14-Sep-2026

Apollo Global Management, Inc. (APO)

Barclays Global Financial Services Conference

Copyright © 2001-2026 FactSet CallStreet, LLC

CORPORATE PARTICIPANTS

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

OTHER PARTICIPANTS

Benjamin Budish
Analyst, Barclays Capital, Inc.

MANAGEMENT DISCUSSION SECTION

Benjamin Budish

Analyst, Barclays Capital, Inc.

There we go. All right. Good afternoon, everyone. Welcome to our next afternoon session. I'm Ben Budish. I cover the US brokers, asset managers and exchanges here at Barclays. I am delighted for our next fireside chat to have from Apollo, Scott Kleinman He's Co-President of the Asset Management side of the business. Scott, thanks so much for being here.

Scott Martin Kleinman

Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

My pleasure. Good to see you.

Copyright © 2001-2026 FactSet CallStreet, LLC

QUESTION AND ANSWER SECTION

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Likewise. Maybe just kicking off with a macro question. Rates seem biased, higher for longer. Geopolitical uncertainty remains high. Fiscal deficits are in focus. Inflation concerns persist. On other hand, economic growth remains pretty strong. Corporate earnings are robust. Spreads are around all-time tights. So, with that as the backdrop, maybe share Apollo's top of the house macro perspective.

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Sure. Sure. Like I'll start, obviously, with the caveat that nobody has a crystal ball. But we've been saying for a couple of years now, this higher for longer and I think it's certainly playing out that way. Everything we looked at, whether it's the strength of the economy, the persistent low-level inflation, really pointed towards rates staying up. And on top of that, just the AI CapEx build-out and the amount of IG issuance that is, quite frankly, crowding out Treasuries. It's continuing to hold old rates higher.

So, everything points in that direction. I was chatting with Torsten, our Chief Economist, at the end of last week and asked the question, what is his estimate of recession in the next 12 months? And he put it south of 20%, somewhere between 10% and 20%.

So, just all indicators are pointing to continuing to chug along. Right? As long as the US consumer keeps spending and the AI build-out keeps happening, things continue to motor along. And while the tail risk keep growing, geopolitical instability, domestic, political questions, the trade war, inflation, energy prices, the market doesn't seem to care as long as those two things of consumer spending and AI build-out continue forward, the underlying economy and, therefore, the markets keep powering forward.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Okay. Great. You mentioned AI. Let's jump right into it. So, can you talk a bit about how Apollo is approaching the AI infrastructure opportunity? And with yields on some of the public hyperscaler bonds widening and some concerns emerging that the surge in investment here could lead to an overbuild. How do you think about protecting Apollo against potential downside scenarios?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. I'll start just by pointing out I spent the last couple of hours here at the conference meeting with a variety of shareholders and the like. And 95% of the questions were AI-related. I've come to the conclusion that these meetings were more about helping folks figure out little factoids that might affect their AI portfolio rather than their old portfolio.

But to answer your question more specifically, look, there are lots of ways to play this AI cycle. There are lots of perspectives on the AI cycle. Our belief, for sure, is that the volume of AI goods and services is only going up into the right at a pretty aggressive pace. How that gets valued, where the value resides in the value chain, I don't know. There are people who are making that, figuring that out.

Copyright © 2001-2026 FactSet CallStreet, LLC

But our perspective is how do we sell the pickaxes to the gold miners as opposed to being the gold miners ourselves? How are we finding ways to finance this massive, massive opportunity and/or structurally invest in it without necessarily having to be the marginal equity dollar on what is the ROI on a data center or a TPU or something like that.

And so, we have really picked our spots. One of Apollo's real strengths is the ability to muster large amounts of capital in very creative fashions and that's what we've been doing here. And so, finding interesting ways to partner with large IG counterparties, the biggest players, as we've been saying for some time but it's become very clear now, the amount of capital needed for – I mean we're talking about the AI build-out, but you can go from digital infrastructure to energy infrastructure to industrial infrastructure, defense infrastructure. I mean, the amount of capital needed over the next 3 years, 5 years, 7 years, 10 years is truly, truly extraordinary. Like once in a generation-type scale.

And companies are figuring out that they can't just tap the equity markets. They can't just tap the public bond markets. They need an all of the above strategy and that includes various forms and shapes of private capital.

And so, that's the approach we're taking, working with, and creating very bespoke solutions for some of the largest players in the AI space.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

And maybe staying with this topic. So, you've made some significant announcements recently with Broadcom and NVIDIA. What do we know about this? I think a key question for a lot of investors is pretty simple question like what does it mean for the P&L? But I'm sure there's a lot of components to these transactions. So, what else should we know about these kind of like big marquee deals that we've seen?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. Look, they are highly structured. They are structured in a way to be investment grade. And as you would imagine from any Apollo transaction, very protected when it comes to what type of risk we're taking and not taking and then, therefore, as a result, what type of returns we can expect to achieve versus not expect to achieve.

And while we haven't gone into all the details of these things publicly for a reason, these are, like I said, highly structured and dare I use the term trade secrets. But to some extent, some proprietary structuring. It follows the mantra and the ethos of what I was just describing.

Where they benefit, they benefit Apollo in terms of interesting assets that we can put on our own balance sheets, interesting assets for our client balance sheets, interesting assets for our syndication partners. So, really, as we've said for years and years now, right, the lifeblood of our business is origination, is being able to access interesting transactions, and these are, certainly, the interesting transactions of the day.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

I'll ask you where these transactions end up but I've heard Marc say enough times, 25% of everything, 100% of nothing. So, I think that's fair to assume that's sort of the case, the framework.

Copyright © 2001-2026 FactSet CallStreet, LLC

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.
A

That is true, subject to the scale of some of these things are getting, to the point where we, obviously, have single-issuer limits and subsector concentration, things like that. So, we're, obviously, super thoughtful balance sheet by balance sheet where the stuff goes. But you should assume a meaningful piece of everything we do ends up on our own balance sheet.

Benjamin Budish
Analyst, Barclays Capital, Inc.
Q

Makes sense. All right. You mentioned origination. You guys have often said origination is the arbiter of growth. Beyond AI infrastructure, what other geographies or sectors are you currently seeing the most opportunity in?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.
A

Yeah. Look, the opportunity sets like what I talked about. While the digital build-out is, obviously, the thing that catches a lot of the news, the energy both traditional and renewable, we've done numerous structured financings and structured transactions across North America and Europe. Their transportation and logistics, infrastructure is also a huge space.

Then also just traditional corporate with so many corporate assets in the hands of sponsors now not – being a little bit stuck, lots of creative ways to bring financing, hybrid and structured financing. So, lots of different opportunities there.

So, really across the gamut from an industry and owner standpoint both corporate and sponsor, I would say geographically, we're leaning in, obviously, in North America. That's always been our sweet spot. But we are really leaning in extensively right now into Europe, investing in people and country offices because Europe has the same capital need issues that the US does, perhaps even more so because they're just coming from a place even further behind.

And European corporates are really opening up. Whereas US corporates have been open for a little bit longer, the European corporates are really opening up. In the last year alone, whether it's EDF, BEP, Air France, RWE, I mean you go down the list, we've just been doing transaction after transaction with these folks, sometimes serious multiple transactions because they're having to play the all-of-the-above strategy as well. And local capital markets are just not even as robust as they are here. And so, private capital is having to play an even bigger role and will have to play an even bigger role going forward in Europe.

Benjamin Budish
Analyst, Barclays Capital, Inc.
Q

You highlighted a number of transactions, I think, are examples of this. But over the past several years, you've been talking more and more about your high-grade capital solutions platform within the origination ecosystem. So, maybe talk a bit about the opportunity set there and the extent to which these solutions are becoming more widely accepted by corporate borrowers.

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.
A

Yeah. It's funny. A few years ago, when we invented the asset class, sounds a little bit presumptuous, but when we – because private notes to insurance companies, we're doing that 30 years and 40 years ago before the high

Copyright © 2001-2026 FactSet CallStreet, LLC

yield bond market and before there was institutional capital market, insurance companies were issuing private notes to companies all the time.

But what we really saw was a new feature, a new facet, which is can we work with large corporates, large investment-grade corporates who, otherwise, historically, might not have interacted or transacted within Apollo before, certainly from a financing or structural financing standpoint, but bring features to the company so that they can access pools of capital that they might not have been able to access in the past and often get features that gave them more flexibility than what a traditional IG bond issued on a IG debenture might have given them. It doesn't mean more risk. It just means different features. And so, we have the ability to be more bespoke with that counterparty.

And we started doing these little by little and as they became more understood, CFOs, we talk to CFOs and we got in front of more companies and folks started realizing, wait a minute, this is actually pretty interesting, pretty creative capital.

Today, we've done more than 200 of these type of transactions, plus or minus $150 billion of capital in these high grade capital solutions, far more than any of our competitors. And we have just built the infrastructure on our side to be able to do this. This is not as easy as just showing up and making a commitment and writing a check. There's a lot of structuring involved, a lot of creativity, a lot of understanding on the ratings advisory side, working with the rating agencies in full transparency to make sure we're getting the treatment the company needs, providing the features that the rating agencies want to ensure, we get that type of rating.

So, it really is become a highly customized but very interesting part of the capital. And we're fortunate that it coincided with this need, this the global industrial renaissance, this massive need for CapEx by companies because companies are now recognizing, like I said, that they've got to look at all – it's an all-of-the-above strategy. It's not just one or the other. It's companies are looking at all of these solutions.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Got it. When we think about the Apollo P&L, so ACS, it's been a clear, bright spot. And you hit a new high last quarter and you now have, I think, five consecutive quarters, over $200 million. How should investors think about the link between origination and your ACS fees? And kind of given your optimism here, what does that mean as we think farther out? I know you've given some longer-term guidance, but [ph] something (00:27:07) people are always thinking about.

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. Look, I'll go back for a second. I've said this a few times at various points. We built the ACS business because it was a utility that allowed us to source better assets. First and foremost, right, the ability to understand what's going on in the debt markets, in the equity markets in a better way, allowed us to finance our private equity portfolio better, allowed us to provide better financing solutions to companies because it allowed us to speak for whole transactions when we may not have wanted the entirety of the transaction for our own balance sheet.

And so, having those capabilities were very, very valuable and it's part of the reason why we've been able to do what we've done is because we had those capabilities.

Secondly, it's been an amazing tool for us to be able to get closer to our clients. In addition to just being able to provide periodic products, now we have a reason to be touching our clients on an almost daily basis. Certainly,

Copyright © 2001-2026 FactSet CallStreet, LLC

many of our clients and even start to access market participants that weren't historical clients of Apollo, where we now have interesting things to be transacting with them on a very regular basis.

I'd say last on the list was we can do all these things and find ways to make some incremental revenues along the way and so, that's been the value proposition along the way. But it really has been in that order.

Now, I know we tried to sort of give guidance over the years. Fortunately for us, as we've scaled this business, this ACS activity, it has mirrored the growth in our business overall. So, as we've added capabilities across asset classes, across sectors, we've been able to be more effective in syndicating and marketing more and more products that way, which has given us a breadth and diversity there in ACS. And so, our ACS revenues now represent hundreds and hundreds of transactions in any given year.

And so, I think it's without sort of saying anything beyond the public guidance we've given, this is an incredibly important part of what we do and will continue to be because of the skills and tools that it brings Apollo.

And I really do believe we have a differentiated utility inside of Apollo that nobody else has built the capabilities and strength and caliber of the boutique investment bank, if you will, that we have inside of Apollo.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Maybe moving now to capital formation, kind of the market evolution. So, starting on the capital side, thinking about fundraising, the institutional channel has been a pretty big source of strength for you guys. Talk a bit about what's driving that and where you're seeing the strongest demand from the LP side?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. Look, we're having a just a banner year on the institutional side. Really, across the board, we raised a bunch of hybrid capital earlier this year. We are continuously in the market with a variety of credit products. I think most folks know we are in market now with our flagship private equity product.

All of those fundraises have been going quite well. There is massive institutional capital demand for private assets right now. Even on the private equity side where you have heard about, certainly, the troubles in the private equity market in general have been well-publicized. Institutional clients are not pulling away from private equity. They're just tending to now go back to the level of selectivity that they had, that they had maybe in years or decades past.

Look, to be honest, right, the last 15-plus years allowed a lot of managers to grow in scale pretty dramatically, a lot of new managers to come out of the woodwork, some of which have been great stewards of capital, others of which you're probably looking back at the question. And you will watch and see many of those managers start to shrink back down or go away. It takes a while for that to work its way through the private equity system. But I have no doubt as to institutional capital for private equity for years to come.

But more broadly, zooming out from private equity, yeah, lots of institutional demand for private capital across a variety of products.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Copyright © 2001-2026 FactSet CallStreet, LLC

You mentioned Fund XII, so you're currently in the market with that. Just curious, especially given what you just said about private equity, wondering if there's any update you can give on that one in particular, any LP feedback you've received thus far? You've mentioned people are being more selective. So, how are they looking at you?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. So, we announced in our last quarterly earnings, we had our first close – we launched in January with Fund XII. We had our first close last month. We announced $12 million so far. And feeling very good about our path to our target over the course of the remainder of this year and into the first half of next year.

I would say our strategy is certainly resonating with investors. Having been a little bit more disciplined through the last cycle has allowed us to monetize our investments along the way at a higher pace than much of the industry. Our returns for that, call it, [ph] 2017 to 2022 (00:33:31) vintage, are robust and remaining robust. We're not carrying that portfolio at unrealistic valuations. And as a result, that's allowing us to monetize the portfolio in real time as opposed to holding out for, hopefully, higher valuations that may come in the future.

And so, yeah, I'd say we feel cautiously optimistic on the fundraise and everything we've described from a guidance standpoint, it feels like it still remains.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Maybe just thinking farther out, how do you think about the future of the traditional private equity business? What changes do you see coming for the industry?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. Well, look, I started to allude to it. I do think you will see a squeezing of the number of managers and maybe some of the managers that grew really rapidly over the last decade will have to contract back down as a result of just not being able to return capital or having made investments in growth or your sectors that just turns out were more dependent on 0% interest rates than they were on anything else.

And so, I think that will be the natural outcome of that. But looking back to the 2008-2009 GFC, that took a while. That takes a number of years for that to play through.

Look, I do think you are continuing to see evolution in just private equity and equity in general, whether it comes down to how investments are made, CFO or other structures. I think like every other asset class, the financialization of everything and the ability to break things into risk and return layers and provide more creative financing or capital solutions to different asset classes, I think you're going to continue to see that.

I also think we've started to talk about this concept of owning companies for longer. I mean, this concept of it sounds a little bit like maybe a decade ago, folks were talking about core private equity. Core private equity was potentially a concept, but that got, for lack of a better word, bastardized because folks tended to use it just to pay more for assets, put more leverage on it because there were "more stable assets".

We see a direction of travel in a different direction where good assets that might be wanted to be held for longer, why don't you put less leverage on it, more stable, deliver private equity style oversight and operational

Copyright © 2001-2026 FactSet CallStreet, LLC

improvement but on a more lower levered capital structure within a certain subset of companies that have potential ownership and staying power for decades to come.

And so, I think you're going to start seeing just more different flavors of the equity ownership. Put another way, what if active equity management meant not actively picking stocks, per se, but actively owning and managing companies the way private equity actively owns and manages but in a more market-like format with market level leverage and something that might be more tradeable than traditional private equity. So, these are just some of the innovations that I think are coming down the pike.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Is that something you're cooking up at Apollo or just more pontificating on?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

We're always cooking at Apollo. We're always cooking at

Q

Apollo.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Fair enough. Maybe move to the fixed income side. Where would you say we are in the fixed income replacement journey? Are you seeing more tangible signs that allocators are rethinking their portfolios like on a first principles basis?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. We are just pulling out of New York Harbor, like heading into the Atlantic Ocean. Right? It is still early days when it comes to true fixed income replacement. Right? I think you're seeing early adopters see the value of what private assets can bring to a fixed income portfolio, whether that's on the corporate side or the asset backed side.

But it is still, like I said, in the first, I don't even want to say the second inning, the first inning of what is a massive, massive journey. And but the rewards are also massive. Rewards are also massive. Every time you see another pension fund or institution talk about TPA or total portfolio solutions, that's another way of thinking about fixed income replacement. How do I stop fixating on asset class by asset class by sub-asset class and start thinking in terms of factors like risk and return and duration and liquidity and look at all the things that might meet those and how do I triangulate on a formula of different assets that give me that type of set of outcomes that I'm looking for? That's what fixed income replacement is built for. And as models of private assets become more pervasive, as TPA becomes more pervasive, I think you're just going to see more and more and more of this.

So, we're really excited about it. I do believe it is – I mean, it's not going to entirely replace, obviously, but even if it captures 10%, right, 15% of the fixed income market, it is a massive, massive TAM. And I feel like we're well on our way to head down that path.

Copyright © 2001-2026 FactSet CallStreet, LLC

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Let's talk about the wealth business for a second. So, I guess first, I think ADS is coming to the end of its tender period for US investors. Just curious, based on what you've seen so far, I'm curious, in particular, about the mix of US versus onshore. How do you think redemptions are trending over the next few quarters? And on the sales side, what do you think is required to reaccelerate inflows?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. Well, let me take a step back. A lot of ink has been spilled and a lot of stage time has been given, I know, over the last couple of quarters to the private credit, the semi-liquid private credit market. I guess what I'll say there is it's actually not a huge surprise that there was a bit of a slowdown or a back-up in this market. Right? Enormous amount of capital has been raised over the last few years from the semi-liquid market in private credit.

There are times where you would expect to see redemptions, right, i.e., when you're in a credit cycle. As we started this conversation, we are not in the credit cycle, and so, at some point, we suspect the wealth market will start to see we're not in credit cycle and that demand will start to reignite. We certainly know we're not in the credit cycle. I mean we see where credit spreads are. We see the underlying credits we look at. We know institutional capital is actually accelerating into private credit and direct lending. And so, there is good reason to believe that the wealth market will start picking back up again.

I do think that the system, as constructed, actually worked largely the way it was supposed to. Right? The redemption caps were not a bug. They were a feature of this. I mean, there was no magic 2%, 5% a quarter other than the industry convention sort of formulated around trying to find the right balance between the rights of redeeming investors and the rights of remaining investors. And 5% a quarter felt right.

And as far as I can tell, the system is working. Right? The system is working and there was an initial spike. It's working its way down. I would imagine over the – and we are continuing to see that clear itself over the next couple of quarters. I would think that starts to turn itself back around again. So, that's my timeline. Obviously, this is all conjecture. I have no crystal ball on that but it does feel like that's the direction that things are moving.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

And any color on US versus offshore?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

No. They ebb and flow at different times. And offshore tends to be a little more volatile or, in some cases, a lot more volatile. But at the end of the day, it's responding to the same stimuli, just in different orders of magnitude. But yeah, directionally, I think it's all moving in the right direction.

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

On the innovation front, so you guys have been busy between market making, daily pricing. I think, recently, you announced a partnership with ICE with along the same lines. So, maybe talk a bit about ICE.

Copyright © 2001-2026 FactSet CallStreet, LLC

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.
A

The good ICE.

Benjamin Budish
Analyst, Barclays Capital, Inc.
Q

The good ICE, Intercontinental Exchange if anybody is wondering. So, what do you think the ultimate benefits of these innovations are going to be? What are you trying to accomplish? And at the end of the day, how does Apollo benefit?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.
A

Yeah. Look, the purpose of focusing on daily pricing, on greater transparency, of creating an ICE ID, similar to CUSIP, all of these things is really about trying to recognize that there is a massive, massive market opportunity as we and others have talked about. As 401(k) starts to open to private assets, as traditional mutual fund long only starts opening to private assets, going back to fixed income replacement, as the fixed income and public equity buckets of institutional investors start opening to private assets.

The rationale for why private asset should be part of those portfolios is enormous. Right? The public equity markets, for example, right, are growing more concentrated. They represent a smaller and smaller percentage of the GDP, of employment, etcetera, etcetera. And even if you don't believe that private assets deliver excess return, which obviously I do believe that private assets deliver excess return for every equivalent asset category. But even if you didn't, just the diversification effects alone, the need to build a more diversified portfolio, should lead you towards private assets.

I think, historically, our industry has taken the position. They're great. We have these great private assets. We're originating amazing private assets. So, all of those other buckets, you come over here and take these private assets. Like we're happy to sell them to you but you got to come here.

And I think it's becoming apparent in our dialogues, in our travels, in our discussions with all of these players, that it's ultimately incumbent upon us to meet some of those buyers closer to where they are, start to package and create these products in ways that look and smell and feel more like the type of products that they are used to buying.

And that does involve having things be daily, liquid, having there be more transparency, having an ICE identifier, which provides multiple fields of other information that they can go look at and understand. And if we do that and do that right, we believe that this will accelerate the opening of that ginormous TAM that we're all, as an industry, talking about.

Now, it's interesting because I think a lot of our industry, a lot of our peers are just taking a wait-and-see approach and that's never really stopped Apollo. When we have conviction about something, we march towards that until facts dictate that we should take a left or a right turn. And that's what we are doing. And I think you're going to continue to see us drive in that direction. We've made commitments over the course of this year as to what portion of our book is going to be priced on a daily basis. I think that will continue to expand in time.

Copyright © 2001-2026 FactSet CallStreet, LLC

That may or may not lead to certain categories moving from daily pricing to daily liquidity. We are really trying to explore all of these things and seeing what is going to resonate with these potential buyer universes and what can we do to make these products more understandable to those markets?

Benjamin Budish
Analyst, Barclays Capital, Inc.

Q

Okay. Maybe in the last bit of time talk a little bit about Athene. Maybe first, I want to ask you about AMAPS. So, you guys have been quite clear about migrating Athene's CLO exposure over to this product. So, maybe just for investors who are less familiar, what is AMAPS? Can you give us a little color on third-party receptivity? And how are regulators looking at and thinking about this product?

Scott Martin Kleinman
Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

Yeah. Yeah, yeah, yeah. So, what is AMAPS? AMAPS is, we would say, just the next evolution of a CLO-like product for the market. Just as a quick refresher, right? CLOs, over the last, call it, 30 years, have grown to be a $1.5 trillion product. They're consumed all around the financial system, no surprise. Excess spreads have really been squeezed out of that market.

But what's interesting about CLOs or the way they've been structured and optimized, I would say they've really been built around really optimizing for that top of the capital structure, that AAA piece. They're built to optimize for big money center banks that are looking for AAA paper. That's the fattest tranche of the CLO. It's got very, very tight pricing, which makes the rest of the CLO work very attractively.

We looked at that and have watched that market compress and felt like, well, what if we were able to create an asset category that was not optimized for the AAA but optimized, say, for the single A, which is where insurance companies, credit investors often like to exist. And so, we structured an instrument that had that type of structuring.

In addition, we said, well, what if instead of using 100% sub-investment grade collateral, what if we put much higher quality collateral in the box? And so, AMAPS, thus far, has been roughly 50% IG collateral.

So, improve the underlying credit quality, fatten the parts of the capital stack that are most interesting to credit investors, and can we create a very interesting product that way? And so, that's what we've done. We've now done five issuances of these, about $25 million. Our own balance sheet has taken about half of that, meaning third-party investors have taken the other half. It's been a pretty interesting, diversified group of buyers who have been buying that.

And we think we are in the early days of what, I mean, whether it gets to $1.5 trillion asset class, TBD, we'll check back in 30 years. But it certainly, I think, has a lot of legs to grow. We're starting to see interesting receptivity from other issuers. We are going open source on the technology of this. So, sharing this with other originators of credit because we'd love to see this market develop. We don't, obviously, have 100% market share in origination. And so, we'd love to access other people's MAPS products to the extent they're producing MAPS. And so, yeah, we'll see where this goes.

To the comment or question on the regulatory side, of course, every step of this journey has been in lockstep with our regulators, making sure they understand the product and have come along with them, have responded to their feedback and made adjustments along the way as such.

Copyright © 2001-2026 FactSet CallStreet, LLC

Benjamin Budish

Analyst, Barclays Capital, Inc.

Q

I want to squeeze in a little bit of a multi-parter, but with a little bit of time we have left, just thoughts on increased competition in the industry and how you see Athene's competitive advantages standing up?

And then there's sort of another question on AMAPS. Given what you've observed in the CLO market, investors sort of think about like Athene's long-term spread opportunity. Do you see that, perhaps, stepping up structurally as AMAPS becomes a bigger portion of the whole? Or does it make you more competitive and it sort of gets reinvest into pricing? Sorry, there's a lot in there, not a lot of time left.

Scott Martin Kleinman

Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

A

My 57 seconds, I'll see what I can do.

I would say from a competition standpoint, like I'll just repeat what our CEO, Grant Kvalheim, at Athene says all the time, which is the annuity market has always been competitive. Right? The fact that some financial players have come in and crowded out, some traditional players, this has always been a competitive market. And you have to win based on client service, better products, better pricing, better excess spread delivery. So, where we are today, I think, is no different than where we've been at various points over the last couple of decades in the annuity space.

As far as AMAPS affecting spread, we are always on the hunt. I mean, that's, again, the lifeblood of what we do is keep moving the origination, a boundary, keep coming up with better structural solutions, keep coming up with ways to create excess spread without taking excess risk. AMAPS is one piece of that, but it is not the only piece of that.

And, yeah, of course, our journey, we've seen spread compression just over the last couple of years given the markets in general. I think we've reached an inflection point. Again, third time I'm saying it, no crystal ball, but it does feel like things are starting to improve just perhaps because of some of the interesting credits that are going on in Athene. But because of AMAPS, because of other things, this is a battleship that moves so you don't sort of whipsaw up and down. On our balance sheet, things move deliberately and a little bit at a time. So, feeling cautiously optimistic there.

Benjamin Budish

Analyst, Barclays Capital, Inc.

Okay. Great. Well, unfortunately, we're out of time, Scott. Thanks again. Thanks so much for being here. What a pleasure to have you.

Scott Martin Kleinman

Director & Co-President-Apollo Asset Management, Apollo Global Management, Inc.

My pleasure. Thank you.

Copyright © 2001-2026 FactSet CallStreet, LLC

Disclaimer
The information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete or error-free statement or summary of the available data. As such, we do not warrant, endorse or guarantee the completeness, accuracy, integrity, or timeliness of the information. You must evaluate, and bear all risks associated with, the use of any information provided hereunder, including any reliance on the accuracy, completeness, safety or usefulness of such information. This information is not intended to be used as the primary basis of investment decisions. It should not be construed as advice designed to meet the particular investment needs of any investor. This report is published solely for information purposes, and is not to be construed as financial or other advice or as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Any information expressed herein on this date is subject to change without notice. Any opinions or assertions contained in this information do not represent the opinions or beliefs of FactSet CallStreet, LLC. FactSet CallStreet, LLC, or one or more of its employees, including the writer of this report, may have a position in any of the securities discussed herein.

THE INFORMATION PROVIDED TO YOU HEREUNDER IS PROVIDED "AS IS," AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, FactSet CallStreet, LLC AND ITS LICENSORS, BUSINESS ASSOCIATES AND SUPPLIERS DISCLAIM ALL WARRANTIES WITH RESPECT TO THE SAME, EXPRESS, IMPLIED AND STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, ACCURACY, COMPLETENESS, AND NON-INFRINGEMENT. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NEITHER FACTSET CALLSTREET, LLC NOR ITS OFFICERS, MEMBERS, DIRECTORS, PARTNERS, AFFILIATES, BUSINESS ASSOCIATES, LICENSORS OR SUPPLIERS WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION DAMAGES FOR LOST PROFITS OR REVENUES, GOODWILL, WORK STOPPAGE, SECURITY BREACHES, VIRUSES, COMPUTER FAILURE OR MALFUNCTION, USE, DATA OR OTHER INTANGIBLE LOSSES OR COMMERCIAL DAMAGES, EVEN IF ANY OF SUCH PARTIES IS ADVISED OF THE POSSIBILITY OF SUCH LOSSES, ARISING UNDER OR IN CONNECTION WITH THE INFORMATION PROVIDED HEREIN OR ANY OTHER SUBJECT MATTER HEREOF.

The contents and appearance of this report are Copyrighted FactSet CallStreet, LLC 2026 CallStreet and FactSet CallStreet, LLC are trademarks and service marks of FactSet CallStreet, LLC. All other trademarks mentioned are trademarks of their respective companies. All rights reserved.