio or their investment grade portfolio and gone into levered lending. This is people who have sold their equities to go into levered lending. The notion that a loan is somehow riskier because it wasn't originated by a bank is not a coherent argument. Private credit is just credit.

You underwrite it well and it performs, if you underwrite it poorly and it doesn't. If you are concentrated in one industry and you are seeking very high returns, and you do things other than first lien, and you do things that are highly PIK and highly structured, with smaller companies, you will suffer losses in pursuit of higher returns. If you run a large cap-only, first lien-only, cash pay-only less levered credit book on a fully diversified basis, you will not suffer losses absent a massive credit cycle, in which case credit everywhere in the economy will be affected.

The origination channel is irrelevant. The jockey, not the horse. All of this is about risk management, and Jim will reinforce this and discuss ADS, our flagship, including recent performance. But the cycle we've been through in the press and the cycle we've been through explaining, actually reinforces something that we've been doing over the past few years, which have not always made us popular in our industry.

Trust and reputation, now more than ever, necessitates greater transparency on fund pricing for fund investors. New buyers particularly want more transparency around private assets. Last year, we launched the notion of estimated daily value as a pilot for our investment grade fixed income suite of products, and we validated our asset pricing methodology.

For our platform, which is the largest private credit platform in the world, by 6/30 our investors will have daily pricing for all corporate investment grade fixed income assets. By 9/30, all investors will have daily pricing for direct lending and asset-backed finance also. That essentially means the totality of our credit business will be 100% daily pricing by 9/30, 100% daily pricing by 9/30.

How does this work in practice and what have we been doing to date? Because technique and process vary across our industry. If I take our direct lending business, our levered lending business, ADS, even in this market, we are focused on transparency and consistency, and we run a rigorous process with discipline. When public markets reprice, private markets should too.

In ADS's case, the rules of the road are as follows. If we hold a position with anyone else, we take the lowest mark always, whether we agree with that mark or not, because that is indicative of where someone might sell the position, and therefore we market to the lowest price. We map the entirety of our ADS book to the broadly syndicated loan index, industry by industry. If any sector of the broadly syndicated loan industry is down more than 2.5%, at a minimum, we reflect 50% of the value but it causes us to reanalyze 100% of our exposure in that.

There are layers of analysis here about fundamentals, cost of capital, public comps and market trade and we mark to current information, not to hope. Whether we agree or not with these marks, just as we sometimes agree or disagree with public marks, we reflect them because private markets need to move when public markets move, to the extent they reflect a broader consensus of spread or risk or other things.

Another place we've seen noise in private markets is the noise around day one markups in secondaries, particularly on some of the calls for some of our peers. Let me address this directly in how we think. From our point of view in an evergreen format, this practice makes no sense. This leads to mispricing on a short-term basis, which was not that important in institutional funds where investors were not coming and going, but turns out to be very important in funds on an evergreen basis, where investors have the opportunity to receive at least a portion of liquidity on a quarter-by-quarter basis. Across the totality of our \$1 trillion platform, secondaries that have been marked up round to zero.

To give you a sense of revenue for 2025 as a result of this markup, for the year 2025 revenue was sub \$3 million. We're not sure if this accounting practice makes sense, although it is what is currently demanded by the

marketplace, and we are part of a group seeking to bring common sense and common sense marking to this practice, because we believe that this reflects reality.

Market making is another part of transparency. The continued convergence of public and private assets ultimately requires more liquidity. We have never seen a market where enhanced liquidity and enhanced transparency does not result in tremendous growth for the asset class. Last year, we started really pushing on market making in private markets. From a cold start, we are now north of \$13 billion of traded assets. This quarter was exceptionally strong, particularly as fund managers now recognize that we are the leading source of liquidity for private market assets, particularly credit assets.

On top of that, our venture with ICE will bring greater transparency and consistency of data to this market. Every private asset in the Apollo portfolio going forward will have an ICE ID, possibly in addition to a CUSIP. This is the beginning of standardization across this marketplace. It also gives us a tremendous amount of information on real-time pricing and helps inform our estimated daily values across our credit portfolio, in particular.

Enough on Asset Management for the moment, let's flip to Retirement Services. It is clear to us that there is significant demand for guaranteed lifetime income and for retirement income in all forms. The global retirement crisis gets clearer day by day, and we believe this is one of the biggest secular opportunities out there.

Against that backdrop, we tap a portion of this market through Athene. 2025, as you know, was a record year with \$82 billion of organic origination. And we expect and plan to do more of that in 2026. In Q1, we did see lots of competition, in our view, irrational competition of people putting business on the books at ridiculously low spreads. We did the business we wanted to do and not anymore.

Fortunately, we had a very strong and rich origination pipeline, which allowed us to continue to preserve spread against this competitive backdrop. Cash now in the Athene ecosystem is circa \$40 billion, along with our treasury and our agency portfolio. This gives us a significant amount of dry powder, along with a robust origination pipeline tells me that we are on a better trajectory.

Lots of noise around the industry, particularly with the words private credit. This is not about PE-backed insurers, it's about insurers. For us, no Cayman, no collateral loans, no games, just straightforward business. What we are doing is totally transparent, no guesswork is required. As Noah mentioned, we put out three decks consistent with our policy of providing the greatest degree of transparency in our industry. If you find that we have not met that standard, please give Noah a ring. I don't know of any other insurer or any other financial institution that puts out the kind of data that we do, whether it is liability data or granular data on our asset portfolio.

We have the luxury of doing this because we are not concerned about transparency. We have amassed the second largest capital base in our industry, some \$35 billion, and we are committed to pursuing our AA rating.

Why are we focused on rating? Well, because not everyone in our industry is doing what they should do. Not everyone runs their business the way we have run our business. We do worry about contagion. And again, this is not about PE-backed insurers, this is about insurers. Some of the more egregious practices we have seen across our industry do not come from some of the new players. They come from incumbents.

What we can do is be transparent, be committed to higher ratings, build our capital base and run the business for the long-term like principals, because we are. Anyone out there peddling false narratives about Athene, you now have all the information that you need. Athene has a fortress balance sheet with 95% fixed income of which 90%

is investment grade. Our exposure to levered lending, which people sometimes call private credit, is de minimis, rounds closer to zero than to 1% came in at 0.4%. Our exposure to software, 0.1%.

Less asset impairment than our peer group, full transparency on related party affiliate and Apollo originated assets. We celebrate Apollo originated assets because that means we are controlling the risk and controlling the spread. Full transparency on top holdings with case studies, full transparency on credit quality and ratings. Interesting statistics in the materials that we've done on ratings, people can now draw conclusions as to whether any of the rating agencies are more or less lenient. I challenge you to come to a conclusion that any one rating agency is better or worse with respect to credit quality than another rating agency.

Public ratings and private ratings, these are the same analysts at the same firms in the same team rating in many instances, the same company. There is no difference that we have seen between public and private ratings, other than whether they are publicly available and most times they are not publicly available it is at the request of the issuer. In every instance we can, we're in the process of going back and getting a second rating for places that we only have one rating that are private and continue to think this is best practice for the industry and challenge anyone, find what we have yet to disclose or anyone in the industry who is doing better than we are doing with respect to disclosure.

The same risk off defensive mentality that we talked about in our asset management business applies to our retirement services business. One of the ways we earned excess spread over a really long period of time were the investment grade tranches of CLOs going back 17 plus years. Investment grade tranches of CLOs have outperformed investment grade corporate bonds with respect to defaults and recoveries for the last 26 years. That is not a widely understood fact, but it is in fact a fact. They have also offered excess return because of a perception that somehow structured products are more risky.

We had at one point on Athene's balance sheet north of \$40 billion of investment grade tranches of CLOs, some 11% of Athene balance sheet, by the way, 99.8% investment grade. What we saw the market began to see, and over time, the spread available on CLOs vis-à-vis corporate bonds became challenged and declined. We have, as a result, run off our book and CLO exposure is now down below 8%, and we expect it to be even lower in the coming quarters, recall that this book has an average life of less than three years in current market environment, and we expect the vast majority of this book to repay simply in the normal course.

Enter AMAPS. We are in the business of innovation and continuing to originate. AMAPS, Apollo Multi-Asset Prime Securities, essentially takes the benefit of CLO and adds greater number of issuers, less leverage, better structure for investors with a thick single A tranche, versus a skinny single A tranche and 40% to 50% investment grade assets.

We believe, again, this is risk reduction. Oh, by the way, greater spread than the A tranche of a CLO. The way we view this is we are taking the 0 to 75 risk, which is equivalent in a CLO to AAA and AA and getting paid more than single A pricing for a more diverse, more highly rated structure simply because it is new. Athene now has \$11 billion of investment grade exposure, or 3% of the portfolio, essentially making up the decline of our CLOs. We would expect this to double over the coming months as our CLO exposure comes down. You can see in real time us de-risking the portfolio while preserving spread, and we are also seeing increased demand for this product across the marketplace as other insurers and other investment grade accounts begin to appreciate a new structure. But new structures always take time, and we will garner the lion's share of this asset for the foreseeable future.

Innovation is not just about assets. Innovation at Athene is about liabilities. Recall that new markets, which was a very small contributor to volume in 2025, less than \$1 billion. We expect to be north of \$5 billion this year and ultimately to make up as much as half of Athene's new business. In Q1, it exceeded \$1 billion for the first time in terms of liability generation from new markets and momentum is building, and we expect this to go up over time.

Retirement is not just an issue in the US, retirement and retirement income, and the need for it is as much an issue in Europe. Athora this month closed the Pension Investment Corp. transaction. Pension Investment Corp. doubles Athora's assets to \$125 billion and also presents us another market of organic growth in addition to the Dutch market.

In connection with this purchase, another €3.5 billion of rate of equity was raised for PIC. Total common equity inside Athora today is in excess of €9 billion. And just like Athene, focused our energy around originating investment grade product denominated in dollars appropriate for a US regulated balance sheet. PIC, in addition to the other assets within Athora – other franchises within Athora now requires us to expand our efforts to generate pound denominated assets that are appropriate for UK regulated balance sheets.

Let me now bring it home. We've been leading our industry into the future. Not everyone is doing what we're doing. Most of our industry started life as private equity firms. They then branched out into real estate and infrastructure and even private credit, but still in the structure of private credit firm – of private equity firms inside of funds, in relatively slow moving businesses, where money was raised by investors in fund format and now evergreen fund format.

We are revolutionizing how and where capital, wealth building and retirement solutions are delivered. As we scale, which is a difficult thing, it is crucial to define and maintain what makes Apollo Apollo. Some of the most important work Jim and I and the team have done is now on our website, under our employment pages. It's now been downloaded either on LinkedIn or from our website nearly 100,000 times, defining what makes Apollo Apollo. This is our way of explaining to new hires and to new partners who have joined us, not just what the business norms are here, but what the cultural norms.

As the world changes and as we are all confronted with new technologies and new ways of doing business, it is, in our opinion, the strongest cultures that are going to survive and adapt. We now have everything we need in front of us to achieve our 2029 targets. To keep our edge and continue winning, we need to be uncompromising about who we are. We now focus our energies on building what comes after 2029, and we are purpose built for exactly this kind of environment and we are leaning in. And with that, I'll turn the call over to Jim.

James Charles Zelter

President & Director, Apollo Global Management, Inc.

Thanks, Marc. Let me take a step back and start with the big picture. Apollo sits at a unique intersection, what I like to call the intersection of first and main. On one side, we're fueling the historic capital needs of the global industrial renaissance such as AI, energy transition, defense and holistic infrastructure. On the other, we're providing retirees around the globe with retirement income solutions they need to fund the next chapter of their lives. And Apollo sits at this intersection, delivering capital to where it's needed and generating returns for people who depend on them. Our scale and expertise on both sides of this intersection is unparalleled, making our model more relevant than ever.

We find ourselves in the middle of more conversations with CEOs, CFOs and CIOs, than in any point in our history. Through close collaboration with our partners internally, we are pushing scale and transparency, driving innovation and reimagining how our industry delivers value. Our 35-plus-year franchise is built on trust and

reputation, and that, combined with our capital and our creativity, is our moat. It's what allows us to deliver quality at scale and you can see it in the momentum across origination and capital formation this quarter.

Origination activity totaled \$71 billion, representing 25% growth year-over-year and driving total volume of nearly \$325 billion over the latest 12 months. Our activity in the quarter was \$61 billion of debt, comprised of approximately 75% investment grade, with an average single A rating and 25% sub investment grade, with an average rating of single B.

With respect to spreads in the quarter, our investment grade origination, we generated excess spread of 290 basis points over treasuries, or approximately 210 basis points over comparably rated corporates. On sub-IG origination, we generated excess spread of 470 basis points over treasuries, or approximately 170 over comparably rated high yield corporate indexes. We continue to observe stable spreads consistent with recent quarters and noteworthy in an environment where public market spreads remain near multi-decade tights. Maintaining excess spread and quality at scale is not only made possible by the breadth and selectivity of our embedded proprietary origination ecosystem.

I'd like to mention two recent transactions that demonstrate this scale. First, we provided an \$19 billion bridge commitment in support of Paramount's acquisition of Warner Brothers. This transaction reflects the sheer capital and scale that we've been able to provide in support of large scale M&A and our ability to partner with banks to meet the needs of the marketplace.

Secondly, in February and April, we led two AI-related financings totaling more than \$8 billion to support a client's acquisition and lease of data center infrastructure to a large investment grade counterparty. These types of franchise transactions for next gen AI infrastructure not only highlight our leadership role in providing flexible capital solutions, they showcase our principal versus agent mindset that underpins our patient approach.

While others may have rushed to print their marquee AI in for transaction, we have been methodical on structure, partner selection and underwriting risk. We are at the front – forefront of opening up a new funding market that is financing the picks and shovels going into data centers and doing so with IG counterparty risk and amortizing structures.

Across the five primary hyperscalers, CapEx investment of AI infrastructure is estimated to exceed \$800 billion this year and almost \$1 trillion next year. Against this backdrop of enormous and historic CapEx spend, we have a variety of touchpoints with this ecosystem, including data centers, powers and chips and it's clear for us that private capital has a major role to play in this ecosystem.

High-grade capital solutions has become a critical piece of our origination toolkit. We've led the creation of the structure, and today, more than 150 transactions and \$80 billion in volumes since 2020. And our current pipeline is broader and deeper than the totality of what we've done today.

Intel and AB InBev are two examples that have gone full cycle, from origination to repayment. On Intel, specifically, they came to us with a need. We solved it as principal, and as their financial position evolved, they repaid the financing, netting a \$3 billion gain for us and our clients. This is our model working, and in these types of situations, we are able to provide critical, tailored capital that can be paid off as a client needs grow and evolve in time. In return, we get access to attractive investment grade opportunities that offer excess spread.

Turning to capital formation, as Marc mentioned, we generated \$115 billion of total inflows in the quarter, including \$65 billion from the Athora's acquisition of the PIC. Of the \$50 billion of organic inflows in the quarter,

Asset Management delivered \$30 billion, while Athene added \$20 billion. Of the \$30 billion of inflows in Asset Management during the quarter, approximately 75% went to credit-oriented strategies and 25% to equity-oriented strategies, supported by strong demand across the client types and geography. And as Marc highlighted, we have been active in the marketplace with the creation of the AMAPS structured solution, and the product continued to grow successfully during the quarter, generating \$5 billion of inflows.

Our institutional business had a very strong quarter as well, with hybrid value in particular a highlight closing on a \$1.5 billion in the quarter to reach a final close of \$6.5 billion, exceeding its target. It's worth noting that approximately one-third of those – of that capital came from new investors, a clear sign that demand for hybrid offerings, the sweet spot between debt and equity, is attracting greater interest in client portfolios.

I'll also mention Accord VII also hit a final close of \$1.9 billion, and Athora closed \$3.5 billion of new equity commitments with strong institutional support in the purchase of PIC. Importantly, what we're seeing on the ground right now as that institutional investors are not pulling back. And if anything, the volatile backdrop is drawing interest in institutions actively looking to deploy in a variety of precincts in credit and the level of engagement remains high globally.

Our global wealth business had a solid quarter against a particularly challenging backdrop, with fund raising totaling \$4 billion, only modestly lower quarter-over-quarter. And consistent with industry trends within BDCs, we saw an uptick in redemption requests at ADS, though it's worth noting that 94% of the fund's investors did not submit a redemption request. The fund had net flat flows for the quarter, and performance remained strong, with preliminary April performance indicating up approximately 80 basis points.

Beyond ADS, our diverse suite of semi-liquid and drawdown offerings continue to resonate as inflows remain consistent with recent quarters in aggregate. Looking ahead, the long-term wealth opportunity over a long cycle remains unchanged. What has changed is that we're entering a period where selectivity, underwriting discipline and origination quality are going to matter far more they did during the long, low, volatile period that preceded. Previously, the primary way to differentiate one's product in the channel was dividend yield, and some stretched to achieve this with higher leverage, more PIK and moving down the capital structure and higher diversify – higher exposure rather than diversified exposure. We expect that we will see dispersion across managers and believe investors now see who has been managing portfolios prudently for the long-term risk adjusted returns. We see this as an opportunity for differentiation and share gains for our franchise.

At Athene, inflows in the quarter totaled \$20 billion, driven by activities across retail, flow reinsurance and funding agreements. And as Marc noted, new markets volumes are gaining early momentum, led by stable value and structured settlements. We continue to observe the broader demographic trend, tailwind is real, demand for retirement income solutions is global and growing structurally around the globe, and Athene remains well-positioned to grow.

The strength that we are seeing in our capital formation is being fueled by six diverse sources of demand: one, fixed income replacement; two, the wealth channel; third, third-party insurance; four, traditional asset managers; five, the DC 401(k) where the Department of Labor proposals helps pave the road for private assets in a greater manner; and importantly, the traditional alts buckets with institutions are at historic strength. Though momentum is real, it's diversified and it's accelerating.

Martin will now walk you through the financials.

Martin Kelly

Chief Financial Officer, Apollo Global Management, Inc.

Good morning, everyone. Thanks, Jim. Clearly it's busy around here. I'll try to be brief and touch on the key points.

In Asset Management, AUM and Fee gen AUM grew by 31% and 40% year-over-year, respectively. And as you know, total AUM crossed \$1 trillion. Clearly a significant milestone in the context of trust that our clients continue to place on us as we provide excess return per unit of risk at an even greater scale.

You heard that fee related earnings of \$728 million in the quarter reached a new high of 30% on the year and 6% on the quarter. And within that, we saw 24% year-over-year growth in management fees, driven by third-party fundraising across credit and equity strategies, strong capital deployment and continued growth from Athene.

Capital solutions fees thus reached a new high and were the fourth consecutive quarter above \$200 million, as you heard, with contributions from approximately 90 discrete transactions in the quarter.

Activity this quarter was led by opportunistic credit, with the mix driven approximately 80/20 credit to equity. And that compares with our three-year average of approximately 60/40 across those two segments. While there's directional alignment between the volume and our capital solutions fee mix, the quality and mix of activity matters. And this quarter, we saw strong contributions from hybrid capital solutions as well as structured finance, both high quality origination channels.

Fee-related performance fees grew 19% year-over-year, reflecting continued growth and performance across diversified global wealth products, including bridge and perpetual capital vehicles. This was sequentially lower in the quarter due to the absence of certain crystallizations which benefited Q4.

Lastly, 27% growth in fee-related expenses reflects predominantly the addition of bridge, as well as continued investment to support the firm's strategic growth initiatives. Our FRE margin reached 58% in the quarter, expanding approximately 50 basis points year-over-year, reflecting positive operating leverage on record quarterly fee-related revenue and expense discipline.

In terms of our compensation philosophy, we firmly believe in the benefits of utilizing stock as an alignment tool within the team. In the first quarter, stock-based comp increased, resulting from the vesting for several long tenured employees who are retiring from the firm and the industry, as well as the impact of seasonal annual grants. We manage comp on an after stock-based comp expense basis and expect the annual stock-based comp impact to continue to approximate 10% of fee-related revenues, well below the industry average of 15%.

On the revenue outlook, we expect Athora's PIC acquisitions begin contributing in the second quarter at an annualized rate of approximately 20 basis points initially. We're excited by the opportunity ahead for Athora, given its scale and strong positioning in the UK market.

Our asset management business continues to execute at a high level, and we are reaffirming our 20% plus FRE growth outlook as you heard this morning. Underpinning this view are expected strong inflows and a robust origination pipeline broadening across all parts of our business, both of which will benefit our ACS business. And as an example, we are increasingly providing multiple draw financing solutions which create better line of sight to future ACS revenues beyond the current pipeline.

Moving to Retirement Services briefly, Athene's net investment assets grew 14% year-over-year to \$300 billion, and we generated \$719 million of SRE for the quarter. The alternative investment portfolio return for the quarter was 6%, strong in the context of an exceptionally weak market backdrop.

AAA which is approximately 80% of the portfolio, delivered a positive annualized return in line with this level. The return on our alts portfolio would have been even stronger were it not for Atlas's recognition of an idiosyncratic impairment and Athora's capital raise associated with the PIC acquisition, which resulted in a flatline quarter-over-quarter.

The combination of these two items, which we do not expect to repeat, approximated 3.5 to 4 percentage points of annualized return in the quarter. The blended net spread across Athene's portfolio was 97 basis points versus the 120 basis points in the prior quarter. When considering our 11% return expectation on the alternatives portfolio, the net spread in the first quarter would have been 25 basis points higher. Adjusting for this, the net spread is in line with the 120 basis point to 125 basis point outlook that we provided for the year.

We continue to originate new organic business consistent with our long-term ROE targets and in line with historical averages. As we progress through the year, we continue to expect net spread stabilization as headwinds from asset prepayments continued to dissipate and the roll-off of profitable post-COVID businesses also dissipates, all in line with our update last November.

As we execute on our 2026 plan, we do so with tangible momentum across our retirement services business and we are reaffirming our previously communicated guide of 10% SRE growth, assuming an 11% alts return.

With that, I'll hand the call back to the operator. We appreciate your time and we welcome your questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. The floor is now open for questions. [Operator Instructions] Our first question today is coming from Alex Blostein of Goldman Sachs. Please go ahead.

Alexander Blostein

Analyst, Goldman Sachs

Q

Hey, good morning, everybody. Thank you for the question. I was hoping we could start with maybe some expanded comments on the durability of the origination volumes and the transaction fees you guys are seeing. So, obviously, a record quarter in what's been a volatile and tough backdrop for the market broadly. So, maybe talk a little about how your sourcing is evolving between different origination platforms? How is the syndicate composition changing as well? And I know you mentioned that the second quarter is likely to be strong as well, so maybe you could expand on that a bit as well? Thanks.

James Charles Zelter

President & Director, Apollo Global Management, Inc.

A

Yeah, Alex. I think, when you take a step back, I think, the growth and the momentum you're going to see is going to be in a variety of originations directly happening from the Apollo ecosystem rather than the platforms per se. Even this week, when you saw the numbers on the hyperscalers, I mentioned \$800 billion and you go through the numbers in the source and uses and it's been well-documented. A third is going to come from cash flow with the

companies, a third from the IG market, and there's a large gap of funding. That's the private credit IG market that we are primarily focused on.

And so, you know, we were not a name of a financing source a decade ago. The last five years, you know, hundreds of dialogues with these companies where this is not a recent phenomena. So, the brand is really focusing on that, that infrastructure across the board. And I think the comments that Marc made and I made, it really is going to be in this, the picks and shovels of a variety of the CapEx of the AI infrastructure. It's not just going to be on the data center per se, but also in defense as well as broader infrastructure.

So, you know, the lessons and the history of what we did with Intel and AB InBev, the ability for those companies to actually redeem that when they got into a different situation. It's really happening on the Apollo side, but it's also happening in partnership with banks. The activities we do, even though Paramount per se is not the type of transaction that we are involved with day in and day out, that puts us in a unique spot of being able to be a holistic solution provider in scale that really is unmatched today.

Marc Jeffrey Rowan

Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.

A

Yeah, I would just add, this is not just an AI story. This is a global industrial renaissance story. This is infrastructure. This is energy. This is energy transmission. This is energy transition. This is advanced manufacturing. This is defense, and it's AI and data. And it's not just a US story, this is a European story. The US clearly is out front.

The recent week a number of us spent in Silicon Valley was informative. Here we have the most prominent growth ecosystem anywhere in the planet, and they have never been capital intensive before. We are going to see the growth ecosystem dominate debt issuance over the next five years. Today, the 10 largest issuers of IG are mostly financial institutions. Going forward, probably be the five largest banks on the five largest growth companies.

Europe is going to be on a percentage basis in our opinion, the strongest investment grade private market in the world. Europe needs to do everything that the US is doing. Its banking system, its capital markets are just not as developed. And while there's historically been hostility toward private capital and private solutions, we find ourselves in dialogue with quasi governmental entities, who are addressing fundamentals. How do we restart the Hinkley nuclear plant? How do we provide for a massive upgrade for our grid? How do we provide inventory for our defense, munitions and other things on a one year annual budget cycle, when we know these core munitions are going to be needed over decades?

These are the questions we are helping answer. But keep in perspective we are, at the end of the day, a relatively small player in the credit markets. The totality of assets under management just crossed \$1 trillion, of which \$800 billion is credit and about \$600 billion-ish is investment grade. This is not even relevant in the scale of this marketplace. And when you talk at some of our public markets peers who are \$14 trillion and more, we have a long way to go here and we are mindful that our job is not to be the biggest. Our job is to grow profitably and to make sure we maintain underwriting discipline and spread.

Operator: Thank you. Our next question is coming from Steven Chubak of Wolfe Research. Please go ahead.

Steven Chubak

Analyst, Wolfe Research LLC

Q

Hi. Good morning, and thanks for taking my question. So, I wanted to ask on the private credit marketplace, given one of the bigger concerns on private credit relates to opacity of the asset class. I was hoping you could speak to how the launch of daily pricing later this year might change the perceived riskiness of private credit? Your approach to validating the pricing as really like the sole market maker in terms of the breadth of assets you're hoping to price? And how you might frame the revenue opportunity from this business as it continues to scale?

James Charles Zelter

President & Director, Apollo Global Management, Inc.

A

So let me start, I'm sure Marc will add a few comments, but I think there's a thread here. You know, I think, Marc's comments about the private credit conversation being in a narrow corner, we just see it as a lack of imagination, and it ties back to the prior question. The big growth in private credit is going to be in the IG universe. And interestingly, those investors are used to a bit more liquidity and certainly a lot more transparency. This is going to be driven by the investor universe.

And we are, whether it's our short duration vehicles, all of our fixed income asset classes that we've created a product suite for them to be able to allow private credit to be a major part. This is going to be standard operating procedure. And we've said consistently the thread is the benefit of the larger spread is on your origination, not the fact that it is private and where it will be private for a while. Private does not also mean, it means it's market power forever.

And so, the infrastructure that we've created and the thread of the conversation being much more global, much more investment grade, that's the critical aspect. And again, I think you're seeing it tie through, there's a reason why origination ACS capital formation. Marc's original comment. ACS has allowed us to take our 3,000 LPs and turn it into thousands upon thousands of conversations. That's the open architecture at work, that's how we're reinventing the business model. And certainly that's what gives us the enthusiasm and excitement in terms of how the business all works in concert.

Marc Jeffrey Rowan

Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.

A

So, I'll give you a little more, and it's going to require a little bit of – we fundamentally changed our financial system. And particularly the large banks, investment banks were encouraged to de-emphasize market making. In our equity markets, we had four firms step forward, led by Jane Street and Citadel, who now provide liquidity. The New York Stock Exchange, the London Stock Exchange are buildings. They are not sources of liquidity and we have real liquidity in our equity markets.

In our fixed income markets, no one stepped forward to provide liquidity. Fixed income trading capital in the world is now 10% of what it was in 2008, and the market is three times its size. The entirety of the market, whether you are investment grade or below investment grade, is just not that liquid. It just appears liquid on good days. We have already seen wholesale breakdowns in the liquidity of this marketplace during COVID and during UK LDI, and I expect that we will see this again.

When you look at the quote of a piece of public fixed income, be it a bond or a loan, are you actually seeing liquidity or are you seeing dealer estimates? You're seeing a dealer estimate, the vast, vast majority of issues do not trade, have not traded, and are quoted one-by-one or five-by-five. They're not quoted on a liquid basis but yet we sleep at night.

This has never happened before in the private markets, because private was not tradable and was not indicated. And so a year ago, more than a year ago now, in connection with the support of State Street's product, that mixed

for the first time, public and private investment grade, we began market making. And we didn't just begin market making by holding on to the information, we created a data warehouse. We made that data available to all other dealers.

We are not the only market maker. And what is going to happen is the same thing that happened in the levered lending market, the broadly syndicated market. We've gotten the market going, but ICE IDs, data repositories, standardized data, and ultimately jealousy are going to cause market making competition. No one wants to see Apollo earning widespread. You have already seen in other markets, other dealers come in. Anywhere we can get other dealers to come in, we will. I don't know exactly where we'll end up this year in terms of market making, but every quarter-on-quarter, it just gets bigger.

And we're starting to see third parties, other competitors make markets as well. Some in our industry are resisting this transparency, I just don't think that makes sense. And I think the recent press around marks is just driving us to the solution and I expect regulatory interests to follow, which will also drive toward this solution. We use the same methodology that many public companies, many public asset managers, use with respect to setting prices on a daily basis. We observe trades, we observe comparables, we observe trades in other issuers of the same issue that are public. We look at general market trends and we will produce a price. And that is the same price in many instances that you see for public securities and every day it gets better. That does not mean perfect, but our job is to try and make it better every single day, and we win, in our opinion, if we have more transparency and more liquidity.

Operator: Thank you. The next question is coming from Bill Katz of TD Cowen. Please go ahead.

William Katz

Analyst, TD Cowen

Q

Okay. Thank you very much. Marc, you mentioned in your prepared comments that you have everything you need to sort of meet your 2029 goals, which is great to hear. I guess the question is, and you also mention that you're sort of thinking now through the next decade. As you think about your footprint today, obviously, you had a lot of buyback this quarter against some of the elevated issuance. How are you prioritizing capital return from here? Should we assume you have enough organic growth to get there or do you need to now be a bit more acquisitive, or could you start to return more capital to investors as you continue to scale the business? Thank you.

Marc Jeffrey Rowan

Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.

A

Okay. So, we have a five-year plan and that five-year plan is the one we laid out at Investor Day. And when I referenced the 2029, I'm talking about that five-year plan, which in round numbers gets us to \$5 billion plus asset management and a \$5 billion retirement services business. The question Jim and I are asking ourselves is what comes next? Is it more of the same or is it something that is additive to that?

I do not believe that we need to do anything from an acquisition point of view to meet our 2029 goals. Anything we choose to do will be accretive to the strategy and to the growth long-term, because buying more of the same just doesn't do anything for us. It actually creates noise and it makes integration harder at a point in time when we are going through this massive productivity change.

And this is the backdrop that we're thinking. We have, everyone in our firm can actually envision how the addition of technology is going to make their current job easier, faster, better, stronger, less expensive. Most people can

also envision how software and data going to free will allow them to evolve their current business into something that is more productive for serving their clients.

Very few people can imagine that the cost of now building challenger businesses, particularly in areas where we have core strengths, has gone to zero. The bar for buying something is just really high, because the embedded value of existing franchises, unless they are truly unique and have, you know, unbelievable staying power, just doesn't add all that much to us. So, we are mindful of our cost of capital and where our stock trades. We, as you know, have a dividend policy where we go up half of the FRE growth of the business, which we've done over the past five years.

And when the market is in a risk-off mode, given that our business has not really cycled, we have been aggressive buyers of our stock and we continue to think about it in that trade-off. If something is truly catalytic to a strategy and can be another \$5 billion business for us, yeah, we'll entertain that. But to do more, to integrate, to buy more asset management, I just don't think we have any jealousy, any regret, you know, we watch what's being purchased around our industry and we kind of shrug our shoulders and just say, like, did we miss it? And we haven't, I don't think we've missed anything yet. And the bar is really high for spending capital other than on stock.

Operator: Thank you. The next question is coming from Glenn Schorr of Evercore ISI. Please go ahead.

Glenn Schorr

Analyst, Evercore ISI

Q

Thanks very much. I'm fascinated with the daily pricing thing, so I have a couple of very quick follow ups. One, does – how do you think that translates to anything in private equity and hybrid lands, can it get there to do? Two, how does it inform how you build your secondaries business. And then three, the biggie is what does that mean for the illiquidity premium, your ability to produce alpha and ultimately charge fees for how this industry was built? Thanks, Marc.

James Charles Zelter

President & Director, Apollo Global Management, Inc.

A

Well, let me start again. Again, I want to make sure we frame this what we're telling here. Whenever we talk about the journey of transparency in daily pricing, it starts with the investment grade private credit universe, the \$38 trillion. Somehow the headlines and the dialogue always then goes to the \$1.7 trillion. We'll get to the \$1.7 trillion, but I want to really focus on the \$38 trillion first.

And that's where if you go back to what Marc mentioned, go back to the bank loan, Marc, in the early 90s, many banks did not want the agent to provide that transparency. Evolution took over, education took over, more investors came in. So, I do think, Bill, I think that again, it ties back to this origination. The premium that you are able to extract is upon the origination, because you're providing a holistic solution to an issuer in addition to what they can do day in and day out with a public IG issuance.

You're going to see cap tables of very large, established companies having public IG debt in the cap table, along with a private originated IG transaction or tranche. It may be an asset, it may be a geography, it may be a subsidiary, that's what Intel and AB InBev, those companies had public and private origination and debt in their capital structure on the cap table.

So, we're going to start there, as Marc mentioned, we will evolve into the non-investment grade direct lending, leverage lending universe. But that's the prioritization in our view. But again I go back, the premium that you're going to create is from the holistic solution you come as the provider of the capital in one fell swoop. Because most have to realize most origination occurs in the leveraged loan market between high yield and leveraged lending in IG is not on an underwritten basis, that's on an agent basis.

When we can act as principal, that's where it allows us to create that spread opportunity.

Marc Jeffrey Rowan

Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.

A

So, I'm going to hit it on its head, maybe a little more. When we originate something in the private market, today investors demand 150 basis points to 200 basis points. But we end up with a management fee and we end up sometimes where we don't manage the assets with an ACS fee. The more liquidity and the more transparency, why will the premium always be 150 basis points to 200 basis points that investors demand? The originator should get to control more of the profit if in fact we are originating good risk. We do not view the "illiquidity premium" as the basis on which you get paid. It is what is currently demanded by investors for holding it. And yes, for the broader market that does not control origination, I expect that there will be a narrowing of spread.

And therefore, we have been consistent for the past five years measuring our industry on AUM is imprecise at best and foolhardy at worst. We measure our capacity to generate investments that are worth doing, because that is ultimately what has value. The ability to get the entire firm focused on origination is how we run the business on a day-to-day basis. AUM is what follows as a result of having lots of good origination.

Unlike a public asset manager that can buy everything that exists and can take any amount of money at any point in time, and therefore AUM is a productive measure, AUM here and the chasing of AUM can be very degrading to a franchise if it exceeds your capacity to originate. And just to complete the thought, because I want to. Jim's right, we are at 6/30, 100% of our investment grade corporate franchise, 9/30 the entirety of our credit franchise. I doubt in 2026, we're going to make progress around hybrid or private equity other than with respect to the techniques of valuation.

In the secondaries market, I believe the days of buying something at 70% and writing it up to par and nearing an end. Ultimately, good investors should be able to make money in the secondaries market by superior underwriting and superior access to information. I'm not sure the day one pop is something that is ordained biblically.

Operator: Thank you. Our next question is coming from Patrick Davitt of Autonomous Research. Please go ahead.

Patrick Davitt

Analyst, Autonomous Research LLP

Q

Hey, good morning, everyone. For PIC, how should we think about the incremental expense on that 20 basis points? And should we assume the 20 basis points trends upward as you reposition the portfolio into higher yielding assets? Thank you.

Martin Kelly

Chief Financial Officer, Apollo Global Management, Inc.

A

I'd say, Patrick, it's one, very small because we have an established ecosystem in Europe, in London today that manages Athora and it's very scalable. And so, I would not expect much if any costs against that revenue pull

through. And then in terms of revenue potential, yes, the 20 bps is a starting point and the balance sheet will require pretty extensive repositioning but that will take a bit of time. And so, we're very focused on that, but you should expect to see incremental management fee growth from here as we reposition that balance sheet. And that's all in accordance with, you know, PRA, you know, regulatory framework, which is quite distinct from the framework that's existed up until now for Athora being a EU balance sheet.

Operator: Thank you. The next question is coming from Mike Brown of UBS. Please go ahead.

Michael C. Brown

Analyst, UBS Securities LLC

Q

Great. Good morning. Thanks for taking my question. I want to ask on SRE. You reiterated the 10% growth for the year, so I just wanted to think through the puts and takes to asset yields and also kind of the higher cost of funds as we move through 2026? Maybe just expand on how we should think about those spread dynamics, can you still be in that 120 basis point to 125 basis point range?

And then you mentioned, Marc, that the trajectory is improving. Can you just unpack that a little more? Maybe just touch on annuities where the growth seems to be a bit tougher near-term? And maybe could we see PRT coming back more in a bigger way in 2026? Thank you.

Martin Kelly

Chief Financial Officer, Apollo Global Management, Inc.

A

Mike, it's Martin. I'll hit the first point. So, and I commented on this a bit in the prepared remarks. We're right in the middle of the range that we indicated last quarter for the year. And as far as the first quarter is concerned, we certainly expect that to be the case for the balance of the year. So, 120 basis points to 125 basis points is the spread range assuming, alts are 11%.

As far as the quarter, we were pretty prescriptive last November in laying out the drivers of the spread progression over time. And if we look at what has happened in the quarter, it's very much in line with that. And so, there's nothing – there's no change to that. We continue to see some prepay headwinds as expected. Prepay as we believe peaked in Q4, there were less in Q1. We expect that to dissipate over time, partly because of the CLO dynamic and the running off of that book.

And then we were – you know, we are defensively positioned. We have between cash and treasuries on hand at the end of the quarter, we had close to \$40 billion. And so that's an opportunistic sort of cost if you like to being, ready to be more offensively positioned partly in view of the market, partly in view of the pipeline of origination that we see in front of us.

Operator: Thank you. Our next question is coming from Ken Worthington of JPMorgan. Please go ahead.

Kenneth B. Worthington

Analyst, JPMorgan Securities LLC

Q

Hi, good morning. Thanks for taking the question. So, we've mentioned the \$40 billion of cash in treasuries at Athene a couple times. So, Athene is very liquid, spreads wind out in March, they've narrowed a bit in April. Is the market environment we're seeing today attractive enough that you'd expect those cash levels to be falling? Or are you really earmarking the excess cash for more opportunistic opportunities and maybe we even see Athene cash levels build as you await those opportunities?

Marc Jeffrey Rowan*Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.*

A

So, it's Marc. I'd say, almost all the spread widening we saw take place, took place in the media and did not take place in the market with the exception of below investment grade software and in IG software to some extent, where we did see spread widening, where we just do not have nor do we want meaningful exposure given the diverse set of outcomes that can happen with respect to credit.

So, I would say in the marketplace, we have not seen the kind of spread widening which it would be interesting for us to go all in. It is our job to create and the pipeline that we see coming together is really, really strong. Starting with the ARI commercial mortgage pipeline, moving into the AMAPS pipeline. As Jim said, or I said earlier, we're \$11 billion at Athene invested in AMAPS right now, we'll be double that by the end of the year and that will in part be making up for sale of run-off, but the part will be growth of the book.

But we are holding cash and we do not account on the market bailing us out. With – this is all about self-help and originating volumes of liabilities consistent with the origination volume that we are able to bring to Athene, again IG and I am very optimistic and confident in the second quarter and optimistic for the balance of the year that we have the kind of pipeline that is necessary to allow us to deliver on the targets that we have set out both in terms of volumes and in terms of spreads.

Operator: Thank you. The next question is coming from Michael Cyprys of Morgan Stanley. Please go ahead.

Michael J. Cyprys*Analyst, Morgan Stanley & Co. LLC*

Q

Good morning. Thanks for taking the question. I wanted to come back, Marc, to your commentary on the technology cycle and your views around it being very far reaching, whether it's around AI, blockchain, tokenization and so forth. I was hoping you could talk about the positioning of Apollo, how you're positioning Apollo to navigate? What challenges and risks do you see ahead? How do you think about insulating the business either through organic or inorganic steps as you look out? And what are some of the most exciting opportunities that you see for Apollo to capture in the midst of these developments?

Marc Jeffrey Rowan*Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.*

A

That sounds like the whole call. Look, this is – we are – there are just so many angles to this, Michael. It starts with the impact on the portfolio, which is and I'll go back to what John Zito and others were saying 18 months ago. Software is the ground zero for issues around AI, that does not mean every software company is at risk. In fact, some may be enhanced, but our view was in the credit market, we are not paid to figure that out. The best you can do in credit is to get back your money and your interest on time in the amount you've been agreed.

And therefore, since there was no benefit to owning binary outcome software loans, good or bad, we sold them. If you just discovered six or eight weeks ago that AI could impact enterprise software, you know, what were you doing for the past two years? We don't know.

And so, it starts with asset selection and obviously it is not just enterprise software, it is other businesses that are vulnerable to services. It informs our underwrite of investment grade and where we choose to extend credit. Jim focused on this notion of picks and shovels. There are those who have made big bets on the future value of compute, 5 and 6 and 10 years from now, and I have no doubt that some of those bets are going to pay off really handsomely and some of those bets are going to be disastrous.

We have appropriate, not done single asset debts, we have spread across with the right structure and the right protections with the right risk reward to kind of create convex up sides while getting some amount of downside protection and some notion of our money back. This informs our underwrite. So, this is the asset side of our business.

Internally, I said on the last call, we are circa 4,000 people in asset management, circa 2,000 people in our retirement services business. I will be surprised if, other than on a short-term basis, we end up as more than that.

Now I think that jobs are going to change, people are going to change. But the ability of our industry, which for the first time is at scale, to not be so dependent on legacy systems that we can take advantage of new systems and new ways of doing things, I think is extraordinary. Some of our industry will do this really aggressively, we will be among them. And some will not because their business is just not demanding enough and it's a pain in the butt to do.

So, I do expect this will give us opportunity to redeploy margin, redeploy people. And whether we choose to take that as additional margin or whether we invest that in growth and the business is a choice we'll make quarter-by-quarter as we think about what is best for the organization over the long-term.

And then, you know, you got to look politically. We are going to go through wholesale change. If you are an Ivy League graduate who is in the liberal arts and certain things, you know, you are 10 years out of school, you're making \$60,000. If you can level a concrete floor, you're making \$250,000. That is the dynamic that we have to be really attentive to because we have no political history of blue collar workers ascendant and white collar workers under pressure. And many of these white collar jobs are going to be resident in blue cities. That's where the knowledge workers are.

And so, we expect some amount of political upheaval, both here and in Europe as this transition takes place and as we see and we are mindful of that in terms of our overall defensive posture. I don't know if you want to.

Martin Kelly

Chief Financial Officer, Apollo Global Management, Inc.

A

I think, that's a – I think, that's a good.

Operator: Thank you. The next question is coming from Brennan Hawken of BMO Capital Markets. Please go ahead.

Brennan Hawken

Analyst, BMO Capital Markets Corp.

Q

Good morning. Thanks for taking my question. You spoke earlier on the spread in retirement services, I'm curious about the flow dynamic. I was a bit surprised that the funding agreement flows were so resilient given the spread dynamics in the quarter. So, curious about how you think about your expectations just from a volume perspective on the funding agreement side?

And then also on the retail side, it's been a little lighter the last few quarters. We hear about the competition. You spoke to the cost side before, but just curious from a volume perspective what your expectations are? Is that the right, is this the right volume level to think about retail as we go forward? Thanks.

Marc Jeffrey Rowan*Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.*

A

So, Brennan, we – a couple questions there. One is on the funding agreement side, we did no public funding agreements in the first quarter given where spreads were. And given where spreads are today, they've come back in meaningfully from the wides, but they're still not at the level. They're probably, you know, 15 basis points to 20 basis points wide of where they need to be depending on the tenor for us to find that attractive.

We were, on the other hand, able to access private funding agreements in a way that compensated for that attractive spreads. So, that's the funding agreement dynamic. The retail annuities is like the – as we've referenced a couple times, the market has been competitive. That has eased somewhat and we had a stronger April. But I would expect sort of that to be a base level plus or minus relative to where we expect the immediate quarters to land. And so, we think while PRT remains a channel which is not open, we're accessing the other channels, but we're balancing spread and we're balancing return on equity. And relative to the cost structure of the firm, which is a competitive advantage, clearly, and the origination capabilities that we have.

Operator: Thank you. The next question is coming from Crispin Love of Piper Sandler. Please go ahead.

Crispin Love*Analyst, Piper Sandler & Co.*

Q

Thank you. I appreciate the question. I know it's the narrow corner of the market, but can you discuss the opportunity in direct lending today as well as some of the risks out there, just cutting through some of the noise and headlines? Are you seeing increased interest from institutions given some dislocations there? And then just on the retail side, how are the conversations with advisors and maybe more importantly, advisors in their end clients on the asset class and then confidence in adding alternatives exposure beyond just direct lending?

Marc Jeffrey Rowan*Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.*

A

Yeah, I would say, yes, this a specific question, you know, the area of pricing for new product in that direct lending market is a SOFR 450 basis points product plus or minus. And, you know, I think many originators, in light of last activity the last couple of months with headlines, were widening out indications to issuers. And the reality is the flow has been pretty light because the strength of the broadly syndicated market and the high yield market. And so that's an alternative financing vehicle and a financing avenue.

So from a product volume side, it's been a little bit lighter. But I would say many, many folks, including ourselves for good quality, direct loans that, we believe have robust business models, there's plenty of access. And it actually may result in industries or names that are not software or AI disruptable to trade actually a little bit of a tighter level. As we mentioned in our broad comments, institutions are looking at it as an opportunity to deploy even in bulk secondary opportunities or new primary mandates.

Your third question is really about the advisor. I think, listen, there's been a tremendous amount of dialogue and insight and the degree of education on portfolio construction is really coming home to light and we are spending a tremendous amount of our time on that. To say when the redemption queues and the redemption volumes, we really won't know for the next four weeks or so or next two weeks internationally and then four weeks domestically.

I mentioned, our preliminary numbers for April are strong, that in the end of the day will rule the day in terms of the asset class performance over time. So, I think, the headlines have dissipated a little bit, as we mentioned, as

well as a few of our peers. The redemption requests have not been wide across the industrial universe. It's been a bit narrow based on a few distribution channels and a few geographies, but it's too early to tell exactly how that works in the next few weeks. But the reality is this is a very robust asset class. For 10 plus years, it returned plus 300 or so versus public safe, high yield and leveraged loans. So, institutional investors have benefited, global wealth investors have benefited from inception to date returns. And this is a period of that we need to get through.

Operator: Thank you. The next question is coming from Wilma Burdis of Raymond James. Please go ahead.

Wilma Burdis

Analyst, Raymond James & Associates, Inc.

Q

Hey, all. Good morning. Could you talk about the opportunity, market opportunity in Japan? We know Apollo is very strong there and there's fewer competitors. And we've definitely seen an uptick in activity with Aflac and Prudential doing some deals. So, can you just talk about what we can expect there going forward and if there's a good amount of volume? Thanks.

James Charles Zelter

President & Director, Apollo Global Management, Inc.

A

We've been very public, broadly speaking, on our constructive approach to what's going on in Japan. We actually took all of our 190 partners there in January for our biannual partners offsite for a strategic review of our business, but did a deep dive in Japan. I'd break it down into three areas. Private equity area, we've been active with four to five carve outs. It really plays into our business model of corporate carve outs in industrialized companies. That's number one.

Number two is the distribution of yield product into their insurance and other retirement products vehicles, which we've continued to add dramatically in that space. Third is working with a lot of banks and helping them augment their excess capital and that's excess reserves in dollar-based assets. And the fourth, as you said, you mentioned about the insurance business. We typically to date have been a reinsurer, but a lot of activity going on to see how we can use our competitive asset management and origination capabilities to compete to a broader degree.

I think, it'd be inappropriate just talking about any one transaction, but we're excited by what we see broadly speaking. And I will add that we brought on a very senior individual to run our Asia business or Asia-Pac business based in Japan, Ueda San, who after a long career at Goldman, ran GPIF as the CIO for five years. So, incredibly well-positioned and it's really a statement of our view on the opportunity set in that country, in that region.

Operator: Thank you. The next question is coming from Bart Dziarski of RBC Capital Markets. Please go ahead.

Bart Dziarski

Analyst, RBC Dominion Securities, Inc.

Q

Great. Thanks for taking my question and good morning, everyone. I wanted to ask around Athene. So, thanks for the enhanced disclosure, I do agree I think it's the best disclosure out there for life insurance. And wanted to ask sort of your view today on the regulatory temperature, if you will. So, the NAIC is looking at CLO capital charges which sound manageable for you guys. And then last week the UK PRA said they're looking into Bermuda-based fund and reinsurance transaction. So, just curious how you guys are thinking about the regulatory environment as it's evolving? Thanks.

Marc Jeffrey Rowan*Chairman, Co-Founder & Chief Executive Officer, Apollo Global Management, Inc.*

A

So, it's going to be, let's see how you'll take this. It's going to be, kind of an interesting dialogue. So, we have been very engaged in regulatory over a long period of time. We benefit from a good, robust set of rules that make sense. And the reason is that we are the largest factor in this industry. And like some of the largest, most dominant banks, we are indirectly responsible for the poor behavior of others.

Every once in a while, when someone does something silly, a bill is delivered to the industry and we are the largest participant in the paying of that bill. And we are tired of writing \$100 million and \$150 million checks for the stupidity of others.

And so, we have been consistent with our regulatory focus, equal capital for equal risk. The CLO project is a project that we have supported and helped on for a long period of time. It is ultimately up to the regulators to do the work that they need to do informed by data to come to the notion of equal capital for equal risk as opposed to an inherent bias for or against structured or for or against corporate securities. So, in that regard, we're happy to see it.

The other thing that's going on is there is an increased focus on offshore jurisdictions. Let's start with the US. The US understands that to the extent massive amounts of money are being moved to the Cayman Islands and the Caymans are not as transparent that the US system is on the hook. Every one of them understands this. There is heightened exposure around Cayman and this is not to say that Cayman itself is a bad place but in the current regime, without the same protections that places like Bermuda or otherwise have done, they are not reciprocal jurisdictions and are under intense scrutiny. And it will not surprise me to see increased amounts of regulatory scrutiny and perhaps increased requests for capital for those people who have made extensive use of Caymans, which, by the way, are not just new entrants. There are lots of established entrants who also have positions in the Caymans.

With respect to the PRA, there is also a focus on offshore funded reinsurance. I believe the rules and or the proposed rules that have come from the PRA are beneficial to people who are actually running a proper business. I expect them to be helpful to what we're trying to do, I also expect the same that come from the Japanese marketplace. In Japan, we have seen, like in many other jurisdictions, companies make use of offshore funded reinsurance in some places with credit counterparties who are not quite where they should be. Just like for the PRA, this is a concern for the Japanese regulator and I would not be surprised to see formal or informal pressure brought around that.

We come back to the competitive dynamic. Very few people have been able to amass the kind of capital base we have. The reason we've been able to do this is because we manage ROE. We write business that makes sense for us as principal and as a result, our investors allow us to retain the capital in the business and to compound that capital over time. Almost every other company in our industry pays out 90% plus of their earnings and does not grow their capital base.

Over time, the ability to guarantee outcomes, we believe, is going to be more and more important. We are not shying away from the guarantee business. We like the guarantee business. We just want to be paid appropriately for what we're doing and continue to manage the business around robust ROEs and we welcome the regulatory intensity.

When we produce the kinds of decks you've seen for Athene, every regulator has them. We ask the question that you would logically ask, why isn't everyone required to do this? And again, there should not be just a focus on

new entrants. This is a problem for the established insurers as well. There are a number of really good companies out there. We do lots of business with them and there are a number of people who are cutting corners and I do not believe are ultimately good players and good participants in the industry in their current form.

Operator: Thank you. This brings us to the end of today's question-and-answer session. I would like to turn the floor back over to Mr. Gunn for closing comments.

Noah R. Gunn

Partner & Global Head-Investor Relations, Apollo Global Management, Inc.

Great. Well, we appreciate everyone's time and extended attention this morning. As always, if you have any follow-up, please feel free to reach out. And we look forward to speaking with you soon.

Operator: Ladies and gentlemen, this concludes today's event. You may disconnect your lines at this time or log off the webcast and enjoy the rest of your day.

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