UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2022 OR

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

FOR THE TRANSITION PERIOD FROM __________ TO __________

Commission File Number: 001-41197

APOLLO GLOBAL MANAGEMENT, INC.

(Exact name of Registrant as specified in its charter)

Delaware	86-3155788
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9 West 57th Street, 42nd Floor
New York, New York 10019
(Address of principal executive offices) (Zip Code)
(212) 515-3200
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	APO	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

As of August 5, 2022, there were 570,990,539 shares of the registrant's common stock outstanding.

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Forward-Looking Statements

This report may contain forward-looking statements that are within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements include, but are not limited to, discussions related to Apollo’s expectations regarding the performance of its business, its liquidity and capital resources and the other non-historical statements in the discussion and analysis. These forward-looking statements are based on management’s beliefs, as well as assumptions made by, and information currently available to, management. When used in this report, the words “believe,” “anticipate,” “estimate,” “expect,” “intend,” “target” and similar expressions are intended to identify forward-looking statements. Although management believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct. These statements are subject to certain risks, uncertainties and assumptions, including risks relating to the impact of COVID-19, the impact of energy market dislocation, market conditions and interest rate fluctuations generally, our ability to manage our growth, our ability to operate in highly competitive environments, the performance of the funds we manage, our ability to raise new funds, the variability of our revenues, earnings and cash flow, our dependence on certain key personnel, the accuracy of management’s assumptions and estimates, our use of leverage to finance our businesses and investments by the funds we manage, Athene’s ability to maintain or improve financial strength ratings, the impact of Athene’s reinsurers failing to meet their assumed obligations, Athene’s ability to manage its business in a highly regulated industry, changes in our regulatory environment and tax status, litigation risks and our ability to recognize the benefits expected to be derived from the merger of Apollo with Athene, among others. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in our quarterly report on Form 10-Q filed with the Securities and Exchange Commission (the “SEC”) on May 10, 2022, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other filings with the SEC. We undertake no obligation to publicly update or review any forward-looking statements, whether as a result of new information, future developments or otherwise, except as required by applicable law.

Terms Used in This Report

In this report, references to “Apollo,” “we,” “us,” “our,” and the “Company” for periods (i) on or before December 31, 2021 refer to Apollo Asset Management, Inc. (f/k/a Apollo Global Management, Inc.) (“AAM”) and its subsidiaries unless the context requires otherwise and (ii) subsequent to December 31, 2021, refer to Apollo Global Management, Inc. (f/k/a Tango Holdings, Inc.) (“AGM”) and its subsidiaries unless the context requires otherwise. Moreover, references to “Class A shares” refers to the Class A common stock, $0.00001 par value per share, of AAM prior to the Mergers; “Class B share” refers to the Class B common stock, $0.00001 par value per share, of AAM prior to the Mergers; “Class C share” refers to the Class C common stock, $0.00001 par value per share, of AAM prior to the Mergers; “Series A Preferred shares” refers to the 6.375% Series A preferred stock of AAM both prior to and following the Mergers; “Series B Preferred shares” refers to the 6.375% Series B preferred stock of AAM both prior to and following the Mergers; and “Preferred shares” refers to the Series A Preferred shares and the Series B Preferred shares, collectively, both prior to and following the Mergers. In addition, for periods on or before December 31, 2021, references to “AGM common stock” or “common stock” of the Company refer to Class A shares unless the context otherwise requires, and for periods subsequent to December 31, 2021 refer to shares of common stock, par value $0.00001 per share, of AGM.

The use of any defined term in this report to mean more than one entity, person, security or other item collectively is solely for convenience of reference and in no way implies that such entities, persons, securities or other items are one indistinguishable group. For example, notwithstanding the use of the defined terms "Apollo," "we", “us”, "our" and the “Company” in this report to refer to AGM and its subsidiaries, each subsidiary of AGM is a standalone legal entity that is separate and distinct from AGM and any of its other subsidiaries. Any AGM entity (including any Athene entity) referenced herein is responsible for its own financial, contractual and legal obligations.

Term or Acronym	Definition
AADE	Athene Annuity & Life Assurance Company
AAIA	Athene Annuity and Life Company
AAME	Apollo Asset Management Europe LLP, a subsidiary of Apollo
AAME PC	Apollo Asset Management PC LLP, a wholly-owned subsidiary of AAME
AARe	Athene Annuity Re Ltd., a Bermuda reinsurance subsidiary
ABS	Asset-backed securities
Accord+	Apollo Accord+ Fund, L.P.
Accord I	Apollo Accord Fund, L.P.

Accord II	Apollo Accord Fund II, L.P.
Accord III	Apollo Accord Fund III, L.P.
Accord III B	Apollo Accord Fund III B, L.P.
Accord IV	Apollo Accord Fund IV, L.P.
Accord V	Apollo Accord Fund V, L.P.
ACRA	Athene Co-Invest Reinsurance Affiliate Holding Ltd., together with its subsidiaries
ADIP	Apollo/Athene Dedicated Investment Program, a fund managed by Apollo including third-party capital that invests alongside Athene in certain investments
ADS	Apollo Debt Solutions BDC, a non-traded business development company managed by Apollo
Advisory	The certain assets advised by ISGI
AINV	Apollo Investment Corporation
AIOF I	Apollo Infrastructure Opportunities Fund, L.P.
AIOF II	Apollo Infrastructure Opportunities Fund II, L.P.
ALRe	Athene Life Re Ltd., a Bermuda reinsurance subsidiary
Alternative investments	Alternative investments, including investment funds, CLO equity positions and certain other debt instruments considered to be equity-like
AmeriHome	AmeriHome Mortgage Company, LLC
AMH	Apollo Management Holdings, L.P., a Delaware limited partnership, that is an indirect subsidiary of AGM.
ANRP I	Apollo Natural Resources Partners, L.P., together with its parallel funds and alternative investment vehicles
ANRP II	Apollo Natural Resources Partners II, L.P., together with its parallel funds and alternative investment vehicles
ANRP III	Apollo Natural Resources Partners III, L.P., together with its parallel funds and alternative investment vehicles
AOCI	Accumulated other comprehensive income (loss)
AOG Unit Payment	On December 31, 2021, holders of units of the Apollo Operating Group (“AOG Units”) (other than Athene and the Company) sold and transferred a portion of such AOG Units to APO Corp., a wholly-owned consolidated subsidiary of the Company, in exchange for an amount equal to $3.66 multiplied by the total number of AOG Units held by such holders immediately prior to such transaction.
Apollo funds, our funds and references to the funds we manage	The funds (including the parallel funds and alternative investment vehicles of such funds), partnerships, accounts, including strategic investment accounts or “SIAs,” alternative asset companies and other entities for which subsidiaries of Apollo provide investment management or advisory services
Apollo Operating Group	(i) The entities through which we currently operate our asset management business and (ii) one or more entities formed for the purpose of, among other activities, holding certain of our gains or losses on our principal investments in the funds, which we refer to as our “principal investments”
Apollo Origination Partners	Apollo Origination Partnership, L.P.
APSG I	Apollo Strategic Growth Capital
APSG II	Apollo Strategic Growth Capital II
ARI	Apollo Commercial Real Estate Finance, Inc.
Asia RE Fund I	Apollo Asia Real Estate Fund I, L.P., including co-investment vehicles
Asia RE Fund II	Apollo Asia Real Estate Fund II, L.P., including co-investment vehicles

Term	Definition
Assets Under Management, or AUM	The assets of the funds, partnerships and accounts to which Apollo provides investment management, advisory, or certain other investment-related services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our AUM equals the sum of: 1. the NAV, plus used or available leverage and/or capital commitments, or gross assets plus capital commitments, of the yield and certain hybrid funds, partnerships and accounts for which we provide investment management or advisory services, other than CLOs, CDOs, and certain perpetual capital vehicles, which have a fee-generating basis other than the mark-to-market value of the underlying assets; for certain perpetual capital vehicles in yield, gross asset value plus available financing capacity; 2. the fair value of the investments of the equity and certain hybrid funds, partnerships and accounts Apollo manages or advise, plus the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments, plus portfolio level financings; 3. the gross asset value associated with the reinsurance investments of the portfolio company assets Apollo manages or advises; and 4. the fair value of any other assets that Apollo manages or advises for the funds, partnerships and accounts to which Apollo provides investment management, advisory, or certain other investment-related services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification or other conditions before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above. Apollo's AUM measure includes Assets Under Management for which Apollo charges either nominal or zero fees. Apollo's AUM measure also includes assets for which Apollo does not have investment discretion, including certain assets for which Apollo earns only investment-related service fees, rather than management or advisory fees. Apollo's definition of AUM is not based on any definition of Assets Under Management contained in its governing documents or in any management agreements of the funds Apollo manages. Apollo considers multiple factors for determining what should be included in its definition of AUM. Such factors include but are not limited to (1) Apollo's ability to influence the investment decisions for existing and available assets; (2) Apollo's ability to generate income from the underlying assets in the funds it manages; and (3) the AUM measures that Apollo uses internally or believe are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, Apollo's calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. Apollo's calculation also differs from the manner in which its affiliates registered with the SEC report "Regulatory Assets Under Management" on Form ADV and Form PF in various ways. Apollo uses AUM, Gross capital deployed and Dry powder as performance measurements of its investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs.
Athene	Athene Holding Ltd. ("Athene Holding" or "AHL" together with its subsidiaries), a leading financial services company specializing in retirement services that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs, and to which Apollo, through its consolidated subsidiary ISG, provides asset management and advisory services.
Athora	Athora Holding, Ltd. ("Athora Holding", together with its subsidiaries), a strategic platform that acquires or reinsures blocks of insurance business in the German and broader European life insurance market (collectively, the "Athora Accounts"). The Company, through ISGI, provides investment advisory services to Athora. Athora Non-Sub-Advised Assets includes the Athora assets which are managed by Apollo but not sub-advised by Apollo nor invested in Apollo funds or investment vehicles. Athora Sub-Advised includes assets which the Company explicitly sub-advises as well as those assets in the Athora Accounts which are invested directly in funds and investment vehicles Apollo manages.
AUM with Future Management Fee Potential	The committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund.
AUSA	Athene USA Corporation
BMA	Bermuda Monetary Authority
BSCR	Bermuda Solvency Capital Requirement
CDI	California Department of Insurance
CDO	Collateralized debt obligation
CLO	Collateralized loan obligation
CMBS	Commercial mortgage-backed securities
CML	Commercial mortgage loans
Contributing Partners	Partners and their related parties (other than Messrs. Leon Black, Joshua Harris and Marc Rowan, our co-founders) who indirectly beneficially owned Apollo Operating Group units.
Cost of crediting	The interest credited to the policyholders on our fixed annuities, including, with respect to our fixed indexed annuities, option costs, as well as institutional costs related to institutional products, presented on an annualized basis for interim periods

Cost of funds	Cost of funds includes liability costs related to cost of crediting on both deferred annuities and institutional products, as well as other liability costs. Cost of funds is computed as the total liability costs divided by the average net invested assets for the relevant period and is presented on an annualized basis for interim periods.
DAC	Deferred acquisition costs
Deferred annuities	Fixed indexed annuities, annual reset annuities, multi-year guaranteed annuities and registered index-linked annuities
Dry Powder	The amount of capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements or other governing agreements of the funds, partnerships and accounts we manage. Dry powder excludes uncalled commitments which can only be called for fund fees and expenses and commitments from Perpetual Capital Vehicles.
DSI	Deferred sales inducement
ECR	Enhanced Capital Requirement
EPF I	Apollo European Principal Finance Fund I
EPF II	Apollo European Principal Finance Fund II
EPF III	Apollo European Principal Finance Fund III
EPF IV	Apollo European Principal Finance Fund IV
Equity Plan	Refers collectively to the Company’s 2019 Omnibus Equity Incentive Plan and the Company’s 2019 Omnibus Equity Incentive Plan for Estate Planning Vehicles.
FABN	Funding agreement backed notes
FABR	Funding agreement backed repurchase agreement
FCI I	Financial Credit Investment Fund I
FCI II	Financial Credit Investment Fund II
FCI III	Financial Credit Investment Fund III
FCI IV	Financial Credit Investment Fund IV
Fee-Generating AUM	Fee-Generating AUM consists of assets of the funds, partnerships and accounts to which we provide investment management, advisory, or certain other investment-related services and on which we earn management fees, monitoring fees or other investment-related fees pursuant to management or other fee agreements on a basis that varies among the Apollo funds, partnerships and accounts. Management fees are normally based on “net asset value,” “gross assets,” “adjusted par asset value,” “adjusted cost of all unrealized portfolio investments,” “capital commitments,” “adjusted assets,” “stockholders’ equity,” “invested capital” or “capital contributions,” each as defined in the applicable management agreement. Monitoring fees, also referred to as advisory fees, with respect to the structured portfolio company investments of the funds, partnerships and accounts we manage or advise, are generally based on the total value of such structured portfolio company investments, which normally includes leverage, less any portion of such total value that is already considered in Fee-Generating AUM
Fee Related Earnings, or FRE	Component of Adjusted Segment Income that is used to assess the performance of the Asset Management segment. FRE is the sum of (i) management fees, (ii) advisory and transaction fees, (iii) fee-related performance fees from indefinite term vehicles, that are measured and received on a recurring basis and not dependent on realization events of the underlying investments and (iv) other income, net, less (a) fee-related compensation, excluding equity-based compensation, (b) non-compensation expenses incurred in the normal course of business, (c) placement fees and (d) non-controlling interests in the management companies of certain funds the Company manages
FIA	Fixed indexed annuity, which is an insurance contract that earns interest at a crediting rate based on a specified index on a tax-deferred basis
Fixed annuities	FIAs together with fixed rate annuities
Former Managing Partners	Messrs. Leon Black, Joshua Harris and Marc Rowan collectively and, when used in reference to holdings of interests in Apollo or AP Professional Holdings, L.P. includes certain related parties of such individuals
Gross capital deployment	The gross capital that has been invested in investments by the funds and accounts we manage during the relevant period, but excludes certain investment activities primarily related to hedging and cash management functions at the firm. Gross capital deployment is not reduced or netted down by sales or refinancings, and takes into account leverage used by the funds and accounts we manage in gaining exposure to the various investments that they have made.
GLWB	Guaranteed lifetime withdrawal benefit
GMDB	Guaranteed minimum death benefit
Gross IRR of accord series, financial credit investment, structured credit recovery and the European principal finance funds	The annualized return of a fund based on the actual timing of all cumulative fund cash flows before management fees, performance fees allocated to the general partner and certain other expenses. Calculations may include certain investors that do not pay fees. The terminal value is the net asset value as of the reporting date. Non-U.S. dollar denominated (“USD”) fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor.

Gross IRR of a traditional private equity or hybrid value fund	The cumulative investment-related cash flows (i) for a given investment for the fund or funds which made such investment, and (ii) for a given fund, in the relevant fund itself (and not any one investor in the fund), in each case, on the basis of the actual timing of investment inflows and outflows (for unrealized investments assuming disposition on June 30, 2022 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, performance fees and certain other expenses (including interest incurred by the fund itself) and measures the returns on the fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund's investors. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor.
Gross IRR of real estate equity, hybrid real estate or infrastructure funds	The cumulative investment-related cash flows in the fund itself (and not any one investor in the fund), on the basis of the actual timing of cash inflows and outflows (for unrealized investments assuming disposition on June 30, 2022 or other date specified) starting on the date that each investment closes, and the return is annualized and compounded before management fees, performance fees, and certain other expenses (including interest incurred by the fund itself) and measures the returns on the fund's investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund's investors. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, gross IRRs at the fund level will differ from those at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Gross IRR does not represent the return to any fund investor.
Gross Return or Gross ROE of a total return yield fund or the hybrid credit hedge fund	The monthly or quarterly time-weighted return that is equal to the percentage change in the value of a fund's portfolio, adjusted for all contributions and withdrawals (cash flows) before the effects of management fees, incentive fees allocated to the general partner, or other fees and expenses. Returns for these categories are calculated for all funds and accounts in the respective strategies. Returns over multiple periods are calculated by geometrically linking each period's return over time. Gross return and gross ROE do not represent the return to any fund investor.
HoldCo	Apollo Global Management, Inc. (f/k/a Tango Holdings, Inc.)
HVF I	Apollo Hybrid Value Fund, L.P., together with its parallel funds and alternative investment vehicles
HVF II	Apollo Hybrid Value Fund II, L.P., together with its parallel funds and alternative investment vehicles
Inflows	(i) At the individual strategy level, subscriptions, commitments, and other increases in available capital, such as acquisitions or leverage, net of inter-strategy transfers, and (ii) on an aggregate basis, the sum of inflows across the yield, hybrid and equity investing strategies.
IPO	Initial Public Offering
ISG	Apollo Insurance Solutions Group LP
ISGI	Refers collectively to AAME and AAME PC
Jackson	Jackson Financial, Inc., together with its subsidiaries
Management Fee Offset	Under the terms of the limited partnership agreements for certain funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage of such advisory and transaction fees, net of applicable broken deal costs .
Merger Agreement	The Agreement and Plan of Merger dated as of March 8, 2021 by and among AAM, AGM, AHL, Blue Merger Sub, Ltd., a Bermuda exempted company, and Green Merger Sub, Inc., a Delaware corporation.
Merger Date	January 1, 2022
MidCap	MidCap FinCo Designated Activity Company
MMS	Minimum margin of solvency
Modco	Modified coinsurance
NAIC	National Association of Insurance Commissioners
NAV	Net Asset Value
Net invested assets	The sum of (a) total investments on the consolidated balance sheets with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and noncontrolling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets includes our economic ownership of ACRA investments but does not include the investments associated with the noncontrolling interest
Net investment earned rate	Income from our net invested assets divided by the average net invested assets for the relevant period, presented on an annualized basis for interim periods
Net investment spread	Net investment spread measures our investment performance less the total cost of our liabilities, presented on an annualized basis for interim periods
Net IRR of accord series, financial credit investment, structured credit recovery and the European principal finance funds	The annualized return of a fund after management fees, performance fees allocated to the general partner and certain other expenses, calculated on investors that pay such fees. The terminal value is the net asset value as of the reporting date. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor.

Net IRR of a traditional private equity or the hybrid value funds	The gross IRR applicable to the funds, including returns for related parties which may not pay fees or performance fees, net of management fees, certain expenses (including interest incurred or earned by the fund itself) and realized performance fees all offset to the extent of interest income, and measures returns at the fund level on amounts that, if distributed, would be paid to investors of the fund. The timing of cash flows applicable to investments, management fees and certain expenses, may be adjusted for the usage of a fund's subscription facility. To the extent that a fund exceeds all requirements detailed within the applicable fund agreement, the estimated unrealized value is adjusted such that a percentage of up to 20.0% of the unrealized gain is allocated to the general partner of such fund, thereby reducing the balance attributable to fund investors. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor.
Net IRR of real estate equity, hybrid real estate and infrastructure funds	The fund (and not any one investor in the fund), on the basis of the actual timing of cash inflows received from and outflows paid to investors of the fund (assuming the ending net asset value as of the reporting date or other date specified is paid to investors), excluding certain non-fee and non-performance fee bearing parties, and the return is annualized and compounded after management fees, performance fees, and certain other expenses (including interest incurred by the fund itself) and measures the returns to investors of the fund as a whole. Non-USD fund cash flows and residual values are converted to USD using the spot rate as of the reporting date. In addition, net IRR at the fund level will differ from that at the individual investor level as a result of, among other factors, timing of investor-level inflows and outflows. Net IRR does not represent the return to any fund investor.
Net reserve liabilities	The sum of (a) interest sensitive contract liabilities, (b) future policy benefits, (c) dividends payable to policyholders, and (d) other policy claims and benefits, offset by reinsurance recoverable, excluding policy loans ceded. Net reserve liabilities also includes the reserves related to assumed Modco agreements in order to appropriately match the costs incurred in the consolidated statements of operations with the liabilities. Net reserve liabilities is net of the ceded liabilities to third-party reinsurers as the costs of the liabilities are passed to such reinsurers and therefore we have no net economic exposure to such liabilities, assuming our reinsurance counterparties perform under our agreements. Net reserve liabilities is net of the reserve liabilities attributable to the ACRA noncontrolling interest.
Net Return or Net ROE of a total return yield fund or the hybrid credit hedge fund	The gross return after management fees, performance fees allocated to the general partner, or other fees and expenses. Returns over multiple periods are calculated by geometrically linking each period's return over time. Net return and net ROE do not represent the return to any fund investor.
Non-Fee-Generating AUM	AUM that does not produce management fees or monitoring fees. This measure generally includes the following: (i) fair value above invested capital for those funds that earn management fees based on invested capital; (ii) net asset values related to general partner and co-investment interests; (iii) unused credit facilities; (iv) available commitments on those funds that generate management fees on invested capital; (v) structured portfolio company investments that do not generate monitoring fees; and (vi) the difference between gross asset and net asset value for those funds that earn management fees based on net asset value.
NYC UBT	New York City Unincorporated Business Tax
NYSDFS	New York State Department of Financial Services
Other liability costs	Other liability costs include DAC, DSI and VOBA amortization, change in rider reserves, the cost of liabilities on products other than deferred annuities and institutional products, excise taxes, as well as offsets for premiums, product charges and other revenues
"Other operating expenses" within the Principal Investing segment	Expenses incurred in the normal course of business and includes allocations of non-compensation expenses related to managing the business.
"Other operating expenses" within the Retirement Services segment	Expenses incurred in the normal course of business inclusive of compensation and non-compensation expenses.
Payout annuities	Annuities with a current cash payment component, which consist primarily of single premium immediate annuities, supplemental contracts and structured settlements
PCD	Purchased Credit Deteriorated Investments
Performance allocations, Performance fees, Performance revenues, Incentive fees and Incentive income	The interests granted to Apollo by a fund managed by Apollo that entitle Apollo to receive allocations, distributions or fees which are based on the performance of such fund or its underlying investments

Performance Fee-Eligible AUM	AUM that may eventually produce performance fees. All funds for which we are entitled to receive a performance fee allocation or incentive fee are included in Performance Fee-Eligible AUM, which consists of the following: (i) "Performance Fee-Generating AUM", which refers to invested capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is currently above its hurdle rate or preferred return, and profit of such funds, partnerships and accounts is being allocated to, or earned by, the general partner in accordance with the applicable limited partnership agreements or other governing agreements; (ii) "AUM Not Currently Generating Performance Fees", which refers to invested capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is currently below its hurdle rate or preferred return; and (iii) "Uninvested Performance Fee-Eligible AUM", which refers to capital of the funds, partnerships and accounts we manage, advise, or to which we provide certain other investment-related services, that is available for investment or reinvestment subject to the provisions of applicable limited partnership agreements or other governing agreements, which capital is not currently part of the NAV or fair value of investments that may eventually produce performance fees allocable to, or earned by, the general partner.
Perpetual Capital	Assets under management of indefinite duration, that may only be withdrawn under certain conditions or subject to certain limitations, including but not limited to satisfying required hold periods or percentage limits on the amounts that may be redeemed over a particular period. The investment management, advisory or other service agreements with our Perpetual Capital vehicles may be terminated under certain circumstances.
Principal Investing Income, or PII	Component of Adjusted Segment Income that is used to assess the performance of the Principal Investing segment. For the Principal Investing segment, PII is the sum of (i) realized performance fees, excluding realizations received in the form of shares, (ii) realized investment income, less (x) realized principal investing compensation expense, excluding expense related to equity-based compensation, and (y) certain corporate compensation and non-compensation expenses
Principal investing compensation	Realized performance compensation, distributions related to investment income and dividends, and includes allocations of certain compensation expenses related to managing the business.
Policy loan	A loan to a policyholder under the terms of, and which is secured by, a policyholder's policy
Private equity investments	(i) Direct or indirect investments in existing and future private equity funds managed or sponsored by Apollo, (ii) direct or indirect co-investments with existing and future private equity funds managed or sponsored by Apollo, (iii) direct or indirect investments in securities which are not immediately capable of resale in a public market that Apollo identifies but does not pursue through its private equity funds, and (iv) investments of the type described in (i) through (iii) above made by Apollo funds
Realized Value	All cash investment proceeds received by the relevant Apollo fund, including interest and dividends, but does not give effect to management fees, expenses, incentive compensation or performance fees to be paid by such Apollo fund.
Redding Ridge	Redding Ridge Asset Management, LLC and its subsidiaries, which is a standalone, self-managed asset management business established in connection with risk retention rules that manages CLOs and retains the required risk retention interests.
Redding Ridge Holdings	Redding Ridge Holdings LP
Remaining Cost	The initial investment of the fund in a portfolio investment, reduced for any return of capital distributed to date on such portfolio investment
Rider reserves	Guaranteed lifetime withdrawal benefits and guaranteed minimum death benefits reserves
RMBS	Residential mortgage-backed securities
RML	Residential mortgage loan
RSUs	Restricted share units
SCRF I	Structured Credit Recovery Master Fund I
SCRF II	Structured Credit Recovery Master Fund II
SCRF III	Structured Credit Recovery Master Fund III
SCRF IV	Structured Credit Recovery Master Fund IV
SIA	Strategic investment account
SPACs	Special purpose acquisition companies
Spread Related Earnings, or SRE	Component of Adjusted Segment Income that is used to assess the performance of the Retirement Services segment, excluding certain market volatility and certain expenses related to integration, restructuring, equity-based compensation, and other expenses. For the Retirement Services segment, SRE equals the sum of (i) the net investment earnings on Athene's net invested assets and (ii) management fees earned on the ADIP share of ACRA assets, less (x) cost of funds, (y) operating expenses excluding equity-based compensation and (z) financing costs including interest expense and preferred dividends, if any, paid to Athene preferred stockholders.
Surplus assets	Assets in excess of policyholder obligations, determined in accordance with the applicable domiciliary jurisdiction's statutory accounting principles.
Tax receivable agreement	The tax receivable agreement entered into by and among APO Corp., the Former Managing Partners, the Contributing Partners, and other parties thereto

TDI	Texas Department of Insurance
Total Invested Capital	The aggregate cash invested by the relevant Apollo fund and includes capitalized costs relating to investment activities, if any, but does not give effect to cash pending investment or available for reserves and excludes amounts, if any, invested on a financed basis with leverage facilities
Total Value	The sum of the total Realized Value and Unrealized Value of investments
Traditional private equity funds	Apollo Investment Fund I, L.P. (“Fund I”), AIF II, L.P. (“Fund II”), a mirrored investment account established to mirror Fund I and Fund II for investments in debt securities (“MIA”), Apollo Investment Fund III, L.P. (together with its parallel funds, “Fund III”), Apollo Investment Fund IV, L.P. (together with its parallel fund, “Fund IV”), Apollo Investment Fund V, L.P. (together with its parallel funds and alternative investment vehicles, “Fund V”), Apollo Investment Fund VI, L.P. (together with its parallel funds and alternative investment vehicles, “Fund VI”), Apollo Investment Fund VII, L.P. (together with its parallel funds and alternative investment vehicles, “Fund VII”), Apollo Investment Fund VIII, L.P. (together with its parallel funds and alternative investment vehicles, “Fund VIII”) and Apollo Investment Fund IX, L.P. (together with its parallel funds and alternative investment vehicles, "Fund IX”).
U.S. GAAP	Generally accepted accounting principles in the United States of America
U.S. RE Fund I	AGRE U.S. Real Estate Fund, L.P., including co-investment vehicles
U.S. RE Fund II	Apollo U.S. Real Estate Fund II, L.P., including co-investment vehicles
U.S. RE Fund III	Apollo U.S. Real Estate Fund III, L.P., including co-investment vehicles
U.S. Treasury	United States Department of the Treasury
Unrealized Value	The fair value consistent with valuations determined in accordance with GAAP, for investments not yet realized and may include payments in kind, accrued interest and dividends receivable, if any, and before the effect of certain taxes. In addition, amounts include committed and funded amounts for certain investments.
Venerable	Venerable Holdings, Inc., together with its subsidiaries
VIAC	Venerable Insurance and Annuity Company, formerly Voya Insurance and Annuity Company
VIE	Variable interest entity
Vintage Year	The year in which a fund’s final capital raise occurred, or, for certain funds, the year of a fund’s effective date or the year in which a fund’s investment period commences pursuant to its governing agreements.
VIVAT N.V.	Athora Netherlands N.V. (formerly known as: VIVAT N.V.)
VOBA	Value of business acquired
VOE	Voting interest entity
WACC	Weighted average cost of capital

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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APOLLO GLOBAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

(In millions, except share data)	As of June 30, 2022	As of December 31, 2021
Assets		
Asset Management		
Cash and cash equivalents	$ 1,546	$ 917
Restricted cash and cash equivalents	693	708
Investments	5,396	11,354
Assets of consolidated variable interest entities		
Cash and cash equivalents	148	463
Investments	3,093	14,737
Other assets	60	252
Due from related parties	408	490
Goodwill	264	117
Other assets	2,224	1,464
	13,832	30,502
Retirement Services		
Cash and cash equivalents	11,172	—
Restricted cash and cash equivalents	753	—
Investments	162,652	—
Investments in related parties	23,753	—
Assets of consolidated variable interest entities		
Cash and cash equivalents	198	—
Investments	11,982	—
Other assets	66	—
Reinsurance recoverable	4,437	—
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,890	—
Goodwill	4,153	—
Other assets	9,962	—
	234,018	—
Total Assets	**$ 247,850**	**$ 30,502**

(Continued)

See accompanying notes to the unaudited condensed consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (UNAUDITED)

(In millions, except share data)	As of June 30, 2022	As of December 31, 2021
Liabilities and Equity		
Liabilities		
Asset Management		
Accounts payable, accrued expenses, and other liabilities	$ 2,937	$ 2,847
Due to related parties	1,045	1,222
Debt	2,813	3,134
Liabilities of consolidated variable interest entities		
Debt, at fair value	1,766	7,943
Notes payable	50	2,611
Other liabilities	517	781
	9,128	18,538
Retirement Services		
Interest sensitive contract liabilities	164,571	—
Future policy benefits	52,478	—
Debt	3,279	—
Payables for collateral on derivatives and securities to repurchase	6,013	—
Other liabilities	3,883	—
Liabilities of consolidated variable interest entities	337	—
	230,561	—
Total Liabilities	**239,689**	**18,538**
Commitments and Contingencies (note 17)		
Redeemable non-controlling interests		
Redeemable non-controlling interests	1,003	1,770
Equity		
Series A Preferred Stock, 0 and 11,000,000 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	—	264
Series B Preferred Stock, 0 and 12,000,000 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	—	290
Class A Common Stock, $0.00001 par value, 0 and 90,000,000,000 shares authorized, 0 and 248,896,649 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	—	—
Class B Common Stock, $0.00001 par value, 0 and 999,999,999 shares authorized, 0 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	—	—
Class C Common Stock, $0.00001 par value, 0 and 1 share authorized, 0 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	—	—
Common Stock, $0.00001 par value, 90,000,000,000 shares authorized, 571,028,097 shares issued and outstanding as of June 30, 2022	—	—
Additional paid in capital	15,412	2,096
Retained earnings (accumulated deficit)	(1,943)	1,144
Accumulated other comprehensive income (loss)	(9,790)	(5)
Total Apollo Global Management, Inc. Stockholders' Equity	3,679	3,789
Non-controlling interests	3,479	6,405
Total Equity	**7,158**	**10,194**
Total Liabilities, Redeemable non-controlling interests and Equity	**$ 247,850**	**$ 30,502**

(Concluded)

See accompanying notes to the unaudited condensed consolidated financial statements.

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APOLLO GLOBAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(In millions, except per share data)	Three months ended June 30, 2022	Three months ended June 30, 2021	Six months ended June 30, 2022	Six months ended June 30, 2021
Revenues				
Asset Management				
Management fees	$ 375	$ 470	$ 711	$ 927
Advisory and transaction fees, net	110	86	176	142
Investment income (loss)	(195)	812	506	2,590
Incentive fees	2	15	8	19
	292	1,383	1,401	3,678
Retirement Services				
Premiums	5,614	—	7,724	—
Product charges	175	—	341	—
Net investment income	1,903	—	3,634	—
Investment related gains (losses)	(5,759)	—	(9,976)	—
Revenues of consolidated variable interest entities	55	—	34	—
Other revenues	(8)	—	(11)	—
	1,980	—	1,746	—
Total Revenues	2,272	1,383	3,147	3,678
Expenses				
Asset Management				
Compensation and benefits	309	596	1,043	1,483
Interest expense	31	35	63	70
General, administrative and other	157	116	305	216
	497	747	1,411	1,769
Retirement Services				
Interest sensitive contract benefits	(621)	—	(662)	—
Future policy and other policy benefits	5,609	—	7,694	—
Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired	125	—	250	—
Policy and other operating expenses	331	—	639	—
	5,444	—	7,921	—
Total Expenses	5,941	747	9,332	1,769
Other income (loss) – Asset Management				
Net gains from investment activities	146	913	180	1,266
Net gains from investment activities of consolidated variable interest entities	13	145	380	258
Other income (loss), net	21	5	(2)	(12)
Total other income (loss)	180	1,063	558	1,512
Income (loss) before income tax (provision) benefit	(3,489)	1,699	(5,627)	3,421
Income tax (provision) benefit	487	(194)	1,095	(397)
Net income (loss)	(3,002)	1,505	(4,532)	3,024
Net (income) loss attributable to non-controlling interests	951	(847)	1,611	(1,687)
Net income (loss) attributable to Apollo Global Management, Inc.	(2,051)	658	(2,921)	1,337
Preferred stock dividends	—	(9)	—	(18)
Net income (loss) attributable to Apollo Global Management, Inc. common stockholders	$ (2,051)	$ 649	$ (2,921)	$ 1,319
Earnings (loss) per share				
Net income (loss) attributable to common stockholders - Basic	$ (3.53)	$ 2.70	$ (5.03)	$ 5.51
Net income (loss) attributable to common stockholders - Diluted	$ (3.53)	$ 2.70	$ (5.03)	$ 5.51
Weighted average shares outstanding – Basic	584.8	231.1	585.6	230.5
Weighted average shares outstanding – Diluted	584.8	231.1	585.6	230.5

See accompanying notes to the unaudited condensed consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022	2021	2022	2021
Net income (loss)	$ (3,002)	$ 1,505	$ (4,532)	$ 3,024
Other comprehensive income (loss), before tax				
Unrealized investment gains (losses) on available-for-sale securities, net of offsets	(7,274)	(1)	(13,705)	—
Unrealized gains (losses) on hedging instruments	81	—	(46)	—
Foreign currency translation and other adjustments	(90)	5	(92)	(11)
Other comprehensive income (loss), before tax	(7,283)	4	(13,843)	(11)
Income tax expense (benefit) related to other comprehensive income (loss)	(1,283)	—	(2,453)	—
Other comprehensive income (loss)	(6,000)	4	(11,390)	(11)
Comprehensive income (loss)	(9,002)	1,509	(15,922)	3,013
Comprehensive (income) loss attributable to non-controlling interests	1,837	(851)	3,216	(1,677)
Comprehensive income (loss) attributable to Apollo Global Management, Inc.	$ (7,165)	$ 658	$ (12,706)	$ 1,336

See accompanying notes to the unaudited condensed consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

For the three and six months ended June 30, 2021

	Apollo Global Management, Inc. Stockholders										
(In millions)	Class A Common Stock	Class B Common Stock	Class C Common Stock	Series A Preferred Stock	Series B Preferred Stock	Additional Paid in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Apollo Global Management, Inc. Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance at April 1, 2021	**232**	**—**	**—**	**$ 264**	**$ 290**	**$ 908**	**$ 478**	**$ (3)**	**$ 1,937**	**$ 5,561**	**$ 7,498**
Deconsolidation of VIEs	—	—	—	—	—	—	—	—	—	(125)	(125)
Accretion of redeemable non-controlling interests	—	—	—	—	—	(16)	—	—	(16)	—	(16)
Capital increase related to equity-based compensation	—	—	—	—	—	41	—	—	41	—	41
Capital contributions	—	—	—	—	—	—	—	—	—	191	191
Dividends/ Distributions	—	—	—	(5)	(4)	—	(120)	—	(129)	(625)	(754)
Payments related to issuances of common stock for equity-based awards	—	—	—	—	—	4	(16)	—	(12)	—	(12)
Repurchase of common stock	(2)	—	—	—	—	(123)	—	—	(123)	—	(123)
Exchange of AOG Units for common stock	1	—	—	—	—	9	—	—	9	(6)	3
Net income (loss)	—	—	—	5	4	—	649	—	658	847	1,505
Accumulated other comprehensive income (loss)	—	—	—	—	—	—	—	—	—	4	4
Balance at June 30, 2021	**231**	**—**	**—**	**$ 264**	**$ 290**	**$ 823**	**$ 991**	**$ (3)**	**$ 2,365**	**$ 5,847**	**$ 8,212**
Balance at January 1, 2021	**229**	**—**	**—**	**$ 264**	**$ 290**	**$ 877**	**$ —**	**$ (2)**	**$ 1,429**	**$ 4,084**	**$ 5,513**
Deconsolidation of VIEs	—	—	—	—	—	—	—	—	—	(125)	(125)
Accretion of redeemable non-controlling interests	—	—	—	—	—	(43)	—	—	(43)	—	(43)
Dilution impact of issuance of common stock	—	—	—	—	—	(1)	—	—	(1)	—	(1)
Capital increase related to equity-based compensation	—	—	—	—	—	86	—	—	86	—	86
Capital contributions	—	—	—	—	—	—	—	—	—	1,012	1,012
Dividends/ distributions	—	—	—	(9)	(9)	—	(264)	—	(282)	(786)	(1,068)
Payments related to issuances of common stock for equity-based awards	1	—	—	—	—	4	(64)	—	(60)	—	(60)
Repurchase of common stock	(2)	—	—	—	—	(123)	—	—	(123)	—	(123)
Exchange of AOG Units for common stock	3	—	—	—	—	23	—	—	23	(15)	8
Net income (loss)	—	—	—	9	9	—	1,319	—	1,337	1,687	3,024
Accumulated other comprehensive income (loss)	—	—	—	—	—	—	—	(1)	(1)	(10)	(11)
Balance at June 30, 2021	**231**	**—**	**—**	**$ 264**	**$ 290**	**$ 823**	**$ 991**	**$ (3)**	**$ 2,365**	**$ 5,847**	**$ 8,212**

(Continued)

See accompanying notes to the unaudited condensed consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

	For the three and six months ended June 30, 2022								
	Apollo Global Management, Inc. Stockholders								
(In millions)	Common Stock	Series A Preferred Stock	Series B Preferred Stock	Additional Paid in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Apollo Global Management, Inc. Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance at April 1, 2022	**570**	**$ —**	**$ —**	**$ 15,762**	**$ (93)**	**$ (4,676)**	**$ 10,993**	**$ 7,495**	**$ 18,488**
Consolidation/ deconsolidation of VIEs	—	—	—	8	(7)	—	1	(2,534)	(2,533)
Issuance of common stock related to equity transactions	4	—	—	231	—	—	231	—	231
Accretion of redeemable non-controlling interests	—	—	—	(28)	—	—	(28)	—	(28)
Capital increase related to equity-based compensation	1	—	—	117	—	—	117	—	117
Capital contributions	—	—	—	—	—	—	—	665	665
Dividends/ distributions	—	—	—	(470)	229	—	(241)	(310)	(551)
Payments related to issuances of common stock for equity-based awards	—	—	—	3	(21)	—	(18)	—	(18)
Repurchase of common stock	(4)	—	—	(211)	—	—	(211)	—	(211)
Net income (loss)	—	—	—	—	(2,051)	—	(2,051)	(951)	(3,002)
Accumulated other comprehensive income (loss)	—	—	—	—	—	(5,114)	(5,114)	(886)	(6,000)
Balance at June 30, 2022	**571**	**$ —**	**$ —**	**$ 15,412**	**$ (1,943)**	**$ (9,790)**	**$ 3,679**	**$ 3,479**	**$ 7,158**
Balance at January 1, 2022	**249**	**$ 264**	**$ 290**	**$ 2,096**	**$ 1,144**	**$ (5)**	**$ 3,789**	**$ 6,405**	**$ 10,194**
Merger with Athene	166	—	—	13,050	—	—	13,050	4,942	17,992
Issuance of warrants	—	—	—	149	—	—	149	—	149
Reclassification of preferred stock to non-controlling interests	—	(264)	(290)	—	—	—	(554)	554	—
Consolidation/ deconsolidation of VIEs	—	—	—	8	(7)	—	1	(5,382)	(5,381)
Issuance of common stock related to equity transactions	4	—	—	252	—	—	252	—	252
Accretion of redeemable non-controlling interests	—	—	—	(48)	—	—	(48)	—	(48)
Capital increase related to equity-based compensation	1	—	—	258	—	—	258	—	258
Capital contributions	—	—	—	—	—	—	—	3,677	3,677
Dividends/ distributions	—	—	—	(482)	—	—	(482)	(910)	(1,392)
Payments related to issuances of common stock for equity-based awards	3	—	—	31	(159)	—	(128)	—	(128)
Repurchase of common stock	(8)	—	—	(437)	—	—	(437)	—	(437)
Exchange of AOG Units for common stock	156	—	—	535	—	—	535	(2,591)	(2,056)
Net income (loss)	—	—	—	—	(2,921)	—	(2,921)	(1,611)	(4,532)
Accumulated other comprehensive income (loss)	—	—	—	—	—	(9,785)	(9,785)	(1,605)	(11,390)
Balance at June 30, 2022	**571**	**$ —**	**$ —**	**$ 15,412**	**$ (1,943)**	**$ (9,790)**	**$ 3,679**	**$ 3,479**	**$ 7,158**

(Concluded)

See accompanying notes to the unaudited condensed consolidated financial statements.

APOLLO GLOBAL MANAGEMENT, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(In millions)	Six months ended June 30, 2022	2021
Cash Flows from Operating Activities		
Net Income (Loss)	$ (4,532)	$ 3,024
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Equity-based compensation	293	109
Net investment income	(797)	(1,752)
Net recognized (gains) losses on investments and derivatives	4,813	(1,602)
Depreciation and amortization	271	13
Net amortization of net investment premiums, discount and other	155	—
Policy acquisition costs deferred	(434)	—
Other non-cash amounts included in net income (loss), net	(30)	382
Changes in consolidation	(642)	(3)
Changes in operating assets and liabilities:		
Purchases of investments by Funds and VIEs	(7,505)	(2,435)
Proceeds from sale of investments by Funds and VIEs	2,694	2,195
Interest sensitive contract liabilities	(1,604)	—
Future policy benefits and reinsurance recoverable	3,933	—
Other assets and liabilities, net	3,365	1,162
Net Cash Provided by (Used in) Operating Activities	(20)	1,093
Cash Flows from Investing Activities		
Purchases of investments and contributions to equity method investments	(34,749)	(1,002)
Sales, maturities and repayments of investments and distributions from equity method investments	23,511	1,788
Cash acquired through merger	10,420	—
Other investing activities, net	—	(14)
Net Cash Provided by (Used in) Investing Activities	(818)	772
Cash Flows from Financing Activities		
Issuance of debt	3,751	774
Repayment of debt	(735)	(1,331)
Repurchase of common stock	(437)	(123)
Common stock dividends	(458)	(264)
Preferred stock dividends	—	(18)
Other financing activities, net	21	(105)
Distributions paid to non-controlling interests	(947)	(784)
Contributions from non-controlling interests	4,034	1,012
Distributions to redeemable non-controlling interests	(776)	—
Proceeds from issuance of Class A units of SPAC, net of underwriting and offering costs	—	662
Deposits on investment-type policies and contracts	13,925	—
Withdrawals on investment-type policies and contracts	(4,074)	—
Net change in cash collateral posted for derivative transactions and securities to repurchase	(1,024)	—
Net Cash Provided by (Used in) Financing Activities	13,280	(177)
Effect of exchange rate changes on cash and cash equivalents	(20)	—
Net Increase in Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities	12,422	1,688
Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities, Beginning of Period	2,088	2,467
Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities, End of Period	$ 14,510	$ 4,155

(Continued)

APOLLO GLOBAL MANAGEMENT, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six months ended June 30,	
(In millions)	**2022**	**2021**
Supplemental Disclosure of Cash Flow Information		
Cash paid for taxes	327	38
Cash paid for interest	314	200
Non-cash transactions		
Non-Cash Operating Activities		
Asset Management and Other		
Capital increases related to equity-based compensation	233	86
Non-Cash Investing Activities		
Asset Management and Other		
Acquisition of goodwill and intangibles	335	—
Distributions from principal investments	5	146
Retirement Services		
Investments received from settlements on reinsurance agreements	20	—
Investments received from pension group annuity premiums	2,510	—
Assets contributed to consolidated VIEs	7,845	—
Non-Cash Financing Activities		
Retirement Services		
Deposits on investment-type policies and contracts through reinsurance agreements	719	—
Withdrawals on investment-type policies and contracts through reinsurance agreements	3,944	—
Reconciliation of Cash and Cash Equivalents, Restricted Cash and Cash Equivalents Held at Consolidated Variable Interest Entities to the Condensed Consolidated Statements of Financial Condition:		
Cash and cash equivalents	12,718	1,825
Restricted cash and cash equivalents	1,446	1,524
Cash held at consolidated variable interest entities	346	806
Total Cash and Cash Equivalents, Restricted Cash and Cash Equivalents Held at Consolidated Variable Interest Entities	$ 14,510	$ 4,155

(Concluded)

See accompanying notes to the unaudited condensed consolidated financial statements.

1. Organization

Apollo Global Management, Inc. together with its consolidated subsidiaries (collectively, “Apollo” or the “Company”) is a global alternative asset manager that offers asset management and retirement services solutions. Through its asset management business, Apollo seeks to provide clients excess return at every point along the risk-reward spectrum from investment grade to private equity with a focus on three investing strategies: yield, hybrid and equity. Through its asset management business, Apollo raises, invests and manages funds, accounts and other vehicles, on behalf of pension, endowment and sovereign wealth funds, as well as other institutional and individual investors. Apollo’s retirement services business, which is operated by Athene, seeks to provide policyholders with financial security by providing a suite of retirement savings products and acting as a solutions provider to institutions. Athene specializes in issuing, reinsuring and acquiring retirement savings products in the United States and internationally.

Merger with Athene

On January 1, 2022, Apollo and Athene completed the previously announced merger transactions pursuant to the Merger Agreement (the “Mergers”). As a result of the Mergers, AAM and AHL became consolidated subsidiaries of AGM.

Athene’s results are included in the condensed consolidated financial statements commencing from the Merger Date. References herein to “Apollo” and the “Company” refer to AGM and its subsidiaries, including Athene, unless the context requires otherwise such as in sections where it refers to the asset management business only. See note 3 for additional information.

Corporate Recapitalization

In connection with the closing of the Mergers, the Company completed a corporate recapitalization (the “Corporate Recapitalization”) which resulted in the recapitalization of the Company from an umbrella partnership C corporation (“Up-C”) structure to a corporation with a single class of common stock with one vote per share.

Griffin Capital Acquisitions

On May 3, 2022, the Company completed the acquisition of the U.S. asset management business of Griffin Capital in exchange for closing consideration of $ 213 million and contingent consideration of $64 million, substantially all of which was, or will be, settled in shares of AGM common stock, per the transaction agreement signed December 2, 2021. This follows the March 2022 close of Griffin Capital’s U.S. wealth distribution business. As a result of the final close, the Griffin Institutional Access Real Estate Fund and the Griffin Institutional Access Credit Fund are advised by Apollo and have been renamed the Apollo Diversified Real Estate Fund and Apollo Diversified Credit Fund, respectively.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). These condensed consolidated financial statements should be read in conjunction with the annual financial statements included in Apollo Asset Management, Inc.’s annual report on Form 10-K for the year ended 2021. Certain disclosures included in the annual financial statements have been condensed or omitted as they are not required for interim financial statements under U.S. GAAP and the rules of the SEC. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year.

The results of the Company and its subsidiaries are presented on a consolidated basis. Any ownership interest other than the Company’s interest in its subsidiaries is reflected as a non-controlling interest. Intercompany accounts and transactions have been eliminated. Management believes it has made all necessary adjustments (consisting only of normal recurring items) so that the condensed consolidated financial statements are presented fairly and that any estimates made are reasonable and prudent. Certain reclassifications have been made to previously reported amounts to conform to the current period’s presentation.

Furthermore, in conjunction with the Mergers, Apollo was deemed to be the accounting acquirer and Athene the accounting acquiree, which, for financial reporting purposes, results in Apollo's historical financial information prior to the Mergers becoming that of the Company. Athene's results before the Mergers have not been included in the condensed consolidated financial statements of the Company. The unaudited consolidated financial statements include the assets, liabilities, operating results and cash flows of Athene from the date of acquisition. For information on Athene prior to the Mergers, please refer to the annual financial statements included in AHL's annual report on Form 10-K for the year ended December 31, 2021.

Following the Mergers, the Company's principal subsidiaries AAM and AHL, together with their subsidiaries, operate an asset management business and a retirement services business, respectively, which possess distinct characteristics. As a result, the Company's financial statement presentation is organized into two tiers: asset management and retirement services. The Company believes that separate presentation provides a more informative view of the Company's consolidated financial condition and results of operations than an aggregated presentation.

The following summary of significant accounting policies first includes those most significant to the overall Company and then specific accounting policies for each of the asset management and retirement services businesses, respectively.

Significant Accounting Policies— Overall

Consolidation

When an entity is consolidated, the accounts of the consolidated entity, including its assets, liabilities, revenues, expenses and cash flows, are presented on a gross basis. Consolidation does not have an effect on the amounts of net income reported. The Company consolidates entities where it has a controlling financial interest unless there is a specific scope exception that prevents consolidation. The types of entities with which the Company is involved generally include, but are not limited to:

- subsidiaries, including management companies and general partners of funds that the Company manages
- entities that have attributes of an investment company (e.g., funds)
- SPACs
- CLOs
- AAM and its subsidiaries
- AHL and its subsidiaries

Each of these entities is assessed for consolidation based on its specific facts and circumstances. In determining whether to consolidate an entity, the Company first evaluates whether the entity is a VIE or a VOE and applies the appropriate consolidation model as discussed below. If an entity is not consolidated, then the Company's investment is generally accounted for under the equity method of accounting or as a financial instrument as discussed in the related policy discussions below.

Investment Companies

Funds managed by the Company are generally accounted for as investment companies and they are not required to consolidate their investments in operating companies. Judgement is required to evaluate whether entities have the characteristics of an investment company and are thus eligible to be accounted for as an investment company. Funds that meet the investment company criteria reflect their investments at fair value as required by specialized accounting guidance. The Company has retained this specialized accounting for investment companies in consolidation.

Variable Interest Entities

All entities are first considered under the VIE model. VIEs are entities that 1) do not have sufficient equity at risk to finance activities without additional subordinated financial support or 2) have equity investors that do not have the ability to make significant decisions related to the entity's operations, absorb expected losses, or receive expected residual returns.

The Company consolidates a VIE if it is the primary beneficiary of the entity. The Company is deemed the primary beneficiary when it has a controlling financial interest in the VIE, which is defined as possessing both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance ("primary beneficiary power") and (ii) the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant ("significant variable interest"). The Company performs the VIE and primary beneficiary assessment at inception of its involvement with a VIE and on an ongoing basis if facts and circumstances change.

To assess whether the Company has the primary beneficiary power under the VIE consolidation model, it considers the design of the entity as well as ongoing rights and responsibilities. In general, the parties that can make the most significant decisions regarding asset management, servicing, liquidation rights or have the right to unilaterally remove those decision-makers are deemed to have the primary beneficiary power. To assess whether the Company has a significant variable interest, the Company considers all its economic interests that are considered variable interests in the entity including interests held through related parties. This assessment requires judgement in considering whether those interests are significant.

Assets and liabilities of the consolidated VIEs, other than SPACs, are primarily shown in separate sections within the condensed consolidated statements of financial condition. Changes in the fair value of the consolidated VIEs' assets and liabilities and related interest, dividend and other income and expenses are primarily presented within net gains from investment activities of consolidated variable interest entities in the condensed consolidated statements of operations. The portion attributable to non-controlling interests is reported within net income attributable to non-controlling interests in the condensed consolidated statements of operations. For additional disclosures regarding VIEs, see notes 6 and 16.

Voting Interest Entities

Entities that are not determined to be VIEs are generally considered VOEs. Under the voting interest model, the Company consolidates those entities it controls through a majority voting interest. The Company does not consolidate those VOEs in which substantive kick-out rights have been granted to the unrelated investors to either dissolve the fund or remove the general partner.

Use of Estimates

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts in the financial statements and related footnotes. The Company's most significant estimates include goodwill and intangible assets, income taxes, performance allocations, incentive fees, non-cash compensation, fair value of investments (including derivatives) and debt, impairment of investments and allowances for expected credit losses, DAC, DSI and VOBA, and future policy benefit reserves. While such impact may change considerably over time, the estimates and assumptions affecting the Company's condensed consolidated financial statements are based on the best available information as of June 30, 2022. Actual results could differ materially from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with original maturities of three months or less when purchased to be cash equivalents. Cash and cash equivalents include money market funds and U.S. Treasury securities. Interest income from cash and cash equivalents is recorded in other income for asset management and net investment income for retirement services in the condensed consolidated statements of operations. The carrying values of the money market funds and U.S. Treasury securities represent their fair values due to their short-term nature. Substantially all of the Company's cash on deposit is in interest bearing accounts with major financial institutions and exceed insured limits.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represent balances that are restricted as to withdrawal or usage.

Restricted cash consists of cash and cash equivalents held in funds in trust as part of certain coinsurance agreements to secure statutory reserves and liabilities of the coinsured parties and for periods prior to June 30, 2022, cash held in reserve accounts used to make required payments in respect of the 2039 Senior Secured Guaranteed Notes. Restricted cash also includes cash deposited at a bank that is pledged as collateral in connection with leased premises.

Foreign Currency

The Company holds foreign currency denominated assets and liabilities. Non-monetary assets and liabilities of the Company's international subsidiaries are remeasured into the functional currency using historical exchange rates specific to each asset and liability, the exchange rates prevailing at the end of each reporting period are used for all others. The results of the Company's foreign operations are remeasured using an average exchange rate for the respective reporting period. Currency remeasurement adjustments and gains and losses on the settlement of foreign currency translations are included within other income, net for

asset management or investment related gains (losses) for retirement services in the condensed consolidated statements of operations. Foreign currency denominated assets and liabilities are translated into the reporting currency using the exchange rates prevailing at the end of each reporting period. Currency translation adjustments are included within other comprehensive income (loss), before tax within the condensed consolidated statements of comprehensive income (loss). The change in unrealized foreign currency exchange of any non-US dollar denominated available-for-sale (“AFS”) securities are included in other comprehensive income (“OCI”) unless they are designated as part of a fair value hedge.

Investments

Equity Method Investments

For investments in entities over which the Company exercises significant influence but does not meet the requirements for consolidation and has not elected the fair value option, the Company uses the equity method of accounting. Under the equity method of accounting, the Company records its share of the underlying income or loss of such entities adjusted for distributions. The Company’s share of the underlying net income or loss of such entities is recorded in Investment income (loss) for asset management and Net investment income for retirement services in the condensed consolidated statements of operations.

The carrying amounts of equity method investments are recorded in investments in the condensed consolidated statements of financial condition. Generally, the underlying entities that the Company manages and invests in are primarily investment companies and the carrying value of the Company’s equity method investments approximates fair value.

Financial Instruments held by Consolidated VIEs

The consolidated VIEs managed by the Company are primarily investment companies and CLOs. Their investments include debt and equity securities held at fair value. Financial instruments are generally accounted for on a trade date basis.

Under a measurement alternative permissible for consolidated collateralized financing entities, the Company measures both the financial assets and financial liabilities of consolidated CLOs in its condensed consolidated financial statements in both cases using the fair value of the financial assets or financial liabilities, whichever are more observable.

Where financial assets are more observable, the financial assets of the consolidated CLOs are measured at fair value and the financial liabilities are measured in consolidation as: (i) the sum of the fair value of the financial assets and the carrying value of any non-financial assets that are incidental to the operations of the CLOs less (ii) the sum of the fair value of any beneficial interests retained by the Company (other than those that represent compensation for services) and the Company’s carrying value of any beneficial interests that represent compensation for services. The resulting amount is allocated to the individual financial liabilities (other than the beneficial interest retained by the Company) using a reasonable and consistent methodology.

Where financial liabilities are more observable, the financial liabilities of the consolidated CLOs are measured at fair value and the financial assets are measured in consolidation as: (i) the sum of the fair value of the financial liabilities, and the carrying value of any non-financial liabilities that are incidental to the operations of the CLOs less (ii) the carrying value of any non-financial assets that are incidental to the operations of the CLOs. The resulting amount is allocated to the individual financial assets using a reasonable and consistent methodology.

Net income attributable to Apollo Global Management, Inc. reflects the Company’s own economic interests in the consolidated CLOs including (i) changes in the fair value of the beneficial interests retained by the Company and (ii) beneficial interests that represent compensation for collateral management services.

Certain consolidated VIEs have applied the fair value option for certain investments in private debt securities that otherwise would not have been carried at fair value with gains and losses in net income.

Fair Value of Financial Instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date under current market conditions. The actual realized gains or losses will depend on, among other factors, future operating results, the value of the assets and market

conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may ultimately differ significantly from the assumptions on which the valuations were based.

Fair Value Option

Entities are permitted to elect the fair value option ("FVO") to carry at fair value certain financial assets and financial liabilities, including investments otherwise accounted for under the equity method of accounting. The FVO election is irrevocable and is applied to financial instruments on an individual basis at initial recognition or at eligible remeasurement events. Please refer to note 4 for additional information and other instances of when the Company has elected the FVO.

Fair Value Hierarchy

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

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

Level 1 – Quoted prices are available in active markets for identical financial instruments as of the reporting date. The Company does not adjust the quoted price for these financial instruments, even in situations where the Company holds a large position and the sale of such position would likely deviate from the quoted price.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. These financial instruments exhibit higher levels of liquid market observability as compared to Level 3 financial instruments.

Level 3 – Pricing inputs are unobservable for the financial instrument and includes situations where there is little observable market activity for the financial instrument. The inputs into the determination of fair value may require significant management judgment or estimation. Financial instruments that are included in this category generally include investments where the fair value is based on observable inputs as well as unobservable inputs.

When a security is valued based on broker quotes, the Company subjects those quotes to various criteria in making the determination as to whether a particular financial instrument would qualify for classification as Level 2 or Level 3. These criteria include, but are not limited to, the number and quality of the broker quotes, the standard deviations of the observed broker quotes, and the percentage deviation from external pricing services.

Investments in securities that are traded on a securities exchange or comparable over-the-counter quotation systems are valued based on the last reported sale price at that date. If no sales of such investments are reported on such date, and in the case of over-the-counter securities or other investments for which the last sale date is not available, valuations are based on independent market quotations obtained from market participants, recognized pricing services or other sources deemed relevant, and the prices are based on the average of the "bid" and "ask" prices, or at ascertainable prices at the close of business on such day. Market quotations are generally based on valuation pricing models or market transactions of similar securities adjusted for security-specific factors such as relative capital structure priority and interest and yield risks, among other factors. When market quotations are not available, a model-based approach is used to determine fair value.

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

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting where the purchase price of the acquisition is allocated to the assets acquired and liabilities assumed using the fair values determined by management as of the acquisition date. Contingent consideration obligations that are elements of the consideration transferred are recognized as of the acquisition date as part of the fair value transferred in exchange for the acquired business. Acquisition-related costs incurred in connection with a business combination are expensed as incurred.

Goodwill

Goodwill represents the excess of cost over the fair value of identifiable net assets of an acquired business. Goodwill is tested annually for impairment or more frequently if circumstances indicate impairment may have occurred. The Company will perform its annual goodwill impairment test on October 1, 2022. The impairment test is performed at the reporting unit level, which is generally at the level of the Company's reportable segments. Goodwill is recorded in separate line items for both the Asset Management and Retirement Services segments. See note 3 for disclosure regarding the goodwill recorded related to the Mergers.

Compensation and Benefits

Compensation consists of (i) salary, bonus, and benefits, which includes base salaries, discretionary and non-discretionary bonuses, severance and employee benefits, (ii) equity-based compensation granted to employees and non-employees that is measured based on the grant date fair value of the award and (iii) profit sharing expense, which primarily consists of a portion of performance revenues earned from certain funds that are allocated to employees and former employees. Compensation costs are recorded in compensation and benefits for asset management and policy and other operating expense for retirement services in the condensed consolidated statements of operations.

Equity-based awards granted to employees and non-employees as compensation are measured based on the grant date fair value of the award. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately. Equity-based employee awards that require future service are expensed over the relevant period of service. Equity-based awards that require performance metrics to be met are expensed only when the performance metric is met or deemed probable. Profit sharing amounts are recognized as the related performance revenues are earned. Accordingly, profit sharing amounts can be reversed during periods when there is a decline in performance revenues that were previously recognized. Profit sharing amounts are generally not paid until the related performance revenue is distributed to the general partner upon realization of the fund's investments (which may be distributed in cash or in-kind).

Non-controlling Interests

For entities that are consolidated, but not wholly owned, a portion of the income or loss and corresponding equity is allocated to owners other than the Company. The aggregate of the income or loss and corresponding equity that is not owned by the Company is included in non-controlling interests in the condensed consolidated financial statements. Non-controlling interests also include ownership interests in certain consolidated funds and VIEs.

Non-controlling interests are presented as a separate component of equity on the Company's condensed consolidated statements of financial condition. Net income includes the net income attributable to the holders of non-controlling interests on the Company's condensed consolidated statements of operations. Profits and losses are allocated to non-controlling interests in proportion to their relative ownership interests regardless of their basis.

Earnings Per Share

As the Company has issued participating securities, the two-class method of computing earnings per share is used for all periods presented for common stock and participating securities as if all earnings for the period had been distributed. Under the two-class method, during periods of net income, the net income is first reduced for distributions declared on all classes of securities to arrive at undistributed earnings. During periods of net losses, the net loss is reduced for distributions declared on participating securities only if the security has the right to participate in the earnings of the entity and an objectively determinable contractual obligation to share in net losses of the entity. Participating securities include vested and unvested RSUs that participate in distributions, as well as unvested restricted shares.

Whether during a period of net income or net loss, under the two-class method the remaining earnings are allocated to common stock and participating securities to the extent that each security shares in earnings as if all of the earnings for the period had been distributed. Earnings or losses allocated to each class of security are then divided by the applicable weighted average outstanding shares to arrive at basic earnings per share. For the diluted earnings, the denominator includes all outstanding shares of common stock and includes the number of additional shares of common stock that would have been outstanding if the dilutive potential shares of common stock had been issued. The numerator is adjusted for any changes in income or loss that would result from the issuance of these potential shares of common stock.

Share Repurchase

When shares are repurchased, the Company can choose to record treasury shares or account for the repurchase as a constructive retirement. The Company accounted for share repurchases as constructive retirement, whereby it reduced common stock and additional paid-in capital by the amount of the original issuance, with any excess purchase price recorded as a reduction to retained earnings. Under this method, issued and outstanding shares are reduced by the shares repurchased, and no treasury stock is recognized on the condensed consolidated statements of financial condition.

Income Taxes

AGM is a Delaware corporation and generally all of its income is subject to U.S. corporate income taxes. Certain subsidiaries of AGM operate as partnerships for U.S. income tax purposes and are subject to NYC UBT. In conjunction with the Mergers, Apollo underwent a reorganization from an Up-C structure to a C-corporation with a single class of common stock. Athene, and certain of its non-U.S. subsidiaries, are Bermuda exempted companies that have historically not been subject to U.S. corporate income taxes on their earnings. Due to the Mergers, Athene’s non-U.S. earnings will generally be subject to U.S. corporate income taxes.
Significant judgment is required in determining tax expense and in evaluating certain and uncertain tax positions. The Company’s tax positions are reviewed and evaluated quarterly to determine whether the Company has uncertain tax positions that require financial statement recognition. The Company recognizes the tax benefit of uncertain tax positions only where the position is “more likely than not” to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. If a tax position were not considered more likely than not to be sustained, then no benefits of the position would be recognized.

Deferred tax assets and liabilities are recognized for the expected future tax consequences of differences between the financial statement carrying amount of assets and liabilities and their respective tax bases using currently enacted tax rates in the period the temporary difference is expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period during which the change is enacted. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that all or a portion of the deferred tax assets will not be realized. In determining the realizability of deferred tax assets, the Company evaluates all positive and negative evidence in addition to the ability to carry back losses, the timing of future reversals of taxable temporary differences, tax planning strategies and future expected earnings.

Recently Issued Accounting Pronouncements

Fair Value Measurement — Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions (ASU 2022-03)

In June 2022, the FASB issued clarifying guidance that a restriction which is a characteristic of the holding entity rather than a characteristic of the equity security itself should not be considered in its fair value measurement. As a result, the Company is required to measure the fair value of equity securities subject to contractual restrictions attributable to the holding entity on the basis of the market price of the same equity security without those contractual restrictions. Companies are not permitted to recognize a contractual sale restriction attributable to the holding entity as a separate unit of account. The guidance also requires disclosures for these equity securities.

The new guidance is mandatorily effective for the Company by January 1, 2024 with early adoption permitted. The Company will apply the guidance on a prospective basis as an adjustment to current-period earnings with the adoption impact disclosed in the period of adoption.

The Company is currently evaluating the new guidance and its impact on the condensed consolidated financial statements.

Business Combinations – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (ASU 2021-08)

In October 2021, the FASB issued guidance to add contract assets and contract liabilities from contracts with customers acquired in a business combination to the list of exceptions to the fair value recognition and measurement principles that apply to business combinations, and instead require them to be accounted for in accordance with revenue recognition guidance. The new guidance is mandatorily effective for the Company on January 1, 2023 and applied prospectively, with early adoption permitted. The Company is currently evaluating the new guidance and its impact on the condensed consolidated financial statements.

Insurance – Targeted Improvements to the Accounting for Long-Duration Contracts (ASU 2020-11, ASU 2019-09, ASU 2018-12)

These updates amend four key areas pertaining to the accounting and disclosures for long-duration insurance and investment contracts.

- The update requires cash flow assumptions used to measure the liability for future policy benefits to be updated at least annually and no longer allows a provision for adverse deviation. The remeasurement of the liability associated with the update of assumptions is required to be recognized in net income. Loss recognition testing is eliminated for traditional and limited-payment contracts. The update also requires the discount rate used in measuring the liability to be an upper-medium grade fixed-income instrument yield, which is to be updated at each reporting date. The change in liability due to changes in the discount rate is to be recognized in OCI.
- The update simplifies the amortization of deferred acquisition costs and other balances amortized in proportion to premiums, gross profits, or gross margins, requiring such balances to be amortized on a constant level basis over the expected term of the contracts. Deferred costs are required to be written off for unexpected contract terminations but are not subject to impairment testing.
- The update requires certain contract features meeting the definition of market risk benefits to be measured at fair value. Among the features included in this definition are the GLWB and GMDB riders attached to annuity products. The change in fair value of the market risk benefits is to be recognized in net income, excluding the portion attributable to changes in instrument-specific credit risk which is recognized in OCI.
- The update also introduces disclosure requirements around the liability for future policy benefits, policyholder account balances, market risk benefits, separate account liabilities, and deferred acquisition costs. This includes disaggregated rollforwards of these balances and information about significant inputs, judgments, assumptions and methods used in their measurement.

The Company is required to adopt these updates on January 1, 2023. Certain provisions of the update are required to be adopted on a fully retrospective basis, while others may be adopted on a modified retrospective basis. Early adoption is permitted. The Company does not expect that the adoption of this standard will have a material effect on stockholders' equity as of the Company's transition date, which is January 1, 2022. The Company is currently evaluating the impact of this guidance on the condensed consolidated financial statements for periods subsequent to the Company's transition date.

Significant Accounting Policies – Asset Management

U.S. Treasury securities

U.S. Treasury securities, at fair value includes U.S. Treasury bills with original maturities greater than three months when purchased. These securities are recorded at fair value in investments in the condensed consolidated statements of financial condition. Interest income on such securities is separately presented from the overall change in fair value and is recognized in interest income for asset management in the condensed consolidated statements of operations. Any remaining change in fair value of such securities, that is not recognized as interest income, is recognized in net gains (losses) from investment activities for asset management in the condensed consolidated statements of operations.

Due from/to Related Parties

Due from/to related parties includes amounts due from and due to existing employees, certain former employees, portfolio companies of the funds and non-consolidated funds.

Deferred Revenue

Apollo records deferred revenue, which is a type of contract liability, when consideration is received in advance of management services provided. Deferred revenue is reversed and recognized as revenue over the period that the agreed upon services are performed. It is included in accounts payable, accrued expenses, and other liabilities in the condensed consolidated statements of financial condition.

Apollo also earns management fees which are subject to an offset. When Apollo receives cash for advisory and transaction fees, a certain percentage of such advisory and/or transaction fees, as applicable, is allocated as a credit to reduce future management fees, otherwise payable by the relevant fund. Such credit is recorded as deferred revenue in the condensed consolidated statements of financial condition within the accounts payable, accrued expenses and other liabilities line item. A portion of any excess advisory and transaction fees may be required to be returned to the limited partners of certain funds upon such fund's liquidation. As the management fees earned by Apollo are presented on a gross basis, any management fee offsets calculated are presented as a reduction to advisory and transaction fees in the condensed consolidated statements of operations.

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

Under the terms of the funds' partnership agreements, Apollo is normally required to bear organizational expenses over a set dollar amount and placement fees or costs in connection with the offering and sale of interests in the funds it manages to investors. In cases where the limited partners of the funds are determined to be the customer in an arrangement, placement fees may be capitalized as a cost to acquire a customer contract and amortized over the life of the customer contract. Capitalized placement fees are recorded within other assets in the condensed consolidated statements of financial condition, while amortization is recorded within general, administrative and other in the condensed consolidated statements of operations. In certain instances, the placement fees are paid over a period of time. Based on the management agreements with the funds, Apollo considers placement fees and organizational costs paid in determining if cash has been received in excess of the management fees earned. Placement fees and organizational costs are normally the obligation of Apollo but can be paid for by the funds. When these costs are paid by the fund, the resulting obligations are included within deferred revenue. The deferred revenue balance will also be reduced during future periods when management fees are earned but not paid.

Redeemable non-controlling interests

Redeemable non-controlling interests represent any shares issued by consolidated SPACs that are redeemable for cash by the public shareholders in connection with the SPACs' failure to complete a business combination or tender offer/stockholder approval provisions. The SPACs recognize changes in redemption value immediately as they occur and will adjust the carrying value of the security at the end of each reporting period. Increases or decreases in the carrying amount of redeemable ordinary shares are affected by charges against additional paid-in capital.

Revenues

The revenues of the asset management business include (i) management fees; (ii) advisory and transaction fees, net; (iii) investment income, which is comprised of performance allocations and principal investment income; and (iv) incentive fees.

The revenue guidance requires that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services (i.e., the transaction price). When determining the transaction price under the revenue guidance, an entity may recognize variable consideration only to the extent that it is probable to not be significantly reversed. The revenue guidance also requires disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized.

Performance allocations are accounted for under guidance applicable to equity method investments, and therefore not within the scope of the revenue guidance. Apollo recognizes performance allocations within investment income along with the related principal investment income (as further described below) in the condensed consolidated statements of operations and within the investments line in the condensed consolidated statements of financial condition.

Refer to disclosures below for additional information on each of the revenue streams of the asset management business.

Management Fees

Management fees are recognized over time during the periods in which the related services are performed in accordance with the contractual terms of the related agreement. Management fees are generally based on (1) a percentage of the capital committed during the commitment period, and thereafter based on the remaining invested capital of unrealized investments, or (2) net asset value, gross assets or as otherwise provided in the respective agreements. Included in management fees are certain expense reimbursements where Apollo is considered the principal under the agreements and is required to record the expense and related reimbursement revenue on a gross basis.

Advisory and Transaction Fees, Net

Advisory fees, including management consulting fees and directors' fees, are generally recognized over time as the underlying services are provided in accordance with the contractual terms of the related agreement. Apollo receives such fees in exchange for ongoing management consulting services provided to portfolio companies of funds it manages. Transaction fees, including structuring fees and arranging fees related to Apollo's funds, portfolio companies of funds and third parties are generally recognized at a point in time when the underlying services rendered are complete.

The amounts due from fund portfolio companies are recorded in due from related parties on the condensed consolidated statements of financial condition. Under the terms of the limited partnership agreements for certain funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage of such advisory and transaction fees, net of applicable broken deal costs. Advisory and transaction fees are presented net of these management fee offsets in the condensed consolidated statements of operations.

Underwriting fees, which are also included within advisory and transaction fees, net, include gains, losses and fees, arising from securities offerings in which one of the Company's subsidiaries participates in the underwriter syndicate. Underwriting fees are recognized at a point in time when the underwriting is completed. Underwriting fees recognized but not received are recorded in other assets on the condensed consolidated statements of financial condition.
During the normal course of business, Apollo incurs certain costs related to certain transactions that are not consummated, or "broken deal costs". These costs (e.g., research costs, due diligence costs, professional fees, legal fees and other related items) are determined to be broken deal costs upon management's decision to no longer pursue the transaction. In accordance with the related fund agreement, in the event the deal is deemed broken, all of the costs are reimbursed by the funds and then included as a component of the calculation of the management fee offset. If a deal is successfully completed, Apollo is reimbursed by the fund or fund's portfolio company for all costs incurred and no offset is generated. As Apollo acts as an agent for the funds it manages, any transaction costs incurred and paid by Apollo on behalf of the respective funds relating to successful or broken deals are recorded net on the Company's condensed consolidated statements of operations, and any receivable from the respective funds is recorded in due from related parties on the condensed consolidated statements of financial condition.

Performance Allocations

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

Apollo recognizes performance allocations within investment income along with the related principal investment income (as described further below) in the condensed consolidated statements of operations and within the investments line in the condensed consolidated statements of financial condition.

When applicable, Apollo may record a general partner obligation to return previously distributed performance allocations. The general partner obligation is based upon an assumed liquidation of a fund's net assets as of the reporting date and is reported within due to related parties on the condensed consolidated statements of financial condition. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective governing document of the fund.

Principal Investment Income

Principal investment income includes Apollo's income or loss from equity method investments and certain other investments in entities in which Apollo is generally eligible to receive performance allocations. Income from equity method investments includes Apollo's share of net income or loss generated from its investments, which are not consolidated, but in which it exerts significant influence.

Incentive Fees

Incentive fees are a type of performance revenue. Incentive fees differ from performance allocations in that incentive fees do not represent an allocation of capital but rather a contractual fee arrangement with the entity. Incentive fees are considered a form of variable consideration as they are subject to clawback or reversal and therefore must be deferred until the fees are probable to not be significantly reversed. Accrued but unpaid incentive fees are reported within other assets in Apollo's condensed consolidated statements of financial condition. Apollo's incentive fees are generally received from CLOs, managed accounts and certain other vehicles it manages.

Profit Sharing

Profit sharing expense and profit sharing payable primarily consist of a portion of performance revenues earned from certain funds that are allocated to employees and former employees. Profit sharing amounts are recognized as the related performance revenues are earned. Accordingly, profit sharing amounts can be reversed during periods when there is a decline in performance revenues that were previously recognized. Profit sharing expense is recorded in compensation and benefits for Asset Management in the condensed consolidated statements of operations. Profit sharing payable is recorded in accounts payable, accrued expenses and other liabilities for Asset Management in the condensed consolidated statements of financial condition.

Profit sharing amounts are generally not paid until the related performance revenue is distributed to the general partner upon realization of the fund's investments. Under certain profit-sharing arrangements, Apollo requires that a portion of certain of the performance revenues distributed to its employees be used to purchase restricted common stock issued under the Equity Plan. Prior to distribution of the performance revenue, the Company records the value of the equity-based awards expected to be granted in other assets and other liabilities within the condensed consolidated statements of financial condition. Such equity-based awards are recorded as equity-based compensation expense over the relevant service period once granted.

Additionally, profit sharing amounts previously distributed may be subject to clawback from employees and former employees. When applicable, the accrual for potential clawback of previously distributed profit sharing amounts, which is a component of due from related parties on the condensed consolidated statements of financial condition, represents all amounts previously distributed to employees and former employees that would need to be returned to the general partner if the funds were to be liquidated based on the fair value of the underlying funds' investments as of the reporting date. The actual general partner receivable, however, would not become realized until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective governing document of the fund.

Profit sharing payable also includes contingent consideration obligations that were recognized in connection with certain acquisitions. Changes in the fair value of the contingent consideration obligations are reflected in the condensed consolidated statements of operations as compensation and benefits for Asset Management.

Apollo has a performance-based incentive arrangement for certain employees designed to more closely align compensation on an annual basis with the overall realized performance of the Company's asset management business. This arrangement enables certain employees to earn discretionary compensation based on performance revenue earned by Apollo's asset management business in a given year, which amounts are reflected in compensation and benefits in the accompanying condensed consolidated financial statements for Asset Management. Apollo may also use dividends it receives from investments in certain

perpetual capital vehicles to compensate employees. These amounts are recorded as compensation and benefits in the condensed consolidated statements of operations for Asset Management.

Significant Accounting Policies – Retirement Services

Investments

Fixed Maturity Securities

Fixed maturity securities includes bonds, CLOs, asset-backed securities ("ABS"), residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS") and redeemable preferred stock. Athene classifies fixed maturity securities as AFS or trading at the time of purchase and subsequently carries them at fair value. Classification is dependent on a variety of factors including expected holding period, election of the fair value option and asset and liability matching.

AFS Securities

AFS securities are held at fair value on the condensed consolidated statements of financial condition with unrealized gains and losses, net of allowances for expected credit losses, tax and adjustments to DAC, DSI, and future policy benefits, if applicable, generally reflected in accumulated other comprehensive income (loss) ("AOCI") on the condensed consolidated statements of financial condition. Unrealized gains or losses relating to identified risks within AFS securities in fair value hedging relationships are reflected in investment related gains (losses) on the condensed consolidated statements of operations.

Trading Securities

The fair value option is elected for certain fixed maturity securities. These fixed maturity securities are classified as trading, with changes to fair value included in investment related gains (losses) on the condensed consolidated statements of operations. Although the securities are classified as trading, the trading activity related to these investments is primarily focused on asset and liability matching activities and is not intended to be an income strategy based on active trading. As such, the activity related to these investments on the condensed consolidated statements of cash flows is classified as investing activities.

Transactions in trading securities are generally recorded on a trade date basis, with any unsettled trades recorded in other assets or other liabilities on the condensed consolidated statements of financial condition. Bank loans, private placements and investment funds are recorded on settlement date basis.

Equity Securities

Equity securities includes common stock, mutual funds and non-redeemable preferred stock. Equity securities with readily determinable fair values are carried at fair value with subsequent changes in fair value recognized in net income. Retirement Services has elected to account for certain equity securities without readily determinable fair values that do not qualify for the practical expedient to estimate fair values based on net asset value ("NAV") per share (or its equivalent) at cost less impairment, subject to adjustments based on observable price changes in orderly transactions for identical or similar investments of the same issuer.

Purchased Credit Deteriorated ("PCD") Investments

Athene purchases certain structured securities, primarily RMBS, and re-performing mortgage loans having experienced a more-than-insignificant deterioration in credit quality since their origination which upon assessment have been determined to meet the definition of PCD investments. Additionally, structured securities classified as beneficial interests follow the initial measurement guidance for PCD investments if there is a significant difference between contractual cash flows adjusted for expected prepayments and expected cash flows at the date of recognition. The initial allowance for credit losses for PCD investments is recorded through a gross-up adjustment to the initial amortized cost. For structured securities classified as beneficial interests, the initial allowance is calculated as the present value of the difference between contractual cash flows adjusted for expected prepayments and expected cash flows at the date of recognition. The non-credit purchase discount or premium is amortized into investment income using the effective interest method. The credit discount, represented by the allowance for expected credit losses, is remeasured each period following the policies for measuring credit losses described in *Credit Losses – Available-for-Sale Securities* section below.

Mortgage Loans

Athene elected the fair value option on Athene's mortgage loan portfolio. Interest income is accrued on the principal amount of the loan based on its contractual interest rate. Interest is accrued on loans until it is probable it will not be received, or the loan is 90 days past due, unless guaranteed by U.S. government-sponsored agencies. Interest income and prepayment fees are reported in net investment income on the condensed consolidated statements of operations. Changes in the fair value of the mortgage loan portfolio are reported in investment related gains (losses) on the condensed consolidated statements of operations.

Investment Funds

Athene invests in certain non-fixed income, alternative investments in the form of limited partnerships or similar legal structures (investment funds). For investment funds in which it does not hold a controlling financial interest, Athene typically accounts for such investments using the equity method, where the cost is recorded as an investment in the fund, or it has elected the fair value option. Adjustments to the carrying amount reflect pro rata ownership percentage of the operating results as indicated by NAV in the investment fund financial statements, which can be on a lag of up to three months when investee information is not received in a timely manner.

Athene's proportionate share of investment fund income is recorded within net investment income on the condensed consolidated statements of operations. Contributions paid or distributions received by Athene are recorded directly to the investment fund balance as an increase to carrying value or as a return of capital, respectively.

Policy Loans

Policy loans are funds provided to policyholders in return for a claim on the policyholder's account balance. The funds provided are limited to a specified percentage of the account balance. The majority of policy loans do not have a stated maturity and the balances and accrued interest are repaid with proceeds from the policyholder's account balance. Policy loans are reported at the unpaid principal balance. Interest income is recorded as earned using the contract interest rate and is reported in net investment income on the condensed consolidated statements of operations.

Funds Withheld at Interest

Funds withheld at interest represents a receivable for amounts contractually withheld by ceding companies in accordance with funds withheld coinsurance (funds withheld) and modified coinsurance ("modco") reinsurance agreements in which Athene acts as the reinsurer. Generally, assets equal to statutory reserves are withheld and legally owned by the ceding company, and any excess or shortfall is settled periodically. The underlying agreements contain embedded derivatives as discussed below.

Short-term Investments

Short-term investments consist of financial instruments with maturities of greater than three months but less than twelve months when purchased. Short-term debt securities are accounted for as trading or AFS consistent with the policies for those investments. Short-term loans are carried at amortized cost.

Other Investments

Other investments includes, but is not limited to, term loans collateralized by mortgages on residential and commercial real estate. Mortgage collateralized term loans are stated at unpaid principal balance, adjusted for any unamortized premium or discount, and net of allowances for expected credit losses. Interest income is accrued on the principal amount of the loan based on its contractual interest rate. Loan premiums and discounts are amortized or accreted using the effective interest method and contractual cash flows on the underlying loan. Interest on loans is accrued until it is probable it will not be received or the loan is 90 days past due. Interest income, amortization of premiums and discounts, and prepayment and other fees are reported in net investment income on the condensed consolidated statements of operations.

Securities Repurchase and Reverse Repurchase Agreements

Securities repurchase and reverse repurchase transactions involve the temporary exchange of securities for cash or other collateral of equivalent value, with agreement to redeliver a like quantity of the same or similar securities at a future date and at a fixed and determinable price. Transfers of securities under these agreements to repurchase or resell are evaluated to determine whether they satisfy the criteria for accounting treatment as secured borrowing or lending arrangements. Agreements not meeting the criteria would require recognition of the transferred securities as sales or purchases, with related forward repurchase or resale commitments. All securities repurchase transactions are accounted for as secured borrowings and are included in payables for collateral on derivatives and securities to repurchase on the condensed consolidated statements of financial condition. Earnings from investing activities related to the cash received under securities repurchase arrangements are included in net investment income on the condensed consolidated statements of operations. The associated borrowing cost is included in policy and other operating expenses on the condensed consolidated statements of operations. The investments purchased in reverse repurchase agreements, which represent collateral on a secured lending arrangement, are not reflected in the condensed consolidated statements of financial condition; however, the secured lending arrangement is recorded as a short-term investment for the principal amount loaned under the agreement.

Investment Income

Investment income is recognized as it accrues or is legally due, net of investment management and custody fees. Investment income on fixed maturity securities includes coupon interest, as well as the amortization of any premium and the accretion of any discount. Investment income on equity securities represents dividend income and preferred coupons interest. Realized gains and losses on sales of investments are included in investment related gains (losses) on the condensed consolidated statements of operations. Realized gains and losses on investments sold are determined based on a first-in first-out method.

Credit Losses – Available-for-Sale Securities

AFS securities with a fair value that has declined below amortized cost are evaluated to determine how the decline in fair value should be recognized. If based on the facts and circumstances related to the specific security, Athene intends to sell a security or it is more likely than not that it would be required to sell a security before the recovery of its amortized cost, any existing allowance for expected credit losses is reversed and the amortized cost of the security is written down to fair value. If neither of these conditions exist, the decline in fair value is evaluated to determine whether it has resulted from a credit loss or other factors.

For non-structured AFS securities, relevant facts and circumstances are qualitatively considered in evaluating whether a decline below fair value is credit-related. Relevant facts and circumstances include but are not limited to: (1) the extent to which the fair value is less than amortized cost; (2) changes in agency credit ratings, (3) adverse conditions related to the security's industry or geographical area, (4) failure to make scheduled payments, and (5) other known changes in the financial condition of the issuer or quality of any underlying collateral or credit enhancements. For structured AFS securities meeting the definition of beneficial interests, the qualitative assessment is bypassed, and any securities having experienced a decline in fair value below amortized cost move directly to a quantitative analysis.

If upon completion of this analysis it is determined that a potential credit loss exists, an allowance for expected credit losses is established equal to the amount by which the present value of expected cash flows is less than amortized cost, limited by the amount by which fair value is less than amortized cost. A non-structured security's cash flow estimates are derived from scenario-based outcomes of expected corporate restructurings or the disposition of assets using security-specific facts and circumstances including timing, security interests and loss severity. A structured security's cash flow estimates are based on security-specific facts and circumstances that may include collateral characteristics, expectations of delinquency and default rates, loss severity, prepayments and structural support, including subordination and guarantees. The expected cash flows are discounted at the effective interest rate implicit to the security at the date of purchase or the current yield to accrete a structured security. For securities with a contractual interest rate that varies based on changes in an independent factor, such as an index or rate, the effective interest rate is calculated based on the factor as it changes over the life of the security. Inherently under the discounted cash flow model, both the timing and amount of expected cash flows affect the measurement of the allowance for expected credit losses.

The allowance for expected credit losses is remeasured each period for the passage of time, any change in expected cash flows, and changes in the fair value of the security. All impairments, whether intent or requirement to sell or credit-related, are recorded through a charge to credit loss expense within investment related gains (losses) on the condensed consolidated

statements of operations. All changes in the allowance for expected credit losses are recorded through credit loss expense within investment related gains (losses) on the condensed consolidated statements of operations.

The Company has elected to present accrued interest receivable separately in other assets on the condensed consolidated balance sheets. It has also elected the practical expedient to exclude the accrued interest receivable from the amortized cost balance used to calculate the allowance for expected credit losses, as it has a policy to write off such balances in a timely manner, when they become 90 days past due. Any write-off of accrued interest is recorded through a reversal of net investment income on the condensed consolidated statements of operations.

Upon determining that all or a portion of the amortized cost of an asset is uncollectible, which is generally when all efforts for collection are exhausted, the amortized cost is written off against the existing allowance. Any write off in excess of the existing allowance is recorded through credit loss expense within investment related gains (losses) on the condensed consolidated statements of operations.

Derivative Instruments

Athene invests in derivatives to hedge the risks experienced from ongoing operations, such as equity, interest rate and cash flow risks, or for other risk management purposes, which primarily involve managing liability risks associated with indexed annuity products and reinsurance agreements. Derivatives are financial instruments with values that are derived from interest rates, foreign exchange rates, financial indices or other combinations of an underlying and notional. Derivative assets and liabilities are carried at fair value on the condensed consolidated statements of financial condition. The Company elects to present any derivatives subject to master netting provisions as a gross asset or liability and gross of collateral. It may designate derivatives as cash flow, fair value or net investment hedges.

Hedge Documentation and Hedge Effectiveness

To qualify for hedge accounting, at the inception of the hedging relationship, Athene formally documents its designation of the hedge as a cash flow, fair value or net investment hedge and risk management objective and strategy for undertaking the hedging transaction. This documentation identifies how the hedging instrument is expected to hedge the designated risks related to the hedged item and the method that will be used to retrospectively and prospectively assess the hedge effectiveness and the method which will be used to measure ineffectiveness. A derivative designated as a hedging instrument must be assessed as being highly effective in offsetting the designated risk of the hedged item. Hedge effectiveness is formally assessed at inception and periodically throughout the life of the hedge accounting relationship. For a cash flow hedge, all changes in the fair value of the hedging derivative are reported within AOCI and the related gains or losses on the derivative are reclassified into the condensed consolidated statements of operations when the cash flows of the hedged item affect earnings.

For a cash flow hedge, all changes in the fair value of the hedging derivative are reported within AOCI and the related gains or losses on the derivative are reclassified into the condensed consolidated statements of operations when the cash flows of the hedged item affect earnings.

For a fair value hedge, changes in the fair value of the hedging derivative and changes in the fair value of the hedged item related to the designated risk being hedged are reported on the condensed consolidated statements of operations according to the nature of the risk being hedged. Additionally, changes in the fair value of amounts excluded from the assessment of effectiveness are recorded in AOCI and amortized into income over the life of the hedge accounting relationship.

For a net investment hedge, changes in the fair value of the hedging derivative are reported within AOCI to offset the translation adjustments for subsidiaries with functional currencies other than U.S. dollar.

Athene discontinues hedge accounting prospectively when: (1) it determines the derivative is no longer highly effective in offsetting changes in the estimated cash flows or fair value of a hedged item; (2) the derivative expires, is sold, terminated, or exercised; or (3) the derivative is de-designated as a hedging instrument. When hedge accounting is discontinued, the derivative continues to be carried on the condensed consolidated statements of financial condition at fair value, with changes in fair value recognized in investment related gains (losses) on the condensed consolidated statements of operations.

For a derivative not designated as a hedge, changes in the derivative's fair value and any income received or paid on derivatives at the settlement date are included in investment related gains (losses) on the condensed consolidated statements of operations.

Embedded Derivatives

Athene issues and reinsures products, primarily indexed annuity products, or purchases investments that contain embedded derivatives. If it determines the embedded derivative has economic characteristics not clearly and closely related to the economic characteristics of the host contract, and a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host contract and accounted for separately, unless the fair value option is elected on the host contract. Under the fair value option, bifurcation of the embedded derivative is not necessary as the entire contract is carried at fair value with all related gains and losses recognized in investment related gains (losses) on the condensed consolidated statements of operations. Embedded derivatives are carried on the condensed consolidated statements of financial condition at fair value in the same line item as the host contract.

Fixed indexed annuity, index-linked variable annuity and indexed universal life insurance contracts allow the policyholder to elect a fixed interest rate return or an equity market component for which interest credited is based on the performance of certain stock market indices. The equity market option is an embedded derivative. The benefit reserve is equal to the sum of the fair value of the embedded derivative and the host (or guaranteed) component of the contracts. The fair value of the embedded derivatives represents the present value of cash flows attributable to the indexed strategies. The embedded derivative cash flows are based on assumptions for future policy growth, which include assumptions for expected index credits on the next policy anniversary date, future equity option costs, volatility, interest rates and policyholder behavior assumptions including lapses and the use of benefit riders. The embedded derivative cash flows are discounted using a rate that reflects Athene's own credit rating. The host contract is established at contract inception as the initial account value less the initial fair value of the embedded derivative and accreted over the policy's life. Contracts acquired through a business combination which contain an embedded derivative are re-bifurcated as of the acquisition date. Changes in the fair value of embedded derivatives associated with fixed indexed annuities, index-linked variable annuities and indexed universal life insurance contracts are included in interest sensitive contract benefits on the condensed consolidated statements of operations.

Additionally, reinsurance agreements written on a funds withheld or modco basis contain embedded derivatives. Athene has determined that the right to receive or obligation to pay the total return on the assets supporting the funds withheld at interest or funds withheld liability, respectively, represents a total return swap with a floating rate leg. The fair value of embedded derivatives on funds withheld and modco agreements is computed as the unrealized gain (loss) on the underlying assets and is included within funds withheld at interest and funds withheld liability on the condensed consolidated statements of financial condition for assumed and ceded agreements, respectively. The change in the fair value of the embedded derivatives is recorded in investment related gains (losses) on the condensed consolidated statements of operations. Assumed and ceded earnings from funds withheld at interest, funds withheld liability and changes in the fair value of embedded derivatives are reported in operating activities on the condensed consolidated statements of cash flows. Contributions to and withdrawals from funds withheld at interest and funds withheld liability are reported in operating activities on the condensed consolidated statements of cash flows.

Reinsurance

Athene assumes and cedes insurance and investment contracts under coinsurance, funds withheld and modco. Reinsurance accounting is applied for transactions that provide indemnification against loss or liability relating to insurance risk (risk transfer). To meet risk transfer requirements, a reinsurance agreement must transfer insurance risk arising from uncertainties about both underwriting and timing risks. Cessions under reinsurance do not discharge obligations as the primary insurer, unless the requirements of assumption reinsurance have been met.

Assets and liabilities assumed or ceded under coinsurance, funds withheld, or modco are presented gross on the condensed consolidated statements of financial condition. For investment contracts, the change in assumed and ceded reserves are presented net in interest sensitive contract benefits on the condensed consolidated statements of operations. For insurance contracts, the change in assumed and ceded reserves and benefits are presented net in future policy and other policy benefits on the condensed consolidated statements of operations. Assumed or ceded premiums are included in premiums on the condensed consolidated statements of operations.

Accounting for reinsurance requires the use of assumptions, particularly related to the future performance of the underlying business and the potential impact of counterparty credit risks. Athene attempts to minimize counterparty credit risk through the structuring of the terms of its reinsurance agreements, including the use of trusts, and it monitors credit ratings of counterparties for signs of declining credit quality. When a ceding company does not report information on a timely basis, accruals are recorded based on the best available information at the time, which includes the reinsurance agreement terms and historical

experience. Actual and anticipated experience are periodically compared to the assumptions used to establish reinsurance assets and liabilities.

Funds Withheld and Modco

For business assumed or ceded on a funds withheld or modco basis, a funds withheld segregated portfolio, comprised of invested assets and other assets is maintained by the ceding entity, which is sufficient to support the current balance of statutory reserves. The fair value of the funds withheld is recorded as a funds withheld asset or liability and any excess or shortfall in relation to statutory reserves is settled periodically.

Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired

Deferred Acquisition Costs and Deferred Sales Inducements

Costs related directly to the successful acquisition of new, or renewal of, insurance or investment contracts are deferred to the extent they are recoverable from future premiums or gross profits. These costs consist of commissions and policy issuance costs, as well as sales inducements credited to policyholder account balances, and are included in deferred acquisition costs, deferred sales inducements and value of business acquired on the condensed consolidated statements of financial condition. Athene performs periodic tests, including at issuance, to determine if the deferred costs are recoverable. If it determines that the deferred costs are not recoverable, a cumulative charge is recorded to the current period.

Deferred costs related to universal life-type policies and investment contracts with significant revenue streams from sources other than investment of the policyholder funds are amortized over the lives of the policies, based upon the proportion of the present value of actual and expected deferred costs to the present value of actual and expected gross profits to be earned over the life of the policies. Gross profits include investment spread margins, surrender charge income, policy administration charges and expenses, changes in the guaranteed lifetime withdrawal benefit (“GLWB”) and guaranteed minimum death benefit (“GMDB”) reserves and realized gains and losses on investments. Current period gross profits for fixed indexed annuities also include the change in fair value of both freestanding and embedded derivatives. Estimates of the expected gross profits and margins are based on assumptions using accepted actuarial methods related to policyholder behavior, including lapses and the utilization of benefit riders, mortality, yields on investments supporting the liabilities, future interest credited amounts (including indexed related credited amounts on fixed indexed annuity products), and other policy changes as applicable, and the level of expenses necessary to maintain the policies over their expected lives. Each reporting period, Athene updates estimated gross profits with actual gross profits as part of the amortization process and adjust the DAC and DSI balances due to the OCI effects of unrealized investment gains and losses on AFS securities. Athene also periodically revises the key assumptions used in the amortization calculation, which results in revisions to the estimated future gross profits. The effects of changes in assumptions are recorded as unlocking in the period in which the changes are made.

Deferred costs related to investment contracts without significant revenue streams from sources other than investment of the policyholder funds are amortized using the effective interest method. The effective interest method amortizes the deferred costs by discounting the future liability cash flows at a break-even rate. The break-even rate is solved for such that the present value of future liability cash flows is equal to the net liability at the inception of the contract.

Value of Business Acquired

Athene establishes VOBA for blocks of insurance contracts acquired through the acquisition of insurance entities. It records the fair value of the liabilities assumed in two components: reserves and VOBA. Reserves are established using Athene’s best estimate assumptions consistent with the policies described below for future policy benefits and interest sensitive contract liabilities. VOBA is the difference between the fair value of the liabilities and the reserves. VOBA can be either positive or negative. Any negative VOBA is recorded to the same financial statement line on the condensed consolidated statements of financial condition as the associated reserves. Positive VOBA is recorded in deferred acquisition costs, deferred sales inducements and value of business acquired on the condensed consolidated statements of financial condition. Athene performs periodic tests to determine if the VOBA remains recoverable. If it determines that VOBA is not recoverable, a cumulative charge is recorded to the current period.

VOBA and negative VOBA are amortized in relation to applicable policyholder liabilities. Significant assumptions which impact VOBA and negative VOBA amortization are consistent with those which impact the measurement of policyholder liabilities.

Interest Sensitive Contract Liabilities

Universal life-type policies and investment contracts include fixed indexed and traditional fixed annuities in the accumulation phase, funding agreements, universal life insurance, fixed indexed universal life insurance and immediate annuities without significant mortality risk (which includes pension group annuities without life contingencies). Athene carries liabilities for fixed annuities, universal life insurance and funding agreements at the account balances without reduction for potential surrender or withdrawal charges, except for a block of universal life business ceded to Global Atlantic Financial Group Limited (together with its subsidiaries, "Global Atlantic") which it carries at fair value. Liabilities for immediate annuities without significant mortality risk are calculated as the present value of future liability cash flows and policy maintenance expenses discounted at contractual interest rates. For a discussion regarding indexed products, refer above to the embedded derivative discussion.

Changes in the interest sensitive contract liabilities, excluding deposits and withdrawals, are recorded in interest sensitive contract benefits or product charges on the condensed consolidated statements of operations. Interest sensitive contract liabilities are not reduced for amounts ceded under reinsurance agreements which are reported as reinsurance recoverable on the condensed consolidated statements of financial condition.

Future Policy Benefits

Athene issues contracts classified as long-duration, which includes term and whole life, accident and health, disability, and deferred and immediate annuities with life contingencies (which includes pension group annuities with life contingencies). Liabilities for non-participating long-duration contracts are established using accepted actuarial valuation methods which require the use of assumptions related to expenses, investment yields, mortality, morbidity and persistency, with a provision for adverse deviation, at the date of issue or acquisition. As of June 30, 2022, the reserve investment yield assumptions for non-participating contracts range from 2.3% to 5.4% and are specific to Athene's expected earned rate on the asset portfolio supporting the reserves. Athene bases other key assumptions, such as mortality and morbidity, on industry standard data adjusted to align with actual company experience, if necessary.

For long-duration contracts, the assumptions are locked in at contract inception and only modified if Athene deems the reserves to be inadequate. Athene periodically reviews actual and anticipated experience compared to the assumptions used to establish policy benefits. If the net U.S. GAAP liability (gross reserves less DAC, DSI and VOBA) is less than the gross premium liability, impairment is deemed to have occurred, and the DAC, DSI and VOBA asset balances are reduced until the net U.S. GAAP liability is equal to the gross premium liability. If the DAC, DSI and VOBA asset balances are completely written off and the net U.S. GAAP liability is still less than the gross premium liability, then an additional liability is recorded to arrive at the gross premium liability.

Athene issues and reinsures deferred annuity contracts which contain GLWB and GMDB riders. Future policy benefits for GLWB and GMDB riders are established by estimating the expected value of withdrawal and death benefits in excess of the projected policyholder account balances. The excess is recognized proportionally over the accumulation period based on total actual and expected assessments. The methods used to estimate the liabilities have assumptions about policyholder behavior, which includes lapses, withdrawals and utilization of benefit riders; mortality, expected yield on investments supporting the liability; and market conditions affecting the account balance growth.

Future policy benefits includes liabilities for no-lapse guarantees on universal life insurance and fixed indexed universal life insurance. Retirement Services establishes future policy benefits for no-lapse guarantees by estimating the expected value of death benefits paid after policyholder account balances have been exhausted. Retirement Services recognizes these benefits proportionally over the life of the contracts based on total actual and expected assessments. The methods Retirement Services uses to estimate the liabilities have assumptions about policyholder behavior, mortality, expected yield on investments supporting the liability, and market conditions affecting policyholder account balance growth.

For the liabilities associated with GLWB and GMDB riders and no-lapse guarantees, each reporting period, expected excess benefits and assessments are updated with actual excess benefits and assessments and liability balances are adjusted due to the OCI effects of unrealized investment gains and losses on AFS securities. The key assumptions used in the calculation of the liabilities are also periodically revised which results in revisions to the expected excess benefits and assessments. The effects of changes in assumptions are recorded as unlocking in the period in which the changes are made.

Changes in future policy benefits other than the adjustment for the OCI effects of unrealized investment gains and losses on AFS securities, are recorded in future policy and other policy benefits on the condensed consolidated statements of operations. Future policy benefits are not reduced for amounts ceded under reinsurance agreements which are reported as reinsurance recoverable on the condensed consolidated statements of financial condition.

Revenues

Revenues for universal life-type policies and investment contracts, including surrender and market value adjustments, costs of insurance, policy administration, GMDB, GLWB and no-lapse guarantee charges, are earned when assessed against policyholder account balances during the period. Interest credited to policyholder account balances and the change in fair value of embedded derivatives within fixed indexed annuity contracts is included in interest sensitive contract benefits on the condensed consolidated statements of operations.

Premiums for long-duration contracts, including products with fixed and guaranteed premiums and benefits, are recognized as revenue when due from policyholders. When premiums are due over a significantly shorter period than the period over which benefits are provided, such as immediate annuities with life contingencies (which includes pension group annuities), a deferred profit liability is established equal to the excess of the gross premium over the net premium. The deferred profit liability is recognized in future policy benefits on the condensed consolidated statements of financial condition and amortized into income in relation to applicable policyholder liabilities through future policy and other policy benefits on the condensed consolidated statements of operations.

All insurance related revenue is reported net of reinsurance ceded.

3. Merger with Athene

On January 1, 2022, Apollo and Athene completed the previously announced merger transactions pursuant to the Merger Agreement. As a result of the Mergers, AAM and AHL became subsidiaries of AGM.

Under the Merger Agreement, each issued and outstanding Athene common share was converted automatically into 1.149 shares of common stock of AGM and any cash paid in lieu of fractional shares. The purchase price was as follows:

(In millions, except share price data and exchange ratio)		
AHL common shares purchased		138
Exchange ratio		1.149
Shares of common stock issued in exchange		158
AGM Class A shares closing price	$	72.43
Total merger consideration at closing	$	11,455
Fair value of estimated RSUs, options and warrants assumed and other equity consideration[1,2]		699
Effective settlement of pre-existing relationships[3]		896
Total merger consideration		13,050
Fair value of AHL common shares previously held (55 million shares) and other adjustments[4,5]		4,554
Total AHL equity value held by AGM		17,604
Non-controlling interest[6]		4,942
Total AHL equity value	$	22,546

[1] AGM issued one-time grants of fully vested RSUs and options to certain executives and shareholders of Athene vesting upon consummation of the Mergers. Additionally, all issued and outstanding warrants of Athene prior to the Merger Date were exchanged for shares of AGM common stock at the time of the Mergers. The fair value of these awards is $600 million and is treated as part of consideration transferred.

[2] AGM issued replacement awards for all outstanding Athene equity awards. Ninety-nine million dollars was included as part of consideration for the portion that was attributable to pre-combination services and $53 million will be treated as post-combination compensation expense.

[3] The pre-existing relationship related to receivables, payables, and dividends between Apollo and Athene. Total fees payable to AGM by Athene for asset management and advisory services were approximately $ 146 million. A cash dividend of $750 million was declared by Athene to its common shareholders with Apollo owning 100% of the common shares as of the dividend record date.

[4] Based on the December 31, 2021 closing price of AHL common shares on the NYSE.

[5] Other adjustments includes pushdown of goodwill arising out of deferred tax liabilities associated with identifiable net assets of Athene.

[6] Non-controlling interest in Athene includes holders of Athene's preferred shares and third-party investors in ACRA and in consolidated VIEs of Athene. The fair value of Athene's preferred shares was based on the closing stock price of Athene's preferred shares immediately prior to the consummation of the Athene merger and the fair value of the non-controlling interest in ACRA was determined using the discounted distribution model approach.

The value of the consideration at closing is subject to certain post-closing adjustments, which could represent an adjustment to the preliminary determination of goodwill recorded.

The Mergers were accounted for as a business combination. The consideration has been allocated to Athene's assets acquired and liabilities assumed based on estimates of their fair values as of the Merger Date. The fair value of assets acquired, and liabilities assumed represent a provisional allocation, as the Company's evaluation of facts and circumstances available as of the Merger Date is ongoing. The business combination was achieved in steps. The Company previously held its equity interests in the acquiree at fair value.

Goodwill of $4.2 billion has been recorded based on the amount that the Athene equity value exceeds the fair value of the net assets acquired less the amounts attributable to non-controlling interests. Goodwill is primarily attributable to the scale, skill sets, operations, and synergies that can be achieved subsequent to the Mergers. The goodwill recorded is not expected to be deductible for tax purposes.

The financial statements will not be retrospectively adjusted for any changes to the provisional values of assets acquired and liabilities assumed that occur in subsequent periods. Any adjustments will be recognized as information related to this preliminary fair value calculation is obtained. The effect on earnings of changes in depreciation, amortization, or other income effects, if any, as a result of any change to the provisional amounts, will be recorded in the same period as the financial statements, calculated as if the accounting had been completed at the Merger Date. The purchase price allocation is expected to be finalized as soon as practicable, but no later than one year from the Merger Date.

The following table summarizes the provisional fair value amounts recognized for the assets acquired and liabilities assumed and resulting goodwill as of the Merger Date:

(In millions)	**Fair Value and Goodwill Calculation**
Merger consideration	$ 13,050
Fair value of previously held equity interest	4,554
Total Athene Value to be Held by the Company	17,604
Total Value to Allocate	
Investments	175,987
Cash and cash equivalents	9,479
Restricted cash and cash equivalents	796
Investment in related parties	33,786
Reinsurance recoverable	4,977
VOBA	4,547
Assets of consolidated variable interest entities	3,635
Other assets	5,754
Estimated fair value of total assets acquired (excluding goodwill)	238,961
Interest sensitive contract liabilities	160,205
Future policy benefits	47,120
Debt	3,295
Payables for collateral on derivatives and securities to repurchase	7,044
Liabilities of consolidated variable interest entities	461
Other liabilities	2,443
Estimated fair value of total liabilities assumed	220,568
Non-controlling interest	4,942
Estimated fair value of net assets acquired, excluding goodwill	13,451
Goodwill attributable to Athene	$ 4,153

Included within the above are provisional amounts for (1) VOBA, (2) interest sensitive contract liabilities, (3) future policy benefits, and (4) other assets and other liabilities for the portion of net assets acquired relating to other identifiable intangibles and deferred taxes, based on the availability of data as of the date the financial statements were available to be issued. Any adjustment to provisional amounts will be made prospectively as data becomes available. The income effects from changes to provisional amounts will be recorded in the period the adjustment is made, as if the adjustment had been recorded on the

Merger Date. In the second quarter of 2022, measurement period adjustments decreased provisional goodwill by $ 28 million, primarily relating to a decrease in interest sensitive contract liabilities and future policy benefits. The effects of the measurement period adjustments were immaterial to the prior period condensed consolidated statement of operations. The Company expects to finalize purchase accounting as soon as practicable but no later than one year from the Merger Date.

The Company performed a valuation of the acquired investments, policy liabilities, VOBA, other identifiable intangibles, and funds withheld at interest payables and receivables using methodologies consistent with those described in note 2 and note 7.

Value of business acquired and Other identifiable intangible assets

VOBA represents the difference between the fair value of liabilities acquired and reserves established using best estimate assumptions at the Merger Date. Other identifiable intangible assets are included in other assets on the condensed consolidated statement of financial condition and summarized as follow:

Distribution Channels	Trade Name	Insurance Licenses
These assets are valued using the excess earnings method, which derives value based on the present value of the cash flow attributable to the distribution channels, less returns for contributory assets.	This represents the Athene trade name and was valued using the relief-from-royalty method considering publicly available third-party trade name royalty rates as well as expected premiums generated by the use of the trade name over its anticipated life.	Licenses are protected through registration and were valued using the market approach based on third-party market transactions from which the prices paid for state insurance licenses could be derived.

The fair value and weighted average estimated useful lives of VOBA and other identifiable intangible assets acquired in the Mergers consist of the following:

	Fair value (in millions)	Average useful life (in years)
VOBA Asset	$ 4,547	7
Distribution Channels	1,870	18
Trade Name	160	20
State Insurance Licenses	26	Indefinite
Total	$ 6,603	

As of the Merger Date, Athene's financial results are reflected in these condensed consolidated financial statements. Athene's revenues of $ 1,980 million and $1,746 million and net income (loss) of $(1,930) million and $(3,240) million are included in the condensed consolidated statement of operations for the three and six months ended June 30, 2022, respectively. Transaction costs of $18 million and $36 million were incurred during the three and six months ended June 30, 2022, respectively, and are included in general, administrative and other on the condensed consolidated statements of operations.

Pro Forma Financial Information

Unaudited pro forma financial information for the three and six months ended June 30, 2021 is presented below. Pro forma financial information presented does not include adjustments to reflect any potential revenue synergies or cost savings that may be achievable in connection with the Mergers and assume the Mergers occurred as of January 1, 2021. The unaudited pro forma financial information is presented for informational purposes only and is not necessarily indicative of future operations or results had the Mergers been completed as of January 1, 2021.

(In millions)	Three months ended June 30, 2021	Six months ended June 30, 2021
Total Revenues	$ 7,075	$ 13,570
Net income attributable to Apollo	1,320	3,032

Amounts above reflect certain pro forma adjustments that were directly attributable to the Mergers. These adjustments include the following:

- the elimination of historical amortization of Athene's intangibles and the additional amortization of intangibles measured at fair value as of the Merger Date;
- the prospective adjustments to the book value of AFS securities and the fair value of mortgage loans, which will be amortized into income based on the expected life of the investments.

4. Investments

The following table outlines the Company's investments:

(In millions)	June 30, 2022	December 31, 2021
Asset Management		
Investments, at fair value	$ 1,270	$ 5,589
Equity method investments	852	1,346
Performance allocations	2,455	2,732
U.S. Treasury securities, at fair value	819	1,687
Total Investments – Asset Management	5,396	11,354
Retirement Services		
AFS securities, at fair value	$ 100,809	$ —
Trading securities, at fair value	2,626	—
Equity securities	1,671	—
Mortgage loans, at fair value	26,634	—
Investment funds	1,671	—
Policy loans	358	—
Funds withheld at interest	48,313	—
Derivative assets	2,932	—
Short-term investments	264	—
Other investments	1,127	—
Total Investments, including related party – Retirement Services	186,405	—
Total Investments	$ 191,801	$ 11,354

Asset Management

Net Gains (Losses) from Investment Activities

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

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022	2021	2022	2021
Realized gains (losses) on sales of investments, net	$ (4)	$ 1	$ (6)	$ 1
Net change in unrealized gains (losses) due to changes in fair value	150	912	186	1,265
Net gains (losses) from investment activities	$ 146	$ 913	$ 180	$ 1,266

Performance Allocations

Performance allocations receivable is recorded within investments in the condensed consolidated statements of financial condition. The table below provides a roll forward of the performance allocations balance:

(In millions)	Total
Performance allocations, January 1, 2022	$ 2,732
Change in fair value of funds	154
Fund distributions to the Company	(431)
Performance allocations, June 30, 2022	$ 2,455

The change in fair value of funds excludes the general partner obligation to return previously distributed performance allocations, which is recorded in due to related parties in the condensed consolidated statements of financial condition.

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The timing of the payment of performance allocations due to the general partner or investment manager varies depending on the terms of the applicable fund agreements. Generally, performance allocations with respect to the private equity funds and certain credit and real assets funds are payable and are distributed to the fund's general partner upon realization of an investment if the fund's cumulative returns are in excess of the preferred return.

Retirement Services

AFS Securities

The following table represents the amortized cost, allowance for credit losses, gross unrealized gains and losses and fair value of Athene's AFS investments by asset type:

	June 30, 2022				
(In millions)	Amortized Cost	Allowance for Credit Losses	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
AFS Securities					
US government and agencies	$ 3,277	$ —	$ 1	$ (484)	$ 2,794
US state, municipal and political subdivisions	1,209	—	—	(209)	1,000
Foreign governments	1,199	(61)	4	(246)	896
Corporate	67,584	(70)	45	(11,341)	56,218
CLO	14,783	(107)	2	(1,193)	13,485
ABS	10,095	(14)	8	(542)	9,547
CMBS	3,181	(9)	16	(284)	2,904
RMBS	5,879	(348)	3	(367)	5,167
Total AFS securities	107,207	(609)	79	(14,666)	92,011
AFS securities – related party					
Corporate	1,043	—	2	(38)	1,007
CLO	2,780	(19)	1	(240)	2,522
ABS	5,441	(1)	1	(172)	5,269
Total AFS securities – related party	9,264	(20)	4	(450)	8,798
Total AFS securities including related party	$ 116,471	$ (629)	$ 83	$ (15,116)	$ 100,809

The amortized cost and fair value of AFS securities, including related party, are shown by contractual maturity below:

	June 30, 2022	
(In millions)	Amortized Cost	Fair Value
AFS securities		
Due in one year or less	$ 926	$ 916
Due after one year through five years	9,672	8,931
Due after five years through ten years	19,820	17,071
Due after ten years	42,851	33,990
CLO, ABS, CMBS and RMBS	33,938	31,103
Total AFS securities	107,207	92,011
AFS securities – related party		
Due in one year or less	1	1
Due after one year through five years	23	22
Due after five years through ten years	777	749
Due after ten years	242	235
CLO and ABS	8,221	7,791
Total AFS securities – related party	9,264	8,798
Total AFS securities including related party	$ 116,471	$ 100,809

Actual maturities can differ from contractual maturities as borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

Unrealized Losses on AFS Securities

The following summarizes the fair value and gross unrealized losses for AFS securities, including related party, for which an allowance for credit losses has not been recorded, aggregated by asset type and length of time the fair value has remained below amortized cost:

	June 30, 2022					
	Less than 12 months		12 months or more		Total	
(In millions)	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
AFS Securities						
US government and agencies	$ 2,601	$ (484)	$ —	$ —	$ 2,601	$ (484)
US state, municipal and political subdivisions	994	(209)	—	—	994	(209)
Foreign governments	875	(246)	—	—	875	(246)
Corporate	55,289	(11,339)	—	—	55,289	(11,339)
CLO	12,194	(1,134)	—	—	12,194	(1,134)
ABS	5,975	(478)	—	—	5,975	(478)
CMBS	2,373	(274)	—	—	2,373	(274)
RMBS	2,989	(264)	—	—	2,989	(264)
Total AFS securities	83,290	(14,428)	—	—	83,290	(14,428)
AFS securities – related party						
Corporate	472	(31)	—	—	472	(31)
CLO	2,248	(225)	—	—	2,248	(225)
ABS	4,841	(160)	—	—	4,841	(160)
Total AFS securities – related party	7,561	(416)	—	—	7,561	(416)
Total AFS securities including related party	$ 90,851	$ (14,844)	$ —	$ —	$ 90,851	$ (14,844)

The following summarizes the number of AFS securities that were in an unrealized loss position, including related party, for which an allowance for credit losses has not been recorded:

	June 30, 2022	
	Unrealized Loss Position	Unrealized Loss Position 12 Months or More
AFS securities	8,475	—
AFS securities – related party	139	—

The unrealized losses on AFS securities can primarily be attributed to changes in market interest rates since acquisition. Athene did not recognize the unrealized losses in income as it intends to hold these securities and it is not more likely than not it will be required to sell a security before the recovery of its amortized cost.

Allowance for Credit Losses

The following table summarizes the activity in the allowance for credit losses for AFS securities by asset type:

	Three months ended June 30, 2022					
		Additions		Reductions		
(In millions)	**Beginning balance**	**Initial credit losses**	**Initial credit losses on PCD securities**	**Securities sold during the period**	**Additions (reductions) to previously impaired securities**	**Ending Balance**
AFS Securities						
Foreign governments	$ 66	$ —	$ —	$ —	$ (5)	$ 61
Corporate	55	6	—	—	9	70
CLO	18	4	—	—	85	107
ABS	11	4	—	—	(1)	14
CMBS	6	8	—	—	(5)	9
RMBS	312	20	1	(9)	24	348
Total AFS securities	468	42	1	(9)	107	609
AFS securities – related party						
CLO	3	—	—	—	16	19
ABS	17	1	—	—	(17)	1
Total AFS securities – related party	20	1	—	—	(1)	20
Total AFS securities including related party	$ 488	$ 43	$ 1	$ (9)	$ 106	$ 629

	Six months ended June 30, 2022					
		Additions		Reductions		
(In millions)	**Beginning balance[1]**	**Initial credit losses**	**Initial credit losses on PCD securities**	**Securities sold during the period**	**Additions (reductions) to previously impaired securities**	**Ending Balance**
AFS Securities						
Foreign governments	$ —	$ 66	$ —	$ —	$ (5)	$ 61
Corporate	—	61	—	—	9	70
CLO	—	22	—	—	85	107
ABS	5	9	—	—	—	14
CMBS	—	14	—	—	(5)	9
RMBS	306	29	1	(17)	29	348
Total AFS securities	311	201	1	(17)	113	609
AFS securities – related party						
CLO	—	3	—	—	16	19
ABS	—	18	—	—	(17)	1
Total AFS securities – related party	—	21	—	—	(1)	20
Total AFS securities including related party	$ 311	$ 222	$ 1	$ (17)	$ 112	$ 629

[1] Beginning balance reflects allowances established at the time of the Mergers under purchase accounting for PCD investments.

Net Investment Income

Net investment income by asset class consists of the following:

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
AFS securities	$ 930	$ 1,785
Trading securities	48	92
Equity securities	9	24
Mortgage loans	297	534
Investment funds	104	315
Funds withheld at interest	476	813
Other	48	90
Investment revenue	1,912	3,653
Investment expenses	(9)	(19)
Net investment income	$ 1,903	$ 3,634

Investment Related Gains (Losses)

Investment related gains (losses) by asset class consists of the following:

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
AFS securities		
Gross realized gains on investment activity	$ 217	$ 320
Gross realized losses on investment activity	(832)	(1,242)
Net realized investment losses on AFS securities	(615)	(922)
Net recognized investment losses on trading securities	(157)	(378)
Net recognized investment losses on equity securities	(271)	(251)
Net recognized investment losses on mortgage loans	(1,099)	(1,895)
Derivative losses	(3,932)	(6,973)
Provision for credit losses	(172)	(364)
Other gains	487	807
Investment related gains (losses)	$ (5,759)	$ (9,976)

Proceeds from sales of AFS securities were $ 1,614 million and $ 5,785 million for the three and six months ended June 30, 2022, respectively.

The following table summarizes the change in unrealized gains (losses) on trading and equity securities held as of the respective period end:

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
Trading securities	$ (160)	$ (349)
Trading securities – related party	(1)	(5)
Equity securities	(255)	(238)
Equity securities – related party	(8)	(13)

Repurchase Agreements

The following table summarizes the maturities of repurchase agreements:

	June 30, 2022					
	Remaining Contractual Maturity					
(In millions)	Overnight and continuous	Less than 30 days	30-90 days	91 days to 1 year	Greater than 1 year	Total
Payables for repurchase agreements[1]	$ —	$ —	$ 1,680	$ 200	$ 2,229	$ 4,109

[1] Included in payables for collateral on derivatives and securities to repurchase on the condensed consolidated statements of financial condition.

The following table summarizes the securities pledged as collateral for repurchase agreements:

	June 30, 2022	
(In millions)	Amortized Cost	Fair Value
AFS securities		
U.S. government and agencies	$ 2,284	$ 1,919
Foreign governments	140	106
Corporate	1,746	1,476
CLO	271	258
ABS	470	417
Total securities pledged under repurchase agreements	$ 4,911	$ 4,176

Reverse Repurchase Agreements

As of June 30, 2022, amounts loaned under reverse repurchase agreements were $ 26 million, and collateral received was $ 616 million.

Mortgage Loans, including related party and VIEs

Mortgage loans includes both commercial and residential loans. Athene has elected the fair value option on substantially all of its mortgage loan portfolio. See note 7 for further fair value option information. The following represents the mortgage loan portfolio, with fair value option loans presented at unpaid principal balance:

(In millions)	June 30, 2022
Commercial mortgage loans	$ 19,898
Commercial mortgage loans under development	627
Total commercial mortgage loans	20,525
Mark to fair value	(1,186)
Fair value of commercial mortgage loans	19,339
Residential mortgage loans	9,723
Mark to fair value	(436)
Fair value of residential mortgage loans	9,287
Mortgage loans	$ 28,626

Athene primarily invests in commercial mortgage loans on income producing properties including office and retail buildings, apartments, hotels, and industrial properties. Athene diversifies the commercial mortgage loan portfolio by geographic region and property type to reduce concentration risk. Athene evaluates mortgage loans based on relevant current information to confirm if properties are performing at a consistent and acceptable level to secure the related debt.

The distribution of commercial mortgage loans, including those under development, by property type and geographic region is as follows:

	June 30, 2022	
(In millions, except percentages)	Net Carrying Value	Percentage of Total
Property type		
Office building	$ 5,148	26.6 %
Retail	1,929	10.0 %
Apartment	6,068	31.4 %
Hotels	1,730	8.9 %
Industrial	2,459	12.7 %
Other commercial	2,005	10.4 %
Total commercial mortgage loans	$ 19,339	100.0 %
US Region		
East North Central	$ 1,658	8.6 %
East South Central	447	2.3 %
Middle Atlantic	4,118	21.3 %
Mountain	935	4.8 %
New England	1,118	5.8 %
Pacific	4,060	21.0 %
South Atlantic	2,886	14.9 %
West North Central	273	1.4 %
West South Central	1,203	6.2 %
Total US Region	16,698	86.3 %
International Region		
United Kingdom	1,703	8.8 %
International Other[1]	938	4.9 %
Total International Region	2,641	13.7 %
Total commercial mortgage loans	$ 19,339	100.0 %

[1] Represents all other countries, with each individual country comprising less than 5% of the portfolio.

Athene’s residential mortgage loan portfolio includes first lien residential mortgage loans collateralized by properties in various geographic locations and is summarized by proportion of the portfolio in the following table:

	June 30, 2022
US States	
California	31.6 %
Florida	10.0 %
New Jersey	5.1 %
Other[1]	39.8 %
Total US residential mortgage loan percentage	86.5 %
International	
United Kingdom	5.1 %
Ireland	4.1 %
Other[2]	4.3 %
Total international residential mortgage loan percentage	13.5 %
Total residential mortgage loan percentage	100.0 %

[1] Represents all other states, with each individual state comprising less than 5% of the portfolio.
[2] Represents all other countries, with each individual country comprising less than 5% of the portfolio.

Investment Funds

Athene's investment fund portfolio consists of funds that employ various strategies and include investments in real estate, real assets, credit, equity and natural resources. Investment funds can meet the definition of VIEs. The investment funds do not specify timing of distributions on the funds' underlying assets.

The following summarizes Athene's investment funds, including related party and consolidated VIEs:

	June 30, 2022	
(In millions, except percentages)	**Carrying value**	**Percent of total**
Investment funds		
Apollo and other fund investments		
Equity funds	21	15.8 %
Hybrid funds	93	69.9 %
Yield funds	19	14.3 %
Total investment funds	133	100.0 %
Investment funds – related parties		
Strategic origination platforms	267	17.4 %
Strategic insurance platforms	1,092	71.0 %
Apollo and other fund investments		
Equity funds	148	9.6 %
Hybrid funds	8	0.5 %
Yield funds	1	0.1 %
Other	22	1.4 %
Total investment funds – related parties	1,538	100.0 %
Investment funds owned by consolidated VIEs		
Strategic origination platforms	2,883	30.4 %
Strategic insurance platforms	554	5.8 %
Apollo and other fund investments		
Equity funds	2,575	27.1 %
Hybrid funds	2,154	22.7 %
Yield funds	1,288	13.6 %
Other	40	0.4 %
Total investment funds – assets of consolidated VIEs	9,494	100.0 %
Total investment funds including related party and funds owned by consolidated VIEs	$ 11,165	

Concentrations—The following represents Athene's investment concentrations in excess of 10% of shareholders' equity:

(In millions)	**June 30, 2022**
Athene Freedom[1]	$ 1,323
Athora[1]	975
PK AirFinance[1]	932
AP Tundra	918
SoftBank Vision Fund II	816
Cayman Universe	794
AOP Finance	735
AA Infrastructure	627
MidCap[1]	553
Tiger Global	531
Bank of America	530
Venerable[1]	502
Morgan Stanley	495
Towd Point	476
AA Warehouse	443
Apollo Rose II (B), L.P.[2]	437
AT&T	418
JP Morgan Chase	406
FWD Group	400
HWIRE	397
Mileage Plus	391
Comcast	386

[1] Related party amounts are representative of single issuer risk and may only include a portion of the total investments associated with a related party. See further discussion of these related parties in note 16.

[2] Represents a consolidated VIE investment in which an underlying investment includes a single issuer exceeding concentration threshold.

5. Derivatives

The Company uses a variety of derivative instruments to manage risks, primarily equity, interest rate, credit, foreign currency and market volatility. See note 7 for information about the fair value hierarchy for derivatives.

The following table presents the notional amount and fair value of derivative instruments:

	June 30, 2022		
		Fair Value	
(In millions)	Notional Amount	Assets	Liabilities
Derivatives designated as hedges			
Foreign currency hedges			
Swaps	6,617	$ 678	$ 109
Forwards	5,009	427	3
Interest rate swaps	4,468	—	676
Forwards on net investments	235	7	—
Interest rate swaps	6,770	28	8
Total derivatives designated as hedges		1,140	796
Derivatives not designated as hedges			
Equity options	60,234	1,076	105
Futures	21	20	1
Total return swaps	137	—	14
Foreign currency swaps	2,928	149	90
Interest rate swaps	461	69	1
Credit default swaps	10	—	1
Foreign currency forwards	11,623	478	215
Embedded derivatives			
Funds withheld including related party		(5,087)	—
Interest sensitive contract liabilities		—	5,451
Total derivatives not designated as hedges		(3,295)	5,878
Total derivatives		$ (2,155)	$ 6,674

Derivatives Designated as Hedges

Fair Value Hedges

Athene uses foreign currency forward contracts, foreign currency interest rates swaps, and interest rate swaps that are designated and accounted for as fair value hedges to hedge certain exposures to foreign currency risk and interest rate risk. The foreign currency forward price is agreed upon at the time of the contract and payment is made at a specified future date.

The following represents the carrying amount and the cumulative fair value hedging adjustments included in the hedged assets or liabilities:

	June 30, 2022	
(In millions)	Carrying amount of the hedged assets or liabilities[1]	Cumulative amount of fair value hedging gains (losses)
AFS securities		
Foreign currency forwards	$ 3,966	$ (354)
Foreign currency swaps	4,524	(441)
Interest sensitive contract liabilities		
Foreign currency swaps	1,067	93
Foreign currency interest rate swaps	4,348	495
Interest rate swaps	6,770	93

[1] The carrying amount disclosed for AFS securities is amortized cost.

The following is a summary of the gains (losses) related to the derivatives and related hedged items in fair value hedge relationships:

				Amount Excluded	
(In millions)	**Derivatives**	**Hedged Items**	**Net**	**Recognized in income through amortization approach**	**Recognized in income through changes in fair value**
Three months ended June 30, 2022					
Investment related gains (losses)					
Foreign currency forwards	$ 201	$ (232)	$ (31)	$ 16	$ —
Foreign currency swaps	242	(252)	(10)	—	—
Foreign currency interest rate swaps	(335)	298	(37)	—	—
Interest rate swaps	(5)	18	13	—	—
Interest sensitive contract benefits					
Foreign currency interest rate swaps	15	(14)	1	—	—
Six months ended June 30, 2022					
Investment related gains (losses)					
Foreign currency forwards	$ 328	$ (358)	$ (30)	$ 30	$ 1
Foreign currency swaps	333	(347)	(14)	—	—
Foreign currency interest rate swaps	(494)	495	1	—	—
Interest rate swaps	(77)	93	16	—	—
Interest sensitive contract benefits					
Foreign currency interest rate swaps	25	(23)	2	—	—

The following is a summary of the gains (losses) excluded from the assessment of hedge effectiveness that were recognized in OCI:

(In millions)	**Three months ended June 30, 2022**	**Six months ended June 30, 2022**
Foreign currency forwards	$ 16	$ (57)
Foreign currency swaps	65	9

Net Investment Hedges

Athene uses foreign currency forwards to hedge the foreign currency exchange rate risk of its investments in subsidiaries that have a reporting currency other than the US dollar. Hedge effectiveness is assessed based on the changes in forward rates. During the three and six months ended June 30, 2022, these derivatives had gains of $23 million and $25 million, respectively. These derivatives are included in foreign currency translation and other adjustments on the condensed consolidated statements of comprehensive income (loss). As of June 30, 2022, the cumulative foreign currency translations recorded in AOCI related to these net investment hedges were gains of $25 million. During the three and six months ended June 30, 2022, there were no amounts deemed ineffective.

Derivatives Not Designated as Hedges

Equity options

Athene uses equity indexed options to economically hedge fixed indexed annuity products that guarantee the return of principal to the policyholder and credit interest based on a percentage of the gain in a specified market index, primarily the S&P 500. To hedge against adverse changes in equity indices, Athene enters into contracts to buy equity indexed options. The contracts are net settled in cash based on differentials in the indices at the time of exercise and the strike price.

Futures

Athene purchases futures contracts to hedge the growth in interest credited to the customer as a direct result of increases in the related indices. Athene enters into exchange-traded futures with regulated futures commission clearing brokers who are

members of a trading exchange. Under exchange-traded futures contracts, Athene agrees to purchase a specified number of contracts with other parties and to post variation margin on a daily basis in an amount equal to the difference in the daily fair values of those contracts.

Total return swaps

Athene purchases total rate of return swaps to gain exposure and benefit from a reference asset or index without ownership. Total rate of return swaps are contracts in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of the underlying asset or index, which includes both the income it generates and any capital gains.

Interest rate swaps

Athene uses interest rate swaps to reduce market risks from interest rate changes and to alter interest rate exposure arising from duration mismatches between assets and liabilities. With an interest rate swap, Athene agrees with another party to exchange the difference between fixed-rate and floating-rate interest amounts tied to an agreed upon notional principal amount at specified intervals.

Credit default swaps

Credit default swaps provide a measure of protection against the default of an issuer or allow the Company to gain credit exposure to an issuer or traded index. Athene uses credit default swaps coupled with a bond to synthetically create the characteristics of a reference bond. These transactions have a lower cost and are generally more liquid relative to the cash market. Athene receives a periodic premium for these transactions as compensation for accepting credit risk.

Hedging credit risk involves buying protection for existing credit risk. The exposure resulting from the agreements, which is usually the notional amount, is equal to the maximum proceeds that must be paid by a counterparty for a defaulted security. If a credit event occurs on a reference entity, then a counterparty who sold protection is required to pay the buyer the trade notional amount less any recovery value of the security.

Embedded derivatives

Athene has embedded derivatives which are required to be separated from their host contracts and reported as derivatives. Host contracts include reinsurance agreements structured on modco or funds withheld basis and indexed annuity products.

The following is a summary of the gains (losses) related to derivatives not designated as hedges:

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
Equity options	$ (1,571)	$ (2,279)
Futures	(86)	(119)
Swaps	(74)	(11)
Foreign currency forwards	362	517
Embedded derivatives on funds withheld	(2,682)	(5,202)
Amounts recognized in investment related gains (losses)	(4,051)	(7,094)
Embedded derivatives in indexed annuity products[1]	1,487	2,444
Total gains (losses) on derivatives not designated as hedges	$ (2,564)	$ (4,650)

[1] Included in interest sensitive contract benefits on the condensed consolidated statements of operations.

Credit Risk

The Company may be exposed to credit-related losses in the event of counterparty nonperformance on derivative financial instruments. Generally, the current credit exposure of Athene’s derivative contracts is the fair value at the reporting date less any collateral received from the counterparty.

Athene manages credit risk related to over-the-counter derivatives by entering into transactions with creditworthy counterparties. Where possible, Athene maintains collateral arrangements and uses master netting agreements that provide for a single net payment from one counterparty to another at each due date and upon termination. Athene has also established counterparty exposure limits, where possible, in order to evaluate if there is sufficient collateral to support the net exposure.

Collateral arrangements typically require the posting of collateral in connection with its derivative instruments. Collateral agreements often contain posting thresholds, some of which may vary depending on the posting party's financial strength ratings. Additionally, a decrease in Athene's financial strength rating to a specified level can result in settlement of the derivative position.

The estimated fair value of net derivative and other financial assets and liabilities after the application of master netting agreements and collateral were as follows:

		Gross amounts not offset on the condensed consolidated statements of financial condition				
(In millions)	Gross amount recognized[1]	Financial instruments[2]	Collateral (received)/pledged	Net amount	Off-balance sheet securities collateral[3]	Net amount after securities collateral
June 30, 2022						
Derivative assets	$ 2,932	$ (1,204)	$ (1,904)	$ (176)	$ —	$ (176)
Derivative liabilities	(1,223)	1,204	304	285	—	285

[1] The gross amounts of recognized derivative assets and derivative liabilities are reported on the condensed consolidated statements of financial condition. As of June 30, 2022, amounts not subject to master netting or similar agreements were immaterial.

[2] Represents amounts offsetting derivative assets and derivative liabilities that are subject to an enforceable master netting agreement or similar agreement that are not netted against the gross derivative assets or gross derivative liabilities for presentation on the condensed consolidated statements of financial condition.

[3] For non-cash collateral received, the Company does not recognize the collateral on the condensed consolidated statement of financial condition unless the obligor (transferor) has defaulted under the terms of the secured contract and is no longer entitled to redeem the pledged asset. Amounts do not include any excess of collateral pledged or received.

Certain derivative instruments contain provisions for credit-related events, such as downgrades in Athene's credit ratings or for a negative credit event of a credit default swap's reference entity. If a credit event were to occur, the Company may be required to settle an outstanding liability. The following is a summary of Athene's exposure to credit-related events:

(In millions)	June 30, 2022
Fair value of derivative liabilities with credit related provisions	$ 1
Maximum exposure for credit default swaps	10

As of June 30, 2022, no additional collateral would be required if a default or termination event were to occur.

6. Variable Interest Entities

A variable interest in a VIE is an investment or other interest that will absorb portions of the VIE's expected losses and/or receive expected residual returns. Please refer to note 2 for more detail about the Company's VIE assessment and consolidation policy. Variable interests in consolidated VIEs and unconsolidated VIEs are discussed separately below.

Consolidated VIEs

Consolidated VIEs include consolidated SPACs as well as certain CLOs and funds managed by the Company. The financial information for these consolidated SPACs are disclosed in note 16.

The assets of consolidated VIEs are not available to creditors of the Company, and the investors in these consolidated VIEs have no recourse against the assets of the Company. Similarly, there is no recourse to the Company for the consolidated VIEs' liabilities.

Other assets of the consolidated funds include interest receivables and receivables from affiliates. Other liabilities include debt held at amortized cost as well as short-term payables.

Each series of notes in a respective consolidated VIE participates in distributions from the VIE, including principal and interest from underlying investments. Amounts allocated to the noteholders reflect amounts that would be distributed if the VIE's affairs were wound up and its assets sold for cash equal to their respective carrying values, its liabilities satisfied in accordance with their terms, and all the remaining amounts distributed to the noteholders. The respective VIEs that issue the notes payable are marked at their prevailing net asset value, which approximates fair value.

Results from certain funds managed by Apollo are reported on a three-month lag based upon the availability of financial information.

Net Gains from Investment Activities of Consolidated Variable Interest Entities—Asset Management

The following table presents net gains from investment activities of the consolidated VIEs:

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022[1]	2021[1]	2022[1]	2021[1]
Net gains (losses) from investment activities	$ (127)	$ 52	$ 10	$ 356
Net gains (losses) from debt	113	(3)	144	(12)
Interest and other income	61	229	269	363
Interest and other expenses	(34)	(133)	(43)	(449)
Net gains from investment activities of consolidated variable interest entities	$ 13	$ 145	$ 380	$ 258

[1] Amounts reflect consolidation eliminations

Senior Secured Notes, Subordinated Notes, Subscription Lines and Secured Borrowings

Included within debt, at fair value, notes payable, and other liabilities are amounts due to third-party institutions by the consolidated VIEs. The following table summarizes the principal provisions of those amounts:

	As of June 30, 2022			As of December 31, 2021		
(In millions, except percentages)	Principal Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years	Principal Outstanding	Weighted Average Interest Rate	Weighted Average Remaining Maturity in Years
Asset Management						
Senior secured notes[2]	$ 1,910	2.15 %	7.3	$ 7,431	3.16 %	15.5
Subordinated notes[2]	162	N/A [1]	98.3	613	N/A [1]	14.5
Subscription lines[2]	478	2.95 %	0.06	—	N/A	N/A
Secured borrowings[2,3]	—	N/A	N/A	18	2.33 %	0.4
Total – Asset Management	$ 2,550			$ 8,062		

[1] The principal outstanding balance of the subordinated notes do not have contractual interest rates but instead receive distributions from the excess cash flows of the VIEs.
[2] The notes, subscription lines and borrowings of the consolidated VIEs are collateralized by assets held by each respective vehicle and assets of one vehicle may not be used to satisfy the liabilities of another vehicle.
[3] As of June 30, 2022, there was no principal outstanding for secured borrowings. As of December 31, 2021, secured borrowings consist of consolidated VIEs' obligations through a repurchase agreement redeemable at maturity with third party lenders. The fair value of the secured borrowings as of December 31, 2021 approximates principal outstanding due to the short-term nature of the borrowings. These secured borrowings are classified as a Level 3 liability within the fair value hierarchy.

The consolidated VIEs' debt obligations contain various customary loan covenants. As of June 30, 2022, the Company was not aware of any instances of non-compliance with any of these covenants.

Unconsolidated Variable Interest Entities—Asset Management

The following table presents the maximum exposure to losses relating to these VIEs for which Apollo has concluded that it holds a significant variable interest, but that it is not the primary beneficiary.

(In millions)	As of June 30, 2022[2]	As of December 31, 2021[2]
Maximum Loss Exposure[1]	$ 329	$ 241

[1] Represents Apollo's direct investment in those entities in which it holds a significant variable interest and certain other investments. Additionally, cumulative performance allocations are subject to reversal in the event of future losses.
[2] Some amounts included are a quarter in arrears.

Unconsolidated Variable Interest Entities—Retirement Services

The Company has variable interests in certain unconsolidated VIEs in the form of securities and ownership stakes in investment funds.

Fixed maturity securities

Athene invests in securitization entities as a debt holder or an investor in the residual interest of the securitization vehicle. These entities are deemed VIEs due to insufficient equity within the structure and lack of control by the equity investors over the activities that significantly impact the economics of the entity. In general, Athene is a debt investor within these entities and, as such, hold a variable interest; however, due to the debt holders' lack of ability to control the decisions within the trust that significantly impact the entity, and the fact the debt holders are protected from losses due to the subordination of the equity tranche, the debt holders are not deemed the primary beneficiary. Securitization vehicles in which Athene holds the residual tranche are not consolidated because Athene does not unilaterally have substantive rights to remove the general partner, or when assessing related party interests, Athene is not under common control, as defined by U.S. GAAP, with the related party, nor are substantially all of the activities conducted on Athene's behalf; therefore, Athene is not deemed the primary beneficiary. Debt investments and investments in the residual tranche of securitization entities are considered debt instruments and are held at fair value on the condensed consolidated statements of financial condition and classified as AFS or trading.

Investment funds

Investment funds include non-fixed income, alternative investments in the form of limited partnerships or similar legal structures.

Equity securities

Athene invests in preferred equity securities issued by entities deemed to be VIEs due to insufficient equity within the structure.

Athene's risk of loss associated with its non-consolidated investments depends on the investment. Investment funds, equity securities and trading securities are limited to the carrying value plus unfunded commitments. AFS securities are limited to amortized cost plus unfunded commitments.

The following summarizes the carrying value and maximum loss exposure of these non-consolidated investments:

	June 30, 2022	
(In millions)	Carrying Value	Maximum Loss Exposure
Investment funds	$ 133	$ 217
Investment in related parties – investment funds	1,538	1,776
Assets of consolidated VIEs – investment funds	9,494	15,121
Investment in fixed maturity securities	31,507	35,103
Investment in related parties – fixed maturity securities	8,682	9,141
Investment in related parties – equity securities	163	163
Total non-consolidated investments	$ 51,517	$ 61,521

7. Fair Value

Fair Value Measurements of Financial Instruments

The following summarize the Company's financial assets and liabilities recorded at fair value hierarchy level:

	June 30, 2022				
(In millions)	Level 1	Level 2	Level 3	NAV	Total
Assets					
Asset Management					
Cash and cash equivalents[1]	$ 1,546	$ —	$ —	$ —	$ 1,546
Restricted cash and cash equivalents[2]	693	—	—	—	693
Cash and cash equivalents of VIEs	148	—	—	—	148
U.S. Treasury securities[3]	819	—	—	—	819
Investments, at fair value	163	38	1,069 [4]	—	1,270
Investments of VIEs	18	1,819	1,190	66	3,093
Due from related parties[5]	—	—	40	—	40
Derivative assets[6]	—	6	11	—	17
Total Assets – Asset Management	3,387	1,863	2,310	66	7,626
Retirement Services					
AFS Securities					
US government and agencies	2,792	2	—	—	2,794
US state, municipal and political subdivisions	—	1,000	—	—	1,000
Foreign governments	—	894	2	—	896
Corporate	—	54,630	1,588	—	56,218
CLO	—	13,485	—	—	13,485
ABS	—	5,953	3,594	—	9,547
CMBS	—	2,904	—	—	2,904
RMBS	—	5,099	68	—	5,167
Total AFS securities	2,792	83,967	5,252	—	92,011
Trading securities	25	1,652	58	—	1,735
Equity securities	105	941	62	—	1,108
Mortgage loans	—	—	25,218	—	25,218
Investment funds	—	—	19	6	25
Funds withheld at interest – embedded derivative	—	—	(3,958)	—	(3,958)
Derivative assets	20	2,912	—	—	2,932
Short-term investments	68	112	58	—	238
Other investments	—	142	—	—	142
Cash and cash equivalents	11,172	—	—	—	11,172
Restricted cash and cash equivalents	753	—	—	—	753
Investments in related parties					
AFS securities					
Corporate	—	158	849	—	1,007
CLO	—	2,197	325	—	2,522
ABS	—	243	5,026	—	5,269
Total AFS securities – related party	—	2,598	6,200	—	8,798
Trading securities	—	—	891	—	891
Equity securities	—	—	163	—	163
Mortgage loans	—	—	1,416	—	1,416
Investment funds	—	—	818	—	818
Funds withheld at interest – embedded derivative	—	—	(1,129)	—	(1,129)
Reinsurance recoverable	—	—	1,580	—	1,580
Assets of consolidated VIEs					
Trading securities	—	56	330	—	386
Mortgage loans	—	—	1,626	—	1,626
Investment funds	5	283	1,053	8,153	9,494
Other investments	—	—	31	—	31

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Notes to Condensed Consolidated Financial Statements (Unaudited)

	June 30, 2022				
(In millions)	Level 1	Level 2	Level 3	NAV	Total
Cash and cash equivalents	198	—	—	—	198
Total Assets – Retirement Services	15,138	92,663	39,688	8,159	155,648
Total Assets	$ 18,525	$ 94,526	$ 41,998	$ 8,225	$ 163,274
Liabilities					
Asset Management					
Debt of VIEs, at fair value	$ —	$ 1,766	$ —	$ —	$ 1,766
Contingent consideration obligations[7]	—	—	139	—	139
Other liabilities[8]	3	—	—	—	3
Total Liabilities – Asset Management	3	1,766	139	—	1,908
Retirement Services					
Interest sensitive contract liabilities					
Embedded derivative	—	—	5,451	—	5,451
Universal life benefits	—	—	943	—	943
Future policy benefits					
AmerUs closed block	—	—	1,247	—	1,247
ILICO closed block and life benefits	—	—	623	—	623
Derivative liabilities	(9)	1,231	1	—	1,223
Total Liabilities – Retirement Services	(9)	1,231	8,265	—	9,487
Total Liabilities	$ (6)	$ 2,997	$ 8,404	$ —	$ 11,395

(Concluded)

(In millions)	December 31, 2021				
	Level 1	Level 2	Level 3	NAV	Total
Assets – Asset Management					
Cash and cash equivalents[1]	$ 917	$ —	$ —	$ —	$ 917
Restricted cash and cash equivalents[2]	708	—	—	—	708
Cash and cash equivalents of VIEs	463	—	—	—	463
U.S. Treasury securities[3]	1,687	—	—	—	1,687
Investment in Athene Holding	4,548	—	—	—	4,548
Other investments	49	46	946 [4]	—	1,041
Investments of VIEs	6	1,055	13,188	488	14,737
Due from related parties[5]	—	—	48	—	48
Derivative assets[6]	—	8	—	—	8
Total Assets	$ 8,378	$ 1,109	$ 14,182	$ 488	$ 24,157
Liabilities – Asset Management					
Debt of VIEs, at fair value	$ —	$ 446	$ 7,496	$ —	$ 7,942
Other liabilities of VIEs, at fair value	—	3	31	1	35
Contingent consideration obligations[7]	—	—	126	—	126
Other liabilities[8]	48	—	—	—	48
Derivative liabilities[6]	—	2	—	—	2
Total liabilities	$ 48	$ 451	$ 7,653	$ 1	$ 8,153

[1] Cash and cash equivalents as of June 30, 2022 and December 31, 2021 includes $1 million and $2 million, respectively, of cash and cash equivalents held by consolidated SPACs. Refer to note 16 of this report for further information.

[2] Restricted cash and cash equivalents as of June 30, 2022 and December 31, 2021 includes $0.7 billion and $0.7 billion, respectively, of restricted cash and cash equivalents held by consolidated SPACs. Refer to note 16 of this report for further information.

[3] U.S. Treasury securities as of June 30, 2022 and December 31, 2021 includes $346 million and $1.2 billion, respectively, of U.S. Treasury securities held by consolidated SPACs. Refer to note 16 of this report for further information.

[4] Investments as of June 30, 2022 and December 31, 2021 excludes $167 million and $176 million, respectively, of performance allocations classified as Level 3 related to certain investments for which the company elected the fair value option. The Company's policy is to account for performance allocations as investments.

[5] Due from related parties represents a receivable from a fund.

[6] Derivative assets and derivative liabilities are presented as a component of Other assets and Other liabilities, respectively, in the condensed consolidated statements of financial condition.

[7] As of June 30, 2022, other liabilities includes $35 million of contingent obligations, related to the Griffin Capital acquisition, classified as Level 3. As of June 30, 2022 and December 31, 2021, profit sharing payable includes $104 million and $126 million, respectively, related to contingent obligations classified as Level 3.

[8] Other liabilities as of June 30, 2022 includes the publicly traded warrants of APSG II. Other liabilities as of December 31, 2021 includes the publicly traded warrants of APSG I and APSG II.

Changes in fair value of contingent consideration obligations in connection with the acquisition of Stone Tower and Griffin Capital are recorded in compensation and benefits expense and other income (loss), net, respectively, in the condensed consolidated statements of operations. Refer to note 17 for further details.

Level 3 Financial Instruments

The following tables summarize the valuation techniques and quantitative inputs and assumptions used for financial assets and liabilities categorized as Level 3:

	June 30, 2022					
	Fair Value (In millions)	Valuation Technique	Unobservable Inputs	Ranges	Weighted Average	
Financial Assets						
Asset Management						
Investments	$ 532	Embedded value	N/A	N/A	N/A	
	237	Discounted cash flow	Discount rate	8.7% - 52.8%	21.7%	1
	300	Adjusted transaction value	N/A	N/A	N/A	
Due from related parties	40	Discounted cash flow	Discount rate	15.0%	15.0%	
Derivative assets	11	Option model	Volatility rate	38.8% - 40.0%	39.8%	1
Investments of consolidated VIEs						
Equity securities	584	Dividend discount model	Discount rate	14.0% - 40.0%	14.1%	1
		Adjusted transaction value	N/A	N/A	N/A	
Bank loans	460	Discounted cash flow	Discount rate	10.9% - 26.4%	14.0%	1
		Adjusted transaction value	N/A	N/A	N/A	
Profit participating notes	62	Adjusted transaction value	N/A	N/A	N/A	
Bonds	84	Adjusted transaction value	N/A	N/A	N/A	
Retirement Services						
AFS and trading securities	10,186	Discounted cash flow	Discount rate	1.6% – 22.0%	5.3%	1
Mortgage loans	28,259	Discounted cash flow	Discount rate	2.5% – 23.9%	5.2%	1
Financial Liabilities						
Asset Management						
Contingent consideration obligation	139	Discounted cash flow	Discount rate	18.5% - 22.5%	19.0%	1
		Option model	Volatility rate	46.0% - 54.3%	50.2%	1
Retirement Services						
Interest sensitive contract liabilities – fixed indexed annuities embedded derivatives	5,451	Discounted cash flow	Nonperformance risk	0.4% – 2.0%	1.3%	2
			Option budget	0.5% – 4.1%	1.7%	3
			Surrender rate	5.0% – 10.9%	7.9%	4

[1] Unobservable inputs were weighted based on the fair value of the investments included in the range.
[2] The nonperformance risk weighted average is based on the projected excess benefits of reserves used in the calculation of the embedded derivative.
[3] The option budget weighted average is calculated based on the indexed account values.
[4] The surrender rate weighted average is calculated based on projected account values.

	December 31, 2021				
	Fair Value (In millions)	Valuation Techniques	Unobservable Inputs	Ranges	Weighted Average[1]
Financial Assets					
Other investments	$ 516	Embedded value	N/A	N/A	N/A
	170	Discounted cash flow	Discount rate	14.0% - 52.8%	26.4%
	260	Adjusted transaction value	N/A	N/A	N/A
Due from related parties	48	Discounted cash flow	Discount rate	16.0%	16.0%
Investments of consolidated VIEs:					
Equity securities	4,145	Discounted cash flow	Discount rate	3.0% - 19.0%	10.4%
		Dividend discount model	Discount rate	13.7%	13.7%
		Market comparable companies	NTAV multiple	1.25x	1.25x
		Adjusted transaction value	Purchase multiple	1.25x	1.25x
		Adjusted transaction value	N/A	N/A	N/A
Bank loans	4,570	Discounted cash flow	Discount rate	1.8% - 15.6%	4.3%
		Adjusted transaction value	N/A	N/A	N/A
Profit participating notes	2,849	Discounted cash flow	Discount rate	8.7% - 12.5%	12.4%
		Adjusted transaction value	N/A	N/A	N/A
Real estate	512	Discounted cash flow	Capitalization rate	4.0% - 5.8%	5.3%
		Discounted cash flow	Discount rate	5.0% - 12.5%	7.3%
		Discounted cash flow	Terminal capitalization rate	8.3%	8.3%
		Direct capitalization	Capitalization rate	5.5% - 8.5%	6.2%
		Direct capitalization	Terminal capitalization rate	6.0% - 12.0%	6.9%
Bonds	51	Discounted cash flow	Discount rate	4.0% - 7.0%	6.1%
		Third party pricing	N/A	N/A	N/A
Other equity investments	1,061	Discounted cash flow	Discount rate	11.8% -12.5%	12.1%
		Adjusted transaction value	N/A	N/A	N/A
Financial Liabilities					
Liabilities of Consolidated VIEs:					
Secured loans	4,311	Discounted cash flow	Discount rate	1.4% - 10.0%	2.8%
Subordinated notes	3,164	Discounted cash flow	Discount rate	4.5% - 11.9%	5.8%
Participating equity	21	Discounted cash flow	Discount rate	15.0%	15.0%
Other liabilities	31	Discounted cash flow	Discount rate	3.7% - 9.3%	6.3%
Contingent consideration obligation	126	Discounted cash flow	Discount rate	18.5%	18.5%

[1] Unobservable inputs were weighted based on the fair value of the investments included in the range.

The following are reconciliations for Level 3 assets and liabilities measured at fair value on a recurring basis:

	Three months ended June 30, 2022							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets – Asset Management								
Investments	$ 1,087	$ (9)	$ —	$ 1	$ 1	$ 1,080	$ 31	$ —
Investments of Consolidated VIEs	931	(43)	—	588	(286)	1,190	(15)	—
Total Level 3 Assets – Asset Management	$ 2,018	$ (52)	$ —	$ 589	$ (285)	$ 2,270	$ 16	$ —
Assets – Retirement Services								
AFS securities								
Foreign governments	$ 2	$ —	$ —	$ —	$ —	$ 2	$ —	$ —
Corporate	1,499	—	(58)	40	107	1,588	—	(58)
CLO	5	—	(3)	(2)	—	—	—	—
ABS	3,783	2	(65)	148	(274)	3,594	—	(66)
CMBS	10	—	—	—	(10)	—	—	—

RMBS	—	—	—	68	—	68	—	—
Trading securities	90	(1)	—	2	(33)	58	—	—
Equity securities	438	8	—	(3)	(381)	62	8	—
Mortgage loans	23,696	(1,027)	—	2,549	—	25,218	(1,025)	—
Investment funds	19	—	—	—	—	19	—	—
Funds withheld at interest – embedded derivative	(1,882)	(2,076)	—	—	—	(3,958)	—	—
Short-term investments	59	—	(1)	—	—	58	—	—
Investments in related parties								
AFS securities								
Corporate	761	—	(7)	42	53	849	—	(7)
CLO	332	—	(7)	—	—	325	—	(7)
ABS	4,409	16	(125)	(1,096)	1,822	5,026	—	(126)
Trading securities	252	4	—	(808)	1,443	891	—	—
Equity securities	166	(9)	—	(119)	125	163	—	—
Mortgage loans	1,456	(72)	—	32	—	1,416	(73)	—
Investment funds	814	4	—	—	—	818	28	—
Short-term investments	53	—	—	—	(53)	—	—	—
Funds withheld at interest – embedded derivative	(570)	(559)	—	—	—	(1,129)	—	—
Reinsurance recoverable	1,814	(234)	—	—	—	1,580	—	—
Assets of consolidated VIEs								
Trading securities	—	—	—	—	330	330	—	—
Mortgage loans	1,880	(50)	—	(2)	(202)	1,626	(50)	—
Investment funds	10,577	33	—	(77)	(9,480)	1,053	27	—
Other investments	1,902	—	—	31	(1,902)	31	—	—
Total Level 3 assets – Retirement Services	$ 51,565	$ (3,961)	$ (266)	$ 805	$ (8,455)	$ 39,688	$ (1,085)	$ (264)
Liabilities – Asset Management								
Contingent consideration obligations	$ 110	$ (7)	$ —	$ 36	$ —	$ 139	$ —	$ —
Total Level 3 liabilities – Asset Management	$ 110	$ (7)	$ —	$ 36	$ —	$ 139	$ —	$ —
Liabilities – Retirement Services								
Interest sensitive contract liabilities								
Embedded derivative	$ (6,704)	$ 1,487	$ —	$ (234)	$ —	$ (5,451)	$ —	$ —
Universal life benefits	(1,096)	153	—	—	—	(943)	—	—
Future policy benefits								
AmerUs Closed Block	(1,378)	131	—	—	—	(1,247)	—	—
ILICO Closed Block and life benefits	(704)	81	—	—	—	(623)	—	—
Derivative liabilities	(3)	2	—	—	—	(1)	—	—
Total Level 3 liabilities – Retirement Services	$ (9,885)	$ 1,854	$ —	$ (234)	$ —	$ (8,265)	$ —	$ —

[1] Related to instruments held at end of period.

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	Three months ended June 30, 2021							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets – Asset Management								
Investments of Consolidated VIEs	$ 11,948	$ 32	$ —	$ 134	$ (236)	$ 11,878	$ 66	$ —
Other Investments	381	11	—	(3)	1	390	9	—
Total Level 3 assets – Asset Management	$ 12,329	$ 43	$ —	$ 131	$ (235)	$ 12,268	$ 75	$ —
Liabilities – Asset Management								
Contingent consideration obligations	$ 114	$ 16	$ —	$ (1)	$ —	$ 129	$ —	$ —
Debt and other liabilities of consolidated VIEs	7,316	2	13	(125)	—	7,206	(6)	—
Total Level 3 liabilities – Asset Management	$ 7,430	$ 18	$ 13	$ (126)	$ —	$ 7,335	$ (6)	$ —

[1] Related to instruments held at end of period.

	Six months ended June 30, 2022							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets – Asset Management								
Investments	$ 946	$ 9	$ —	$ 102	$ 23	$ 1,080	$ 59	$ —
Investments of Consolidated VIEs	13,188	173	—	1,717	(13,888)	1,190	(17)	—
Total Level 3 assets – Asset Management	$ 14,134	$ 182	$ —	$ 1,819	$ (13,865)	$ 2,270	$ 42	$ —
Assets – Retirement Services								
AFS securities								
Foreign governments	$ 2	$ —	$ —	$ —	$ —	$ 2	$ —	$ —
Corporate	1,339	(3)	(77)	180	149	1,588	—	(76)
CLO	14	(2)	—	(12)	—	—	—	—
ABS	3,619	7	(95)	—	63	3,594	—	(89)
CMBS	43	—	(17)	—	(26)	—	—	1
RMBS	—	—	—	68	—	68	—	—
Trading securities	69	(6)	—	8	(13)	58	—	—
Equity securities	429	17	—	(3)	(381)	62	16	—
Mortgage loans	21,154	(1,771)	—	5,835	—	25,218	(1,767)	—
Investment funds	18	1	—	—	—	19	1	—
Funds withheld at interest – embedded derivative	—	(3,958)	—	—	—	(3,958)	—	—
Short-term investments	29	—	(1)	30	—	58	—	—
Investments in related parties								
AFS securities								
Corporate	670	(4)	(6)	136	53	849	—	(6)
CLO	202	—	(7)	130	—	325	—	(7)
ABS	6,445	(1)	(135)	(1,241)	(42)	5,026	—	(138)
Trading securities	1,771	(1)	—	(1,062)	183	891	—	—
Equity securities	284	(14)	—	(119)	12	163	—	—
Mortgage loans	1,369	(124)	—	171	—	1,416	(124)	—
Investment funds	2,855	28	—	(34)	(2,031)	818	28	—
Short-term investments	—	—	—	53	(53)	—	—	—
Funds withheld at interest – embedded derivative	—	(1,129)	—	—	—	(1,129)	—	—

Reinsurance recoverable	1,991	(411)	—	—	—	1,580	—	—
Assets of consolidated VIEs								
Trading securities	—	—	—	—	330	330	—	—
Mortgage loans	2,152	(170)	—	(154)	(202)	1,626	(170)	—
Investment funds	1,297	28	—	161	(433)	1,053	28	—
Other investments	—	—	—	31	—	31	—	—
Total Level 3 assets – Retirement Services	$ 45,752	$ (7,513)	$ (338)	$ 4,178	$ (2,391)	$ 39,688	$ (1,988)	$ (315)
Liabilities – Asset Management								
Contingent consideration obligations	$ 126	$ (10)	$ —	$ 23	$ —	$ 139	$ —	$ —
Debt and other liabilities of consolidated VIEs	7,528	(28)	—	1,126	(8,626)	—	—	—
Total Level 3 liabilities – Asset Management	$ 7,654	$ (38)	$ —	$ 1,149	$ (8,626)	$ 139	$ —	$ —
Liabilities – Retirement Services								
Interest sensitive contract liabilities								
Embedded derivative	$ (7,559)	$ 2,444	$ —	$ (336)	$ —	$ (5,451)	$ —	$ —
Universal life benefits	(1,235)	292	—	—	—	(943)	—	—
Future policy benefits						—		
AmerUs Closed Block	(1,520)	273	—	—	—	(1,247)	—	—
ILICO Closed Block and life benefits	(742)	119	—	—	—	(623)	—	—
Derivative liabilities	(3)	2	—	—	—	(1)	—	—
Total Level 3 liabilities – Retirement Services	$ (11,059)	$ 3,130	$ —	$ (336)	$ —	$ (8,265)	$ —	$ —

[1] Related to instruments held at end of period.

	Six months ended June 30, 2021							
		Total realized and unrealized gains (losses)						
(In millions)	Beginning balance	Included in income	Included in OCI	Net purchases, issuances, sales and settlements	Net transfers in (out)	Ending balance	Total gains (losses) included in earnings[1]	Total gains (losses) included in OCI[1]
Assets – Asset Management								
Investments of Consolidated VIEs	$ 10,963	$ 332	$ —	$ 876	$ (293)	$ 11,878	$ 199	$ —
Other Investments	370	22	—	(3)	1	390	29	—
Total Level 3 assets – Asset Management	$ 11,333	$ 354	$ —	$ 873	$ (292)	$ 12,268	$ 228	$ —
Liabilities – Asset Management								
Contingent consideration obligations	$ 120	$ 22	$ —	$ (13)	$ —	$ 129	$ —	$ —
Debt and other liabilities of consolidated VIEs	7,100	66	—	40	—	7,206	(59)	—
Total Level 3 liabilities – Asset Management	$ 7,220	$ 88	$ —	$ 27	$ —	$ 7,335	$ (59)	$ —

[1] Related to instruments held at end of period.

The following represents the gross components of purchases, issuances, sales and settlements, net, and net transfers in (out) shown above:

	Three months ended June 30, 2022							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers In[1]	Transfers Out[2]	Net Transfers In (Out)
Assets – Asset Management								
Investments	$ 2	$ —	$ (1)	$ —	$ 1	$ 1	$ —	$ 1
Investments of consolidated VIEs	1,235	—	(647)	—	588	30	(316)	(286)
Total Level 3 assets – Asset Management	$ 1,237	$ —	$ (648)	$ —	$ 589	$ 31	$ (316)	$ (285)
Assets – Retirement Services								
AFS securities								
Corporate	$ 129	$ —	$ (2)	$ (87)	$ 40	$ 150	$ (43)	$ 107
CLO	—	—	—	(2)	(2)	—	—	—
ABS	746	—	(341)	(257)	148	30	(304)	(274)
CMBS	—	—	—	—	—	—	(10)	(10)
RMBS	68	—	—	—	68	—	—	—
Trading securities	2	—	—	—	2	9	(42)	(33)
Equity securities	—	—	(3)	—	(3)	19	(400)	(381)
Mortgage loans	3,386	—	(48)	(789)	2,549	—	—	—
Short-term investments	29	—	—	(29)	—	—	—	—
Investments in related parties								
AFS securities								
Corporate	52	—	—	(10)	42	53	—	53
ABS	899	—	(6)	(1,989)	(1,096)	1,822	—	1,822
Trading securities	7	—	(787)	(28)	(808)	1,443	—	1,443
Equity securities	—	—	(119)	—	(119)	125	—	125
Mortgage loans	36	—	—	(4)	32	—	—	—
Short-term investments	—	—	—	—	—	—	(53)	(53)
Assets of consolidated VIEs								
Trading securities	—	—	—	—	—	330	—	330
Mortgage loans	—	—	—	(2)	(2)	21	(223)	(202)
Investment funds	33	—	(110)	—	(77)	1,006	(10,486)	(9,480)
Other investments	31	—	—	—	31	—	(1,902)	(1,902)
Total Level 3 assets – Retirement Services	$ 5,418	$ —	$ (1,416)	$ (3,197)	$ 805	$ 5,008	$ (13,463)	$ (8,455)
Liabilities - Asset Management								
Contingent consideration obligations	$ —	$ 36	$ —	$ —	$ 36	$ —	$ —	$ —
Debt and other liabilities of consolidated VIEs	—	—	—	—	—	—	—	—
Total Level 3 liabilities – Asset Management	$ —	$ 36	$ —	$ —	$ 36	$ —	$ —	$ —
Liabilities – Retirement Services								
Interest sensitive contract liabilities - Embedded derivative	$ —	$ (361)	$ —	$ 127	$ (234)	$ —	$ —	$ —
Total Level 3 liabilities – Retirement Services	$ —	$ (361)	$ —	$ 127	$ (234)	$ —	$ —	$ —

[1] Transfers in is primarily assets of consolidated VIEs that Athene consolidated effective in the second quarter of 2022.
[2] Transfers out is primarily the deconsolidation of certain of Athene's VIEs effective during the second quarter of 2022.

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	Three months ended June 30, 2021							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers In[1]	Transfers Out[2]	Net Transfers In (Out)
Assets – Asset Management								
Investments	$ —	$ —	$ (3)	$ —	$ (3)	$ 1	$ —	$ 1
Investments of consolidated VIEs	692	—	(558)	—	134	7	(243)	(236)
Total Level 3 assets – Asset Management	$ 692	$ —	$ (561)	$ —	$ 131	$ 8	$ (243)	$ (235)
Liabilities - Asset Management								
Contingent consideration obligations	$ —	$ —	$ —	$ (1)	$ (1)	$ —	$ —	$ —
Debt and other liabilities of consolidated VIEs	—	102	—	(227)	(125)	—	—	—
Total Level 3 liabilities – Asset Management	$ —	$ 102	$ —	$ (228)	$ (126)	$ —	$ —	$ —

APOLLO GLOBAL MANAGEMENT, INC.
Notes to Condensed Consolidated Financial Statements (Unaudited)

	Six months ended June 30, 2022							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers In[1]	Transfers Out[2]	Net Transfers In (Out)
Assets – Asset Management								
Investments	$ 106	$ —	$ (4)	$ —	$ 102	$ 23	$ —	$ 23
Investments of consolidated VIEs	3,704	—	(1,987)	—	1,717	482	(14,370)	(13,888)
Total Level 3 assets – Asset Management	$ 3,810	$ —	$ (1,991)	$ —	$ 1,819	$ 505	$ (14,370)	$ (13,865)
Assets – Retirement Services								
AFS securities								
Corporate	$ 453	$ —	$ (170)	$ (103)	$ 180	$ 193	$ (44)	$ 149
CLO	—	—	—	(12)	(12)	—	—	—
ABS	2,235	—	(1,791)	(444)	—	368	(305)	63
CMBS	—	—	—	—	—	—	(26)	(26)
RMBS	68	—	—	—	68	—	—	—
Trading securities	8	—	—	—	8	39	(52)	(13)
Equity securities	—	—	(3)	—	(3)	19	(400)	(381)
Mortgage loans	7,477	—	(130)	(1,512)	5,835	—	—	—
Short-term investments	59	—	—	(29)	30	—	—	—
Investments in related parties								
AFS securities								
Corporate	367	—	(217)	(14)	136	53	—	53
CLO	130	—	—	—	130	—	—	—
ABS	1,273	—	(93)	(2,421)	(1,241)	1,822	(1,864)	(42)
Trading securities	36	—	(1,052)	(46)	(1,062)	1,443	(1,260)	183
Equity securities	—	—	(119)	—	(119)	125	(113)	12
Mortgage loans	182	—	—	(11)	171	—	—	—
Investment funds	—	—	(34)	—	(34)	—	(2,031)	(2,031)
Short-term investments	53	—	—	—	53	—	(53)	(53)
Assets of consolidated VIEs								
Trading securities	—	—	—	—	—	330	—	330
Mortgage loans	—	—	—	(154)	(154)	21	(223)	(202)
Investment funds	286	—	(125)	—	161	11,087	(11,520)	(433)
Other investments	31	—	—	—	31	1,902	(1,902)	—
Total Level 3 assets – Retirement Services	$ 12,658	$ —	$ (3,734)	$ (4,746)	$ 4,178	$ 17,402	$ (19,793)	$ (2,391)
Liabilities - Asset Management								
Contingent consideration obligations	$ —	$ 36	$ —	$ (13)	$ 23	$ —	$ —	$ —
Debt and other liabilities of consolidated VIEs	—	1,644	—	(518)	1,126	—	(8,626)	(8,626)
Total Level 3 liabilities – Asset Management	$ —	$ 1,680	$ —	$ (531)	$ 1,149	$ —	$ (8,626)	$ (8,626)
Liabilities – Retirement Services								
Interest sensitive contract liabilities - Embedded derivative	$ —	$ (616)	$ —	$ 280	$ (336)	$ —	$ —	$ —
Total Level 3 liabilities – Retirement Services	$ —	$ (616)	$ —	$ 280	$ (336)	$ —	$ —	$ —

[1] Transfers in is primarily assets and liabilities of consolidated VIEs that Athene consolidated effective June 30, 2022.
[2] Transfers out is primarily the elimination of investments in related party securities issued by VIEs that Athene consolidated effective March 31, 2022.

	Six months ended June 30, 2021							
(In millions)	Purchases	Issuances	Sales	Settlements	Net purchases, issuances, sales and settlements	Transfers In	Transfers Out	Net Transfers In (Out)
Assets – Asset Management								
Investments	$ —	$ —	$ (3)	$ —	$ (3)	$ 1	$ —	$ 1
Investments of consolidated VIEs	1,682	—	(806)	—	876	10	(303)	(293)
Total Level 3 assets – Asset Management	$ 1,682	$ —	$ (809)	$ —	$ 873	$ 11	$ (303)	$ (292)
Liabilities - Asset Management								
Contingent consideration obligations	$ —	$ —	$ —	$ (13)	$ (13)	$ —	$ —	$ —
Debt and other liabilities of consolidated VIEs	—	312	—	(272)	40	—	—	—
Total Level 3 liabilities – Asset Management	$ —	$ 312	$ —	$ (285)	$ 27	$ —	$ —	$ —

Fair Value Option - Retirement Services

The following represents the gains (losses) recorded for instruments for which Athene has elected the fair value option, including related parties and VIEs:

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
Trading securities	$ (161)	$ (368)
Mortgage loans	(1,149)	(2,065)
Investment funds	36	56
Future policy benefits	131	273
Total gains (losses)	$ (1,143)	$ (2,104)

Gains and losses on trading securities are recorded in investment related gains (losses) on the condensed consolidated statements of operations. For fair value option mortgage loans, interest income is recorded in net investment income and subsequent changes in fair value in investment related gains (losses) on the condensed consolidated statements of operations. Gains and losses related to investment funds, including related party investment funds, are recorded in net investment income on the condensed consolidated statements of operations. The change in fair value of future policy benefits is recorded to future policy and other policy benefits on the condensed consolidated statements of operations.

The following summarizes information for fair value option mortgage loans including related parties and VIEs:

(In millions)	June 30, 2022
Unpaid principal balance	$ 29,883
Mark to fair value	(1,623)
Fair value	$ 28,260

The following represents the commercial mortgage loan portfolio 90 days or more past due and/or in non-accrual status:

(In millions)	June 30, 2022
Unpaid principal balance of commercial mortgage loans 90 days or more past due and/or in non-accrual status	$ 127
Mark to fair value of commercial mortgage loans 90 days or more past due and/or in non-accrual status	(46)
Fair value of commercial mortgage loans 90 days or more past due and/or in non-accrual status	$ 81
Fair value of commercial mortgage loans 90 days or more past due	$ 132
Fair value of commercial mortgage loans in non-accrual status	81

The following represents the residential loan portfolio 90 days or more past due and/or in non-accrual status:

(In millions)	June 30, 2022
Unpaid principal balance of residential mortgage loans 90 days or more past due and/or in non-accrual status	$ 581
Mark to fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status	(36)
Fair value of residential mortgage loans 90 days or more past due and/or in non-accrual status	$ 545
Fair value of residential mortgage loans 90 days or more past due[1]	$ 545
Fair value of residential mortgage loans in non-accrual status	207

[1] Includes $338 million of residential mortgage loans that are guaranteed by US government-sponsored agencies.

The following is the estimated amount of gains (losses) included in earnings during the period attributable to changes in instrument-specific credit risk on our mortgage loan portfolio:

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
Mortgage loans	$ (34)	$ (52)

The portion of gains and losses attributable to changes in instrument-specific credit risk is estimated by identifying commercial loans with loan-to-value ratios meeting credit quality criteria, and residential mortgage loans with delinquency status meeting credit quality criteria.

Financial Instruments Without Readily Determinable Fair Values

Athene has elected the measurement alternative for certain equity securities that do not have a readily determinable fair value. As of June 30, 2022, the carrying amount of the equity securities was $ 400 million with no cumulative recorded impairment.

Fair Value of Financial Instruments Not Carried at Fair Value - Retirement Services

The following represents Athene's financial instruments not carried at fair value on the condensed consolidated statements of financial condition:

	June 30, 2022					
(In millions)	Carrying Value	Fair Value	NAV	Level 1	Level 2	Level 3
Financial assets						
Investment funds	$ 108	$ 108	$ 108	$ —	$ —	$ —
Policy loans	358	358	—	—	358	—
Funds withheld at interest	41,596	41,596	—	—	—	41,596
Short-term investments	26	26	—	—	—	26
Other investments	713	713	—	—	—	713
Investments in related parties						
Investment funds	720	720	720	—	—	—
Funds withheld at interest	11,804	11,804	—	—	—	11,804
Other investments	272	272	—	—	—	272
Assets of consolidated VIEs						
Mortgage loans	366	366	—	—	—	366
Other investments	80	80	—	—	—	80
Total financial assets not carried at fair value	$ 56,043	$ 56,043	$ 828	$ —	$ 358	$ 54,857
Financial liabilities						
Interest sensitive contract liabilities	$ 116,164	$ 105,039	$ —	$ —	$ —	$ 105,039
Debt	3,279	2,586	—	—	2,586	—
Securities to repurchase	4,109	4,109	—	—	4,109	—
Total financial liabilities not carried at fair value	$ 123,552	$ 111,734	$ —	$ —	$ 6,695	$ 105,039

The fair value for financial instruments not carried at fair value are estimated using the same methods and assumptions as those carried at fair value. The financial instruments presented above are reported at carrying value on the condensed consolidated statements of financial condition; however, in the case of policy loans, funds withheld at interest, short-term investments, and securities to repurchase, the carrying amount approximates fair value.

Other investments

The fair value of other investments is determined using a discounted cash flow model using discount rates for similar investments.

Interest sensitive contract liabilities

The carrying and fair value of interest sensitive contract liabilities above includes fixed indexed and traditional fixed annuities without mortality or morbidity risks, funding agreements and payout annuities without life contingencies. The embedded derivatives within fixed indexed annuities without mortality or morbidity risks are excluded, as they are carried at fair value. The valuation of these investment contracts is based on discounted cash flow methodologies using significant unobservable inputs. The estimated fair value is determined using current market risk-free interest rates, adding a spread to reflect nonperformance risk and subtracting a risk margin to reflect uncertainty inherent in the projected cash flows.

Debt

The fair value of debt is obtained from commercial pricing services. These are classified as Level 2. The pricing services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, trading activity, credit quality, issuer spreads, bids, offers and other reference data.

Significant Unobservable Inputs

Asset Management

Consolidated VIEs Investments

The significant unobservable inputs used in the fair value measurement of the equity securities include the discount rate applied, purchase multiple and net tangible asset value in the valuation models. These unobservable inputs in isolation can cause significant increases or decreases in fair value. The discount rate is determined based on the market rates an investor would expect for a similar investment with similar risks.

The significant unobservable inputs used in the fair value measurement of bank loans, bonds, profit participating notes, and other equity investments are discount rates. Significant increases (decreases) in discount rates would result in significantly lower (higher) fair value measurements.

The significant unobservable inputs used in the fair value measurement of real estate are discount rates and capitalization rates. Significant increases (decreases) in any discount rates or capitalization rates in isolation would result in a significantly lower (higher) fair value measurement.

Certain investments of VIEs are valued using the NAV per share equivalent calculated by the investment manager as a practical expedient to determine an independent fair value.

Consolidated VIEs Liabilities

The debt obligations of certain consolidated VIEs, that are CLOs, were measured on the basis of the fair value of the financial assets of those CLOs as the financial assets were determined to be more observable and, as a result, categorized as Level II in the fair value hierarchy.

The significant unobservable inputs used in the fair value measurement of the Company’s liabilities of consolidated VIEs are

discount rates. Significant increases (decreases) in discount rates would result in a significantly lower (higher) fair value measurement.

Certain liabilities of VIEs are valued using the NAV per share equivalent calculated by the investment manager as a practical expedient to determine an independent fair value.

Contingent Consideration Obligations

The significant unobservable inputs used in the fair value measurement of the contingent consideration obligations are discount rate and volatility rate applied in the valuation models. These inputs in isolation can cause significant increases or decreases in fair value. See note 17 for further discussion of the contingent consideration obligations.

Retirement Services

AFS and trading securities

Athene uses discounted cash flow models to calculate the fair value for certain fixed maturity securities. The discount rate is a significant unobservable input because the credit spread includes adjustments made to the base rate. The base rate represents a market comparable rate for securities with similar characteristics. This excludes assets for which fair value is provided by independent broker quotes.

Mortgage loans

Athene uses discounted cash flow models from independent commercial pricing services to calculate the fair value of its mortgage loan portfolio. The discount rate is a significant unobservable input. This approach uses market transaction information and client portfolio-oriented information, such as prepayments or defaults, to support the valuations.

Interest sensitive contract liabilities – embedded derivative

Significant unobservable inputs used in the fixed indexed annuities embedded derivative of the interest sensitive contract liabilities valuation include:

1. Nonperformance risk – For contracts Athene issues, they use the credit spread, relative to the U.S. Treasury curve based on Athene's public credit rating as of the valuation date. This represents Athene's credit risk for use in the estimate of the fair value of embedded derivatives.
2. Option budget – Athene assumes future hedge costs in the derivative's fair value estimate. The level of option budgets determines the future costs of the options and impacts future policyholder account value growth.
3. Policyholder behavior – Athene regularly reviews the lapse and withdrawal assumptions (surrender rate). These are based on initial pricing assumptions updated for actual experience. Actual experience may be limited for recently issued products.

Valuation of Underlying Investments

Asset Management

As previously noted, the underlying entities that Apollo manages and invests in are primarily investment companies that account for their investments at estimated fair value.

On a quarterly basis, valuation committees consisting of members from senior management review and approve the valuation results related to the investments of the funds Apollo manages. For certain publicly traded vehicles managed by Apollo, a review is performed by an independent board of directors. Apollo also retains external valuation firms to provide third-party valuation consulting services to Apollo, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the external valuation firms assist management with validating their valuation results or determining fair value. Apollo performs various back-testing procedures to validate their valuation approaches, including comparisons between expected and observed outcomes, forecast evaluations and variance analyses.

However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Yield Investments

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

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

Equity and Hybrid Investments

The majority of illiquid equity and hybrid investments are valued using the market approach and/or the income approach, as described below.

Market Approach

The market approach is driven by current market conditions, including actual trading levels of similar companies and, to the extent available, actual transaction data of similar companies. Judgment is required by management when assessing which companies are similar to the subject company being valued. Consideration may also be given to any of the following factors: (1) the subject company's historical and projected financial data; (2) valuations given to comparable companies; (3) the size and scope of the subject company's operations; (4) the subject company's individual strengths and weaknesses; (5) expectations relating to the market's receptivity to an offering of the subject company's securities; (6) applicable restrictions on transfer; (7) industry and market information; (8) general economic and market conditions; and (9) other factors deemed relevant. Market approach valuation models typically employ a multiple that is based on one or more of the factors described above.

Enterprise value as a multiple of EBITDA is common and relevant for most companies and industries, however, other industry specific multiples are employed where available and appropriate. Sources for gaining additional knowledge related to comparable companies include public filings, annual reports, analyst research reports, and press releases. Once a comparable company set is determined, Apollo reviews certain aspects of the subject company's performance and determines how its performance compares to the group and to certain individuals in the group. Apollo compares certain measurements such as EBITDA margins, revenue growth over certain time periods, leverage ratios and growth opportunities. In addition, Apollo compares the entry multiple and its relation to the comparable set at the time of acquisition to understand its relation to the comparable set on each measurement date.

Income Approach

The income approach provides an indication of fair value based on the present value of cash flows that a business or security is expected to generate in the future. The most widely used methodology for the income approach is a discounted cash flow method. Inherent in the discounted cash flow method are significant assumptions related to the subject company's expected results, the determination of a terminal value and a calculated discount rate, which is normally based on the subject company's weighted average cost of capital ("WACC"). The WACC represents the required rate of return on total capitalization, which is comprised of a required rate of return on equity, plus the current tax-effected rate of return on debt, weighted by the relative percentages of equity and debt that are typical in the industry. The most critical step in determining the appropriate WACC for each subject company is to select companies that are comparable in nature to the subject company and the credit quality of the subject company. Sources for gaining additional knowledge about the comparable companies include public filings, annual

reports, analyst research reports, and press releases. The general formula then used for calculating the WACC considers the after-tax rate of return on debt capital and the rate of return on common equity capital, which further considers the risk-free rate of return, market beta, market risk premium and small stock premium, if applicable. The variables used in the WACC formula are inferred from the comparable market data obtained. The Company evaluates the comparable companies selected and concludes on WACC inputs based on the most comparable company or analyzes the range of data for the investment.

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

Certain of the funds Apollo manages may also enter into foreign currency exchange contracts, total return swap contracts, credit default swap contracts, and other derivative contracts, which may include options, caps, collars and floors. Foreign currency exchange contracts are marked-to-market by recognizing the difference between the contract exchange rate and the current market rate as unrealized appreciation or depreciation. If securities are held at the end of the period, the changes in value are recorded in income as unrealized. Realized gains or losses are recognized when contracts are settled. Total return swap and credit default swap contracts are recorded at fair value as an asset or liability with changes in fair value recorded as unrealized appreciation or depreciation. Realized gains or losses are recognized at the termination of the contract based on the difference between the close-out price of the total return or credit default swap contract and the original contract price. Forward contracts are valued based on market rates obtained from counterparties or prices obtained from recognized financial data service providers.

Retirement Services

NAV

Investment funds are typically measured using NAV as a practical expedient in determining fair value and are not classified in the fair value hierarchy. The carrying value reflects a pro rata ownership percentage as indicated by NAV in the investment fund financial statements, which may be adjusted if it is determined NAV is not calculated consistent with investment company fair value principles. The underlying investments of the investment funds may have significant unobservable inputs, which may include but are not limited to, comparable multiples and weighted average cost of capital rates applied in valuation models or a discounted cash flow model.

AFS and trading securities

The fair value for most marketable securities without an active market are obtained from several commercial pricing services. These are classified as Level 2 assets. The pricing services incorporate a variety of market observable information in their valuation techniques, including benchmark yields, trading activity, credit quality, issuer spreads, bids, offers and other reference data. This category typically includes U.S. and non-U.S. corporate bonds, U.S. agency and government guaranteed securities, CLO, ABS, CMBS and RMBS.

Athene also has fixed maturity securities priced based on indicative broker quotes or by employing market accepted valuation models. For certain fixed maturity securities, the valuation model uses significant unobservable inputs and are included in Level 3 in fair value hierarchy. Significant unobservable inputs used include discount rates, issue specific credit adjustments, material non-public financial information, estimation of future earnings and cash flows, default rate assumptions, liquidity assumptions and indicative quotes from market makers. These inputs are usually considered unobservable, as not all market participants have access to this data.

Privately placed fixed maturity securities are valued based on the credit quality and duration of comparable marketable securities, which may be securities of another issuer with similar characteristics. In some instances, a matrix-based pricing model is used. These models consider the current level of risk-free interest rates, corporate spreads, credit quality of the issuer and cash flow characteristics of the security. Additional factors such as net worth of the borrower, value of collateral, capital structure of the borrower, presence of guarantees and Athene’s evaluation of the borrower’s ability to compete in its relevant market are also considered. Privately placed fixed maturity securities are classified as Level 2 or 3.

Equity securities

Fair values of publicly traded equity securities are based on quoted market prices and classified as Level 1. Other equity securities, typically private equities or equity securities not traded on an exchange, are valued based on other sources, such as commercial pricing services or brokers, and are classified as Level 2 or 3.

Mortgage loans

Athene estimates fair value monthly using discounted cash flow analysis and rates being offered for similar loans to borrowers with similar credit ratings. Loans with similar characteristics are aggregated for purposes of the calculations. The discounted cash flow model uses unobservable inputs, including estimates of discount rates and loan prepayments. Mortgage loans are classified as Level 3.

Investment funds

Certain investment funds for which Athene has elected the fair value option are included in Level 3 and are priced based on market accepted valuation models. The valuation models use significant unobservable inputs, which include material non-public financial information, estimation of future distributable earnings and demographic assumptions. These inputs are usually considered unobservable, as not all market participants have access to this data.

Funds withheld at interest embedded derivative

Athene estimates the fair value of the embedded derivative based on the change in the fair value of the assets supporting the funds withheld payable under modco and funds withheld reinsurance agreements. As a result, the fair value of the embedded derivative is classified as Level 2 or 3 based on the valuation methods used for the assets held supporting the reinsurance agreements.

Derivatives

Derivative contracts can be exchange traded or over the counter. Exchange-traded derivatives typically fall within Level 1 of the fair value hierarchy depending on trading activity. Over-the-counter derivatives are valued using valuation models or an income approach using third-party broker valuations. Valuation models require a variety of inputs, including contractual terms, market prices, yield curves, credit curves, measures of volatility, prepayment rates and correlation of the inputs. Athene considers and incorporates counterparty credit risk in the valuation process through counterparty credit rating requirements and monitoring of overall exposure. Athene also evaluates and includes its own nonperformance risk in valuing derivatives. The majority of Athene's derivatives trade in liquid markets; therefore, it can verify model inputs and model selection does not involve significant management judgment. These are typically classified within Level 2 of the fair value hierarchy.

Interest sensitive contract liabilities embedded derivative

Embedded derivatives related to interest sensitive contract liabilities with fixed indexed annuity products are classified as Level 3. The valuations include significant unobservable inputs associated with economic assumptions and actuarial assumptions for policyholder behavior.

AmerUs Closed Block

Athene elected the fair value option for the future policy benefits liability in the AmerUs Closed Block. The valuation technique is to set the fair value of policyholder liabilities equal to the fair value of assets. There is an additional component which captures the fair value of the open block's obligations to the closed block business. This component is the present value of the projected release of required capital and future earnings before income taxes on required capital supporting the AmerUs Closed Block, discounted at a rate which represents a market participant's required rate of return, less the initial required capital. Unobservable inputs include estimates for these items. The AmerUs Closed Block policyholder liabilities and any corresponding reinsurance recoverable are classified as Level 3.

ILICO Closed Block

Athene elected the fair value option for the ILICO Closed Block. The valuation technique is to set the fair value of policyholder liabilities equal to the fair value of assets. There is an additional component which captures the fair value of the open block's obligations to the closed block business. This component uses the present value of future cash flows which include commissions, administrative expenses, reinsurance premiums and benefits, and an explicit cost of capital. The discount rate includes a margin to reflect the business and nonperformance risk. Unobservable inputs include estimates for these items. The ILICO Closed Block policyholder liabilities and corresponding reinsurance recoverable are classified as Level 3.

Universal life liabilities and other life benefits

Athene elected the fair value option for certain blocks of universal and other life business ceded to Global Atlantic. Athene uses a present value of liability cash flows. Unobservable inputs include estimates of mortality, persistency, expenses, premium payments and a risk margin used in the discount rates that reflects the riskiness of the business. The universal life policyholder liabilities and corresponding reinsurance recoverable are classified as Level 3.

8. Deferred Acquisition Costs, Deferred Sales Inducements and Value of Business Acquired

The following represents a rollforward of DAC, DSI and VOBA:

(In millions)	DAC	DSI	VOBA	Total
Balance at January 1, 2022	$ —	$ —	$ 4,547	$ 4,547
Additions	434	162	—	596
Amortization	(1)	—	(249)	(250)
Other	—	—	(3)	(3)
Balance at June 30, 2022	$ 433	$ 162	$ 4,295	$ 4,890

The expected amortization of VOBA for the next five years is as follows:

(In millions)	Expected Amortization
2022[1]	$ 239
2023	447
2024	410
2025	377
2026	342
2027	304

[1] Expected amortization for the remainder of 2022.

9. Goodwill

The following table presents Apollo's goodwill by segment:

(In millions)	As of June 30, 2022	As of December 31, 2021
Asset Management	$ 232	$ 85
Retirement Services	4,153	—
Principal Investing	32	32
Total Goodwill	$ 4,417	$ 117

On January 1, 2022, the Company completed the previously announced merger transactions with Athene. In connection with the completion of the Mergers, the Company recognized goodwill of $ 4.2 billion as of the Merger Date. See note 3 for further disclosure regarding the goodwill recorded as a result of the Mergers.

In connection with the completion of the Mergers, the Company undertook a strategic review of its operating structure and business segments to assess the performance of its businesses and the allocation of resources. As a result, the Company reorganized into three reportable segments: Asset Management, Retirement Services, and Principal Investing. The Company conducted interim impairment testing immediately prior to and subsequent to the reorganization and determined there to be no impairment of historical goodwill.

Apollo acquired Griffin Capital's U.S. wealth distribution business and U.S. asset management business in two separate closings on March 1, 2022 and May 3, 2022 and recorded goodwill of $ 13 million and $134 million, respectively, on each acquisition date. All of the goodwill associated with the Griffin Capital acquisitions are included within the Asset Management segment.

10. Profit Sharing Payable

Profit sharing payable was $1.5 billion and $1.4 billion as of June 30, 2022 and December 31, 2021, respectively. The below is a roll-forward of the profit-sharing payable balance:

(In millions)	Total
Profit sharing payable, January 1, 2022	$ 1,445
Profit sharing expense	315
Payments/other	(283)
Profit sharing payable, June 30, 2022	$ 1,477

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

The Company requires that a portion of certain of the performance revenues distributed to the Company's employees be used to purchase restricted shares of common stock issued under its Equity Plan. Prior to distribution of the performance revenues, the Company records the value of the equity-based awards expected to be granted in other assets and accounts payable, accrued expenses, and other liabilities.

11. Income Taxes

The Company's income tax (provision) benefit totaled $487 million and $(194) million for the three months ended June 30, 2022 and 2021, respectively, and totaled $ 1.1 billion and $(397) million for the six months ended June 30, 2022, and 2021, respectively. The Company's effective income tax rate was approximately 14.0% and 11.4% for the three months ended June 30, 2022 and 2021, respectively, and 19.5% and 11.6% for the six months ended June 30, 2022 and 2021, respectively.

Under U.S. GAAP, a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The Company recorded $15.7 million of unrecognized tax benefits as of June 30, 2022, for uncertain tax positions. Approximately all of the unrecognized tax benefits, if recognized, would affect the effective tax rate. The Company does not anticipate a material change to its unrecognized tax benefits over the next twelve months.
The primary jurisdictions in which the Company operates and incurs income taxes are the United States and the United Kingdom. There are no unremitted earnings with respect to the United Kingdom and other foreign entities.

In the normal course of business, the Company is subject to examination by federal, state, local and foreign tax authorities. As of June 30, 2022, the Company's U.S. federal, state, local and foreign income tax returns for the years 2018 through 2020 are open under the general statute of limitations provisions and therefore subject to examination. Currently, the Internal Revenue Service is examining the tax returns of the Company and certain subsidiaries for the 2013, 2015, 2017, 2019, and 2020 tax years. The State and City of New York are examining certain subsidiaries' tax returns for tax years 2011 to 2018. The United Kingdom tax authorities are currently examining certain subsidiaries' tax returns for tax year 2017. There are other

examinations ongoing in other foreign jurisdictions, which the Company operates. No provisions with respect to these examinations have been recorded, other than the unrecognized tax benefits discussed above.

The Company has historically recorded deferred tax assets generated by the step-up in the tax basis of assets, including intangibles, resulting from exchanges of AOG Units for shares of common stock by the Former Managing Partners and Contributing Partners. A related liability has also historically been recorded in “Due to Related Parties” in the condensed consolidated statements of financial condition for the expected payments under the tax receivable agreement entered into by and among the Company, the Former Managing Partners, the Contributing Partners, and other parties thereto (as amended, the “tax receivable agreement”) (see note 16). The benefit the Company has historically obtained from the difference in the tax asset recognized and the related liability resulted in an increase to additional paid in capital. The amortization period for the portion of the increase in tax basis related to intangibles is 15 years. The realization of the remaining portion of the increase in tax basis relates to the disposition of the underlying assets to which the step-up is attributed. The associated deferred tax assets reverse at the time of the corresponding asset disposition.

Subsequent to the Mergers, the Former Managing Partners and Contributing Partners no longer own AOG Units. Therefore, there were no exchanges subject to the tax receivable agreement during the six months ended June 30, 2022. The table below presents the impact to the deferred tax asset, tax receivable agreement liability and additional paid in capital related to the exchange of AOG Units for Class A shares for the six months ended June 30, 2021.

Exchange of AOG Units for Common Stock	**Increase in Deferred Tax Asset**	**Increase in Tax Receivable Agreement Liability**	**Increase in Additional Paid in Capital**
For the Six Months Ended June 30, 2021	45	38	7

12. Debt

Company debt consisted of the following:

		June 30, 2022		December 31, 2021	
(In millions, except percentages)	**Maturity Date**	**Outstanding Balance**	**Fair Value**	**Outstanding Balance**	**Fair Value**
Asset Management					
4.00% 2024 Senior Notes[1,2]	May 30, 2024	$ 499	$ 494 [4]	$ 498	$ 530 [4]
4.40% 2026 Senior Notes[1,2]	May 27, 2026	498	496 [4]	498	553 [4]
4.87% 2029 Senior Notes[1,2]	February 15, 2029	674	668 [4]	675	778 [4]
2.65% 2030 Senior Notes[1,2]	June 5, 2030	495	423 [4]	495	506 [4]
4.77% 2039 Senior Secured Guaranteed Notes[1,2]		—	— [6]	317	369 [5]
5.00% 2048 Senior Notes[1,2]	March 15, 2048	297	293 [4]	297	397 [4]
4.95% 2050 Senior Subordinated Notes[1,2]	January 14, 2050	297	258 [4]	297	309 [4]
1.70% Secured Borrowing II[1]	April 15, 2032	18	17 [3]	19	19 [3]
1.30% 2016 AMI Term Facility I[1]	January 15, 2025	18	18 [3]	19	19 [3]
1.40% 2016 AMI Term Facility II[1]	July 23, 2023	17	17 [3]	19	19 [3]
		2,813	2,684	3,134	3,499
Retirement Services					
4.13% 2028 Notes[1]	January 12, 2028	1,088	937	—	—
6.15% 2030 Notes[1]	April 3, 2030	613	500	—	—
3.50% 2031 Notes[1]	January 15, 2031	527	424	—	—
3.95% 2051 Notes[1]	May 25, 2051	547	380	—	—
3.45% 2052 Notes[1]	May 15, 2052	504	345	—	—
		3,279	2,586	—	—
Total Debt		$ 6,092	$ 5,270	$ 3,134	$ 3,499

[1] Interest rate is calculated as weighted average annualized.

[2] Includes amortization of note discount, as applicable, totaling $17 million and $25 million as of June 30, 2022 and December 31, 2021, respectively. Outstanding balance is presented net of unamortized debt issuance costs.

[3] Fair value is based on broker quotes. These notes are valued using Level 3 inputs based on the number and quality of broker quotes obtained, the standard deviations of the observed broker quotes and the percentage deviation from external pricing services. For instances where broker quotes are not available, a discounted cash flow method is used.

[4] Fair value is based on broker quotes. These notes are valued using Level 2 inputs based on the number and quality of broker quotes obtained, the standard deviations of the observed broker quotes and the percentage deviation from external pricing services.

[5] Fair value is based on a discounted cash flow method. These notes are valued using Level 3 inputs.

[6] There is no outstanding balance as of June 30, 2022. These notes were transferred to a VIE consolidated by Athene during the six months ended June 30, 2022.

Asset Management - Notes Issued

The indentures governing the 2024 Senior Notes, the 2026 Senior Notes, the 2029 Senior Notes, the 2030 Senior Notes, the 2048 Senior Notes and the 2050 Subordinated Notes include covenants that restrict the ability of Apollo Management Holdings, L.P., an Apollo subsidiary and issuer of the notes ("AMH") and, as applicable, the guarantors of the notes under the indentures, to incur indebtedness secured by liens on voting stock or profit participating equity interests of their respective subsidiaries, or merge, consolidate or sell, transfer or lease assets. The indentures also provide for customary events of default.

Retirement Services - Notes Issued

Athene's senior unsecured notes are callable by AHL at any time. If called prior to three months before the scheduled maturity date, the price is equal to the greater of (1) 100% of the principal and any accrued and unpaid interest and (2) an amount equal to the sum of the present values of remaining scheduled payments, discounted from the scheduled payment date to the redemption date treasury rate plus a spread as defined in the applicable prospectus supplement and any accrued and unpaid interest.

Credit Facilities

The following table represents the Company's credit facilities:

Instrument/Facility	Borrowing Date	Maturity Date	Administrative Agent	Key terms
Asset Management - AMH credit facility	November 23, 2020	November 23, 2025	Citibank	The commitment fee on the $750 million undrawn AMH credit facility as of June 30, 2022 was 0.09%.
Retirement Services - AHL credit facility	N/A	December 3, 2024	Citibank	The borrowing capacity under the credit facility is $1.25 billion, with potential increases up to $1.75 billion.

Asset Management - Credit Facility

Borrowings under the AMH credit facility may be used for working capital and general corporate purposes, including, permitted acquisitions. AMH, the borrower under the facility, may incur incremental facilities in an aggregate amount not to exceed $250 million plus additional amounts so long as the borrower is in compliance with a net leverage ratio not to exceed 4.00 to 1.00.

As of June 30, 2022, there were no amounts outstanding under the AMH credit facility and the Company was in compliance with all covenants under the facility.

Retirement Services - Credit Facility and Liquidity Facility

AHL Credit Facility—AHL has a revolving credit agreement with Citibank, N.A. as administrative agent, which matures on December 3, 2024, subject to up to two one-year extensions ("AHL credit facility"). The borrowing capacity under the AHL credit facility is $1.25 billion, with potential increases up to $1.75 billion. In connection with the AHL credit facility, AHL and Athene USA Corporation ("AUSA") guaranteed all of the obligations of AHL, Athene Life Re ("ALRe"), Athene Annuity Re Ltd. ("AARe") and AUSA under this facility, and ALRe and AARe guaranteed certain of the obligations of AHL, ALRe, AARe and AUSA under this facility. The AHL credit facility contains various standard covenants with which the company must comply, including the following:

1. Consolidated debt to capitalization ratio of not greater than 35%;
2. Minimum consolidated net worth of no less than $7.3 billion; and
3. Restrictions on Athene's ability to incur debt and liens, in each case with certain exceptions.

As of June 30, 2022, there were no amounts outstanding under the AHL credit facility and Athene was in compliance with all covenants under the facility.

Interest accrues on outstanding borrowings at either the Eurodollar Rate (as defined in the AHL credit facility) plus a margin or a base rate plus a margin, with the applicable margin varying based on Athene's Debt Rating (as defined in the AHL credit facility).

AHL Liquidity Facility—In the third quarter of 2022, AHL entered into a revolving credit facility with Wells Fargo Bank, National Association, as administrative agent, which matures on June 30, 2023, subject to additional 364-day extensions ("AHL liquidity facility"). The AHL liquidity facility will be used for liquidity and working capital needs to meet short-term cash flow and investment timing differences. The borrowing capacity under the AHL liquidity facility is $2.5 billion, with potential increases up to $3.0 billion. The AHL liquidity facility contains various standard covenants with which Athene must comply, including the following:

1. ALRe minimum consolidated net worth of no less than $9.3 billion; and
2. Restrictions on Athene's ability to incur debt and liens, in each case with certain exceptions.

Interest accrues on outstanding borrowings at the secured overnight financing rate (Adjusted Term SOFR, as defined in the AHL liquidity facility) plus a margin or a base rate plus a margin, with applicable margin varying based on ALRe's Financial Strength Rating (as defined in the AHL liquidity facility).

As of August 5, 2022, there were no amounts outstanding under the AHL liquidity facility.

Interest Expense

The following table presents the interest expense incurred related to the Company’s debt:

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022	2021	2022	2021
Asset Management	$ 31	$ 35	$ 63	$ 70
Retirement Services[1]	23	—	47	—
Total Interest Expense	$ 54	$ 35	$ 110	$ 70

Note: Debt issuance costs incurred are amortized into interest expense over the term of the debt arrangement, as applicable.

[1] Interest expense for Retirement Services is included in policy and other operating expenses on the condensed consolidated statements of operations.

13. Equity-Based Compensation

Under the Equity Plan, the Company grants equity-based awards to employees. The fair value of all grants is based on the grant date fair value, which considers the public share price of AGM’s common stock subject to certain discounts, as applicable. Equity-based awards granted to employees and non-employees as compensation are measured based on the grant date fair value of the award. Equity-based awards that do not require future service (i.e., vested awards) are expensed immediately.

The Company grants both service and performance-based awards. The estimated total grant date fair value for service-based awards is charged to compensation expense on a straight-line basis over the vesting period, which is generally one to six years from the date of grant. Certain service-based awards are tied to profit sharing arrangements in which a portion of the performance fees distributed to the general partner are required to be used by employees to purchase restricted shares of common stock or RSUs, which are granted under the Company’s Equity Plan. Performance based awards vest subject to continued employment and the Company’s achievement of specified performance goals. In accordance with U.S. GAAP, equity-based compensation expense for performance grants are typically recognized on an accelerated recognition method over the requisite service period to the extent the performance revenue metrics are met or deemed probable.

For the three months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense of $126.0 million and $53.0 million, respectively. For the six months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense of $294.0 million and $109.4 million, respectively. As of June 30, 2022, there was $828.0 million of estimated unrecognized compensation expense related to unvested RSU awards. This cost is expected to be recognized over a weighted-average period of 3.0 years.

Service-Based Awards

During the six months ended June 30, 2022 and June 30, 2021, the Company awarded service-based grants of 4.6 million RSUs and 2.2 million RSUs with a grant date fair value of $281.1 million and $108.6 million, respectively.

During the three months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense on service-based awards of $56.0 million and $23.4 million, respectively. During the six months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense on service-based awards of $122.5 million and $42.1 million, respectively.

Performance-Based Awards

During the six months ended June 30, 2022 and June 30, 2021, the Company awarded performance-based grants of 2.6 million and 1.2 million RSUs to certain employees with a grant date fair value of $147.6 million and $51.5 million, respectively, which primarily vest subject to continued employment and the Company’s receipt of performance revenues, within prescribed periods, sufficient to cover the associated equity-based compensation.

During the three months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense for performance-based awards of $50.2 million and $17.5 million, respectively. During the six months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense for performance-based awards of $124.0 million and $43.9 million, respectively.

In December 2021, the Company awarded one-time grants to the Co-Presidents of AAM of 6.0 million RSUs which vest on a cliff basis subject to continued employment over five years, with 2.0 million of those RSUs also subject to the Company's achievement of certain fee related earnings and spread related earnings per share metrics. During the three and six months ended June 30, 2022, the Company recorded equity-based compensation expense of $13.9 million and $27.8 million, respectively, for service-based awards and $5.9 million and $11.8 million, respectively, for performance-based awards, each related to these one-time grants.

The following table summarizes all RSU activity for the current period:

	Unvested	Weighted Average Grant Date Fair Value	Vested	Total Number of RSUs Outstanding
Balance at January 1, 2022	—		—	—
RSUs assumed in the Mergers	16,345,396	$52.45	15,976,551	32,321,947
Granted	6,483,384	$59.86	677,914	7,161,298
Forfeited	(221,379)	$49.27	(429)	(221,808)
Vested	(3,031,445)	$43.98	3,031,445	—
Issued	—	—	(6,015,987)	(6,015,987)
Balance at June 30, 2022	19,575,956	$56.69	13,669,494	33,245,450

Restricted Stock Awards

During the six months ended June 30, 2022 and June 30, 2021, the Company awarded 0.5 million and 0.1 million restricted stock awards related to profit sharing arrangements with a grant date fair value of $ 31.5 million and $3.2 million, respectively.

During the three months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense on restricted stock related to profit sharing arrangements of $ 13.7 million and $6.9 million, respectively. During the six months ended June 30, 2022 and June 30, 2021, the Company recorded equity-based compensation expense on restricted stock related to profit sharing arrangements of $32.8 million and $10.9 million, respectively.

14. Equity

Common Stock

Holders of common stock are entitled to participate in dividends from the Company on a pro rata basis.

During the three and six months ended June 30, 2022 and 2021, the Company issued shares of common stock in settlement of vested RSUs. The Company has generally allowed holders of vested RSUs and exercised share options to settle their tax liabilities by reducing the number of shares of common stock issued to them, which the Company refers to as "net share settlement." Additionally, the Company has generally allowed holders of share options to settle their exercise price by reducing the number of shares of common stock issued to them at the time of exercise by an amount sufficient to cover the exercise price. The net share settlement results in a liability for the Company and a corresponding accumulated deficit adjustment.

On January 3, 2022, the Company announced a share repurchase program, pursuant to which, the Company is authorized to repurchase (i) up to an aggregate of $ 1.5 billion of shares of its common stock in order to opportunistically reduce its share count and (ii) up to an aggregate of $1.0 billion of shares of its common stock in order to offset the dilutive impact of share issuances under the its equity incentive plans. Shares of common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, as well as through reductions of shares that otherwise would have been issued to participants under the Company's Equity Plan in order to satisfy associated tax obligations. The repurchase program does not obligate the Company to make any repurchases at any specific time. The program is effective until the aggregate repurchase amount that has been approved by the AGM board of directors has been expended and may be suspended, extended, modified or discontinued at any time.

The table below outlines the share activity for the six months ended June 30, 2022 and 2021.

	Six Months Ended June 30,	
	2022	2021
Shares of common stock issued in settlement of vested RSUs and options exercised[1]	5,409,467	2,980,032
Shares issued to Apollo Opportunity Foundation[2]	200,000	—
Reduction of shares of common stock issued[3]	(2,442,133)	(1,218,885)
Shares of common stock purchased related to share issuances and forfeitures[4]	(219,633)	(270,362)
Issuance of shares of common stock for equity-based awards	2,947,701	1,490,785

1 The gross value of shares issued was $347 million and $155 million for the six months ended June 30, 2022 and 2021, respectively, based on the closing price of the shares of common stock at the time of issuance.

2 Shares issued to Apollo Opportunity Foundation in connection with an irrevocable pledge to contribute 1.7 million shares of common stock. The gross value of shares issued for the six months ended June 30, 2022 totaled $10.4 million.

3 Cash paid for tax liabilities associated with net share settlement was $ 158 million and $64 million for the six months ended June 30, 2022 and 2021, respectively.

4 Certain Apollo employees receive a portion of the profit sharing proceeds of certain funds in the form of (a) restricted shares of common stock that they are required to purchase with such proceeds or (b) RSUs, in each case which equity-based awards generally vest over three years. These equity-based awards are granted under the Company's Equity Plan. To prevent dilution on account of these awards, Apollo may, in its discretion, repurchase shares of common stock on the open market and retire them. During the six months ended June 30, 2022 and 2021, Apollo issued 472,774 and 56,243 of such restricted shares and 219,633 and 270,362 of such RSUs under the Equity Plan, respectively, and repurchased 692,407 and 326,605 shares of common stock in open-market transactions not pursuant to a publicly-announced repurchase plan or program, respectively. In addition, there were 527 and 0 restricted shares forfeited during the six months ended June 30, 2022 and 2021.

During the six months ended June 30, 2022 and 2021, 6,889,593 and 1,818,108 shares of common stock were repurchased in open market transactions as part of the publicly announced share repurchase program discussed above, respectively, and such shares were subsequently canceled by the Company. The Company paid $394 million and $ 106 million for these open market share repurchases during the six months ended June 30, 2022 and 2021, respectively.

Dividends and Distributions

Outlined below is information regarding quarterly dividends and distributions (in millions, except per share data). Certain subsidiaries of the Company may be subject to U.S. federal, state, local and non-U.S. income taxes at the entity level and may pay taxes and/or make payments under the tax receivable agreement.

Dividend Declaration Date	Dividend per Share of Common Stock	Payment Date	Dividend to Common Stockholders	Distribution to Non-Controlling Interest Holders in the Apollo Operating Group	Total Distributions	Distribution Equivalents on Participating Securities
February 3, 2021	$ 0.60	February 26, 2021	$ 139	$ 121	$ 260	$ 5
N/A	—	April 14, 2021	—	42	42	—
May 4, 2021	0.50	May 28, 2021	116	101	217	4
N/A	—	June 15, 2021	—	20	20	—
August 4, 2021	0.50	August 31, 2021	122	94	216	4
N/A	—	September 15, 2021	—	24	24	—
November 2, 2021	0.50	November 30, 2021	124	93	217	4
N/A	—	December 15, 2021	—	23	23	—
Year ended December 31, 2021	$ 2.10		$ 501	$ 518	$ 1,019	$ 17
February 11, 2022	$ 0.40	February 28, 2022	$ 229	$ —	$ 229	$ 12
May 5, 2022	0.40	May 31, 2022	229	—	229	12
Six months ended June 30, 2022	$ 0.80		$ 458	$ —	$ 458	$ 24

Accumulated Other Comprehensive Income (Loss)

The following provides the details and changes in AOCI:

(In millions)	Unrealized investment gains (losses) on AFS securities without a credit allowance	Unrealized investment gains (losses) on AFS securities with a credit allowance	DAC, DSI and future policy benefits adjustments on AFS securities	Unrealized gains (losses) on hedging instruments	Foreign currency translation and other adjustments	Accumulated other comprehensive income (loss)
Balance at March 31, 2022	$ (4,749)	$ (65)	$ 211	$ (78)	$ 5	$ (4,676)
Adoption of accounting standards	—	—	—	—	—	—
Other comprehensive income (loss) before reclassifications	(7,569)	(94)	282	96	(90)	(7,375)
Less: Reclassification adjustments for gains (losses) realized[1]	(116)	7	2	15	—	(92)
Less: Income tax expense (benefit)	(1,341)	(18)	59	17	—	(1,283)
Less: Other comprehensive loss attributable to non-controlling interests	(862)	(10)	—	13	(27)	(886)
Balance at June 30, 2022	$ (9,999)	$ (138)	$ 432	$ (27)	$ (58)	$ (9,790)

[1] Recognized in investment related gains (losses) on the condensed consolidated statements of operations.

(In millions)	Unrealized investment gains (losses) on AFS securities without a credit allowance	Unrealized investment gains (losses) on AFS securities with a credit allowance	DAC, DSI and future policy benefits adjustments on AFS securities	Unrealized gains (losses) on hedging instruments	Foreign currency translation and other adjustments	Accumulated other comprehensive income (loss)
Balance at December 31, 2021	$ (1)	$ —	$ —	$ (1)	$ (3)	$ (5)
Adoption of accounting standards	—	—	—	—	—	—
Other comprehensive income (loss) before reclassifications	(14,215)	(191)	550	(31)	(92)	(13,979)
Less: Reclassification adjustments for gains (losses) realized[1]	(154)	—	3	15	—	(136)
Less: Income tax expense (benefit)	(2,525)	(34)	115	(9)	—	(2,453)
Less: Other comprehensive loss attributable to non-controlling interests	(1,538)	(19)	—	(11)	(37)	(1,605)
Balance at June 30, 2022	$ (9,999)	$ (138)	$ 432	$ (27)	$ (58)	$ (9,790)

[1] Recognized in investment related gains (losses) on the condensed consolidated statements of operations.

15. Earnings per Share

The following presents basic and diluted net income (loss) per share of common stock computed using the two-class method:

	Basic and Diluted			
	Three months ended June 30,		Six months ended June 30,	
(In millions, except share and per share amounts)	2022	2021	2022	2021
Numerator:				
Net Income (Loss) attributable to common stockholders	$ (2,051)	$ 649	$ (2,921)	$ 1,319
Dividends declared on common stock [1]	(229)	(116)	(458)	(255)
Dividends on participating securities [2]	(12)	(4)	(24)	(9)
Earnings allocable to participating securities [3]	—	(20)	—	(39)
Undistributed income (loss) attributable to common stockholders: Basic	(2,292)	509	(3,403)	1,016
Denominator:				
Weighted average number of shares of common stock outstanding: Basic and Diluted	584,773,771	231,058,813	585,630,085	230,534,073
Net Income (loss) per share of common stock: Basic and Diluted [4]				
Distributed Income	$ 0.40	$ 0.50	$ 0.80	$ 1.10
Undistributed Income (loss)	(3.93)	2.20	(5.83)	4.41
Net Income (loss) per share of common stock: Basic and Diluted	$ (3.53)	$ 2.70	$ (5.03)	$ 5.51

[1] See note 14 for information regarding quarterly dividends.

[2] Participating securities consist of vested and unvested RSUs that have rights to dividends and unvested restricted shares.

[3] No allocation of undistributed losses was made to the participating securities as the holders do not have a contractual obligation to share in the losses of the Company with common stockholders.

[4] For the three and six months ended June 30, 2022 and 2021, all of the classes of securities were determined to be anti-dilutive.

The Company has granted RSUs that provide the right to receive, subject to vesting during continued employment, shares of common stock pursuant to the Equity Plan.

Any dividend equivalent paid to an employee on RSUs will not be returned to the Company upon forfeiture of the award by the employee. Vested and unvested RSUs that are entitled to non-forfeitable dividend equivalents qualify as participating securities and are included in the Company's basic and diluted earnings per share computations using the two-class method. The holder of an RSU participating security would have a contractual obligation to share in the losses of the entity if the holder is obligated to fund the losses of the issuing entity or if the contractual principal or mandatory redemption amount of the participating security is reduced as a result of losses incurred by the issuing entity. The RSU participating securities do not have a mandatory redemption amount and the holders of the participating securities are not obligated to fund losses; therefore, neither the vested RSUs nor the unvested RSUs are subject to any contractual obligation to share in losses of the Company.

Prior to December 31, 2021, AAM had one Class B share outstanding, which was held by BRH Holdings GP, Ltd. ("BRH"). The voting power of the share of Class B share was reduced on a one vote per one AOG Unit basis in the event of an exchange of AOG Units for Class A shares, subject to the terms of AAM's certificate of incorporation. The Class B share had no net income (loss) per share as it did not participate in Apollo's earnings (losses) or dividends. The Class B share had no dividend rights and only a de minimis liquidation right. The Class B share represented 46.6% of the total voting power of the Class A shares and Class B share with respect to the limited matters upon which they were entitled to vote together as a single class pursuant to AAM's governing documents as of December 31, 2021. On December 31, 2021, the Class B share was exchanged for 10 Class A shares, which were subsequently exchanged into 10 shares of AGM common stock in the Mergers on January 1, 2022.

The following table summarizes the anti-dilutive securities:

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Weighted average vested RSUs	—	309,142	—	675,233
Weighted average unvested RSUs	14,013,743	8,006,542	12,945,436	7,491,189
Weighted average unexercised options	2,424,407	—	2,424,407	—
Weighted average AOG Units outstanding	—	172,599,261	—	173,207,079
Weighted average unvested restricted shares	2,275,962	656,220	2,271,481	680,448

16. Related Parties

Asset Management

Due from/ to related parties

Due from/ to related parties includes:

- unpaid management fees, transaction and advisory fees and reimbursable expenses from the funds Apollo manages and their portfolio companies;
- reimbursable payments for certain operating costs incurred by these funds as well as their related parties; and
- other related party amounts arising from transactions including loans to employees and periodic sales of ownership interests in funds managed by Apollo.

Due from related parties and Due to related parties consisted of the following as of June 30, 2022 and December 31, 2021:

(In millions)	June 30, 2022	December 31, 2021
Due from Related Parties:		
Due from funds[1]	$ 255	$ 316
Due from portfolio companies	58	67
Due from employees and former employees	95	107
Total Due from Related Parties	$ 408	$ 490
Due to Related Parties:		
Due to Former Managing Partners and Contributing Partners[2]	$ 950	$ 1,118
Due to funds	95	104
Total Due to Related Parties	$ 1,045	$ 1,222

[1] Includes $40 million and $48 million as of June 30, 2022 and December 31, 2021, respectively, related to a receivable from a fund in connection with the Company's sale of a platform investment to such fund. The amount is payable to the Company over five years and is held at fair value.

[2] Includes $438 million and $570 million as of June 30, 2022 and December 31, 2021, respectively, related to the AOG Unit Payment, payable in equal installments through December 31, 2024.

Tax Receivable Agreement

Prior to the consummation of the Mergers, each of the Former Managing Partners and Contributing Partners had the right to exchange vested AOG Units for Class A shares, subject to certain restrictions. All Apollo Operating Group entities have made, or will make, an election under Section 754 of the U.S. Internal Revenue Code, which will result in an adjustment to the tax basis of the assets owned by the Apollo Operating Group entities at the time an exchange was made. The election results in an increase to the tax basis of underlying assets which will reduce the amount of tax that AGM and its subsidiaries will otherwise be required to pay in the future.

The tax receivable agreement provides for payment to the Former Managing Partners and Contributing Partners of 85% of the amount of cash tax savings, if any, in U.S. federal, state, local and foreign income taxes the Company realizes as a result of the increase to the tax basis of underlying assets resulting from transactions and other exchanges of AOG Units for Class A shares that occurred in prior years. AGM and its subsidiaries retain the benefit from the remaining 15% of actual cash tax savings. In May 2022, Apollo waived its early termination right, which had provided it the right to early terminate the tax receivable agreement at any time by payment of an early termination payment to all holders. If the Company does not make the required

annual payment on a timely basis as outlined in the tax receivable agreement, interest is accrued on the balance until the payment date.

Following the closing of the Mergers, the Former Managing Partners and Contributing Partners no longer own AOG Units. Therefore, there were no exchanges subject to the tax receivable agreement during the six months ended June 30, 2022.

As a result of the exchanges of AOG Units for Class A shares during the six months ended June 30, 2021, a $38 million liability was recorded to estimate the amount of the future expected payments to be made by AGM and its subsidiaries to the Former Managing Partners and Contributing Partners pursuant to the tax receivable agreement.

AOG Unit Payment

On December 31, 2021, holders of AOG Units (other than Athene and the Company) sold and transferred a portion of such AOG Units to a wholly-owned consolidated subsidiary of the Company, in exchange for an amount equal to $3.66 multiplied by the total number of AOG Units held by such holders immediately prior to such transaction. The remainder of the AOG Units held by such holders were exchanged for shares of AGM common stock concurrently with the consummation of the Mergers on January 1, 2022.

As of June 30, 2022, the outstanding payable amount due to Former Managing Partners and Contributing Partners was $438 million, which is payable in equal installments through December 31, 2024.

Due from Employees and Former Employees

As of June 30, 2022 and December 31, 2021, due from related parties includes various amounts due to Apollo including employee loans and return of profit-sharing distributions. As of June 30, 2022 and December 31, 2021, the balance includes interest-bearing employee loans receivable of $20 million and $18 million, respectively. The outstanding principal amount of the loans as well as all accrued and unpaid interest is required to be repaid at the earlier of the eighth anniversary of the date of the relevant loan or at the date of the relevant employee's resignation.

The receivable from certain employees and former employees includes an amount for the potential return of profit-sharing distributions that would be due if certain funds were liquidated of $63 million and $65 million at June 30, 2022 and December 31, 2021, respectively.

Indemnity

Certain of the performance revenues Apollo earns from funds may be subject to repayment by its subsidiaries that are general partners of the funds in the event that certain specified return thresholds are not ultimately achieved. The Former Managing Partners, Contributing Partners and certain other investment professionals have personally guaranteed, subject to certain limitations, the obligations of these subsidiaries in respect of this obligation. Such guarantees are several and not joint and are limited to a particular individual's distributions. Apollo has agreed to indemnify each of the Former Managing Partners and certain Contributing Partners against all amounts that they pay pursuant to any of these personal guarantees in favor of certain funds that it manages (including costs and expenses related to investigating the basis for or objecting to any claims made in respect of the guarantees) for all interests that the Former Managing Partners and Contributing Partners contributed or sold to the Apollo Operating Group.

Apollo recorded an indemnification liability of $13 million as of June 30, 2022 and December 31, 2021.

Due to Related Parties

Based upon an assumed liquidation of certain of the funds Apollo manages, it has recorded a general partner obligation to return previously distributed performance allocations, which represents amounts due to certain funds. The obligation is recognized based upon an assumed liquidation of a fund's net assets as of the reporting date. The actual determination and any required payment would not take place until the final disposition of a fund's investments based on the contractual termination of the fund or as otherwise set forth in the respective governing document of the fund.

Apollo recorded general partner obligations to return previously distributed performance allocations related to certain funds of $81 million as of June 30, 2022 and December 31, 2021.

Athora

AAM and its subsidiaries (together, “Apollo Asset Management”), through ISGI, provides investment advisory services to certain portfolio companies of funds managed by Apollo and Athora, a strategic platform that acquires or reinsures blocks of insurance business in the European life insurance market (collectively, the “Athora Accounts”). Apollo Asset Management had equity commitments outstanding to Athora of up to $430 million as of June 30, 2022, subject to certain conditions.

Athora Sub-Advised

Apollo provides sub-advisory services with respect to a portion of the assets in certain portfolio companies of funds managed by Apollo and the Athora Accounts. Apollo broadly refers to “Athora Sub-Advised” assets as those assets in the Athora Accounts which it explicitly sub-advises as well as those assets in the Athora Accounts which are invested directly in funds and investment vehicles Apollo manages.

Apollo earns a base management fee on the aggregate market value of substantially all of the investment accounts of or relating to Athora and also a sub-advisory fee on the Athora Sub-Advised assets, which varies depending on the specific asset class.

Regulated Entities and Affiliated Service Providers

Apollo Global Securities, LLC (“AGS”) is a registered broker dealer with the SEC and is a member of the Financial Industry Regulatory Authority, subject to the minimum net capital requirements of the SEC. AGS was in compliance with these requirements as of June 30, 2022. From time to time AGS, as well as other Apollo affiliates, provide services to related parties of Apollo, including Apollo funds and their portfolio companies, whereby the Company or its affiliates earn fees for providing such services.

Griffin Capital Securities, LLC (“GCS”) is a registered broker dealer with the SEC and is a member of the Financial Industry Regulatory Authority, subject to the minimum net capital requirements of the SEC. GCS was in compliance with these requirements as of June 30, 2022.

Investment in SPACs

In October 2020, APSG I, a SPAC, completed an initial public offering, ultimately raising total gross proceeds of $ 817 million, including the underwriters’ partial exercise of their over-allotment. In a private placement concurrent offering, APSG I sold warrants to APSG Sponsor, L.P., a subsidiary of Apollo, for total gross proceeds of $ 18 million. APSG Sponsor, L.P. also holds Class B ordinary shares of APSG I. In May 2022, APSG I completed a business combination with American Express Global Business Travel. As a result of the business combination, Apollo no longer consolidates APSG I as a VIE. The deconsolidation resulted in an unrealized gain of $ 162 million, which includes $82 million of unrealized gains related to previously held Class B ordinary shares, which converted to Class A shares of the newly merged entity (“GBTG”), presented in net gains from investment activities within Other income (loss) - Asset Management in the condensed consolidated statements of operations. Apollo continues to hold a non-controlling interest in GBTG at fair value, substantially all of which is presented within Investments (Asset Management) in the condensed consolidated statements of financial condition. Apollo has significant influence in the retained investment, and has elected the fair value option for subsequent measurement.

On February 12, 2021, APSG II, a SPAC, completed an initial public offering, raising total gross proceeds of $ 690 million, including the underwriters’ exercise in full of their over-allotment option. In a private placement concurrent with the initial public offering, APSG II sold warrants to APSG Sponsor II, L.P., a subsidiary of Apollo, for total gross proceeds of $ 16 million. APSG Sponsor II, L.P. also holds Class B ordinary shares of APSG II. Apollo currently consolidates APSG II as a VIE, and thus all private placement warrants and Class B ordinary shares are eliminated in consolidation.

On July 13, 2021, Acropolis Infrastructure Acquisition Corp. (“Acropolis”), a SPAC, completed an initial public offering, ultimately raising total gross proceeds of $ 345 million, including the underwriters’ subsequent exercise in full of their over-allotment option. In a private placement concurrent with the initial public offering, Acropolis sold warrants to Acropolis Infrastructure Acquisition Sponsor, L.P., a subsidiary of Apollo, for total gross proceeds of $ 9 million. Acropolis Infrastructure Acquisition Sponsor, L.P. also holds Class B common stock of Acropolis. Apollo currently consolidates Acropolis as a VIE, and thus all private placement warrants and Class B common stock are eliminated in consolidation.

As described in note 2, the Company consolidates entities that are VIEs for which the Company has been designated as the

primary beneficiary. Through its interests in the respective sponsors, the Company has the primary beneficiary power to direct the activities that most significantly impact the economic performance of these SPACs. In addition, the Company's combined interests in these VIEs are significant. Assets and liabilities of the consolidated SPACs are shown within the respective line items of the condensed consolidated financial statements, as outlined below.

The tables below present the financial information of these SPACs in aggregate:

(In millions)	June 30, 2022	December 31, 2021
Assets:		
Cash and cash equivalents	$ 1	$ 2
Restricted cash and cash equivalents	691	690
U.S. Treasury securities, at fair value	346	1,162
Other assets	1	3
Total Assets	**$ 1,039**	**$ 1,857**
Liabilities, Redeemable non-controlling interests and Stockholders' Equity		
Liabilities:		
Accounts payable and accrued expenses	$ 3	$ 2
Due to related parties	11	20
Other liabilities	42	144
Total Liabilities	**56**	**166**
Redeemable non-controlling interests:		
Redeemable non-controlling interests	999	1,762
Stockholders' Equity:		
Additional paid in capital	(54)	(98)
Retained earnings	38	27
Total Stockholders' Equity	**(16)**	**(71)**
Total Liabilities, Redeemable non-controlling interests and Stockholders' Equity	**$ 1,039**	**$ 1,857**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
(In millions)	2022	2021	2022	2021
Expenses:				
General, administrative and other	$ (1)	$ 4	$ 6	$ 10
Total Expenses	(1)	4	6	10
Other Income (Loss):				
Net gains (losses) from investment activities	12	1	17	(1)
Interest income	1	—	2	—
Total Other Income (Loss)	13	1	19	(1)
Net Income Attributable to Apollo Global Management, Inc.	14	(3)	13	(11)

Retirement Services

Apollo Aligned Alternatives, L.P. ("AAA") Investment – During the second quarter of 2022, Athene contributed $ 7.8 billion of certain of its alternative investments to AAA in exchange for limited partnership interests in AAA. Athene consolidates AAA as a VIE. Apollo established AAA for the purpose of providing a single vehicle through which Athene and third-party investors can participate in a portfolio of alternative investments. Additionally, the Company believes AAA enhances its ability to increase alternative assets under management by raising capital from third parties, which will allow Athene to achieve greater scale and diversification for alternatives. Third-party investors began to invest in AAA on July 1, 2022.

Athene Freedom

Athene has a limited partnership investment in Athene Freedom, for which Apollo is the general partner, and which Athene contributed to AAA during the second quarter of 2022. Athene Freedom indirectly invests in both Wheels, Inc. ("Wheels") and Donlen, LLC ("Donlen"). Additionally, as of June 30, 2022, Athene owns $0.9 billion ABS and corporate debt securities issued by Wheels and Donlen, which are held as investments in related parties on the condensed consolidated statements of financial condition.

Athora

Athene has a cooperation agreement with Athora, pursuant to which, among other things, (1) for a period of 30 days from the receipt of notice of a cession, Athene has the right of first refusal to reinsure (i) up to 50% of the liabilities ceded from Athora's reinsurance subsidiaries to Athora Life Re Ltd. and (ii) up to 20% of the liabilities ceded from a third party to any of Athora's insurance subsidiaries, subject to a limitation in the aggregate of 20% of Athora's liabilities, (2) Athora agreed to cause its insurance subsidiaries to consider the purchase of certain funding agreements and/or other spread instruments issued by Athene's insurance subsidiaries, subject to a limitation that the fair market value of such funding agreements purchased by any of Athora's insurance subsidiaries may generally not exceed 3% of the fair market value of such subsidiary's total assets, (3) Athene provides Athora with a right of first refusal to pursue acquisition and reinsurance transactions in Europe (other than the UK) and (4) Athora provides Athene and its subsidiaries with a right of first refusal to pursue acquisition and reinsurance transactions in North America and the UK. Notwithstanding the foregoing, pursuant to the cooperation agreement, Athora is only required to use its reasonable best efforts to cause its subsidiaries to adhere to the provisions set forth in the cooperation agreement and therefore Athora's ability to cause its subsidiaries to act pursuant to the cooperation agreement may be limited by, among other things, legal prohibitions or the inability to obtain the approval of the board of directors or other applicable governing body of the applicable subsidiary, which approval is solely at the discretion of such governing body. As of June 30, 2022, Athene had not exercised its right of first refusal to reinsure liabilities ceded to Athora's insurance or reinsurance subsidiaries.

The following table summarizes Athene's investments in Athora:

(In millions)	June 30, 2022	
Investment fund	$	818
Non-redeemable preferred equity securities		157
Total investment in Athora	$	975

Additionally, as of June 30, 2022, Athene had $58 million of funding agreements outstanding to Athora . Athene also has commitments to make additional investments in Athora of $ 472 million as of June 30, 2022.

Venerable

Athene has coinsurance and modco agreements with Venerable Insurance and Annuity Company ("VIAC"). VIAC is a related party due to Athene's minority equity investment in its holding company's parent, VA Capital Company LLC ("VA Capital"), which was $230 million as of June 30, 2022. The minority equity investment in VA Capital is included in investments in related parties on the condensed consolidated statements of financial condition and accounted for as an equity method investment. VA Capital is owned by a consortium of investors, led by affiliates of Apollo, Crestview Partners III Management, LLC and Reverence Capital Partners L.P., and is the parent of Venerable, which is the parent of VIAC. Additionally, Athene has term loans receivable from Venerable due in 2033, which is included in investments in related parties on the condensed consolidated statements of financial condition. The loans are held at the principal balance less allowances and were $272 million as of June 30, 2022. While management viewed the overall transactions with Venerable as favorable to Athene, the stated interest rate of 6.257% on the term loans to Venerable represented a below-market interest rate, and management considered such rate as part of its evaluation and pricing of the reinsurance transactions.

PK AirFinance

Athene has investments in PK AirFinance ("PK Air"), an aviation lending business with a portfolio of loans ("Aviation Loans"). The Aviation Loans are generally fully secured by aircraft leases and aircraft. Apollo owns the PK Air loan origination platform, including personnel and systems and, pursuant to certain agreements entered into between Athene, Apollo, and certain entities managed by Apollo, the Aviation Loans are securitized by a special purpose vehicle ("SPV") for which Apollo acts as ABS manager ("ABS-SPV"). The ABS-SPV issues tranches of senior notes and subordinated notes, which are secured by the Aviation Loans. Athene has purchased both senior and subordinated notes of PK Air, which are included in investments in related parties on the condensed consolidated statements of financial condition. During the first quarter of 2022, Athene contributed its investment in the subordinated notes to PK Air Holdings, LP, and then contributed PK Air Holdings, LP to AAA during the second quarter of 2022. As of June 30, 2022, Athene holds $1.1 billion of PK Air senior notes and has commitments to make additional investments in PK Air of $ 1.5 billion.

Apollo/Athene Dedicated Investment Program ("ADIP")

Athene's subsidiary, Athene Co-Invest Reinsurance Affiliate Holding Ltd. (together with its subsidiaries, "ACRA") is partially owned by ADIP, a series of funds managed by Apollo. Athene's subsidiary, ALRe, currently holds 36.55% of the economic interests in ACRA and all of ACRA's voting interests, with ADIP holding the remaining 63.45% of the economic interests. During the three and six months ended June 30, 2022, Athene received capital contributions of $ 400 million and $711 million, respectively, from ADIP.

17. Commitments and Contingencies

Investment Commitments

The Company has unfunded capital commitments as of June 30, 2022 and December 31, 2021 of $ 0.6 billion and $1.0 billion, respectively, related to the funds it manages.

Athene had commitments to make investments, primarily capital contributions to investment funds, inclusive of related party commitments discussed previously, of $ 16.3 billion as of June 30, 2022. Athene expects most of the current commitments will be invested over the next five years; however, these commitments could become due any time upon counterparty request.

Contingent Obligations

Performance allocations with respect to certain funds are subject to reversal in the event of future losses to the extent of the cumulative revenues recognized in income to date. If all of the existing investments became worthless, the amount of cumulative revenues that have been recognized by Apollo through June 30, 2022 and that could be reversed approximates $4.3 billion. Performance allocations are affected by changes in the fair values of the underlying investments in the funds that Apollo manages. Valuations, on an unrealized basis, can be significantly affected by a variety of external factors including, but not limited to, bond yields and industry trading multiples. Movements in these items can affect valuations quarter to quarter even if the underlying business fundamentals remain stable. Management views the possibility of all of the investments becoming worthless as remote.

Additionally, at the end of the life of certain funds, Apollo may be obligated as general partner, to repay the funds' performance allocations received in excess of what was ultimately earned. This obligation amount, if any, will depend on final realized values of investments at the end of the life of each fund or as otherwise set forth in the partnership agreement of the fund.

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

One of Apollo's subsidiaries, AGS, provides underwriting commitments in connection with securities offerings of related parties of Apollo, including portfolio companies of the funds Apollo manages, as well as third parties. As of June 30, 2022, there were no open underwriting commitments.

The Company, along with a third-party institutional investor, has committed to provide financing to a consolidated VIE that invests across Apollo's capital markets platform (such VIE, the "Apollo Capital Markets Partnership"). Pursuant to these arrangements, the Company has committed equity financing to the Apollo Capital Markets Partnership. The Apollo Capital Markets Partnership also has a revolving credit facility with Sumitomo Mitsui Banking Corporation, as lead arranger, administrative agent and letter of credit issuer, Mizuho Bank Ltd., and other lenders party thereto, pursuant to which it may borrow up to $2.25 billion. The revolving credit facility, which has a final maturity date of April 1, 2025, is non-recourse to the Company, except that the Company provided customary comfort letters with respect to its capital contributions to the Apollo Capital Markets Partnership. As of June 30, 2022, the Apollo Capital Markets Partnership had funded commitments of $ 403 million to transactions across Apollo's capital markets platform, all of which were funded through the revolving credit facility, and no capital had been funded by the Company to the Apollo Capital Markets Partnership pursuant to its commitment.

Whether the commitments of the Apollo Capital Markets Partnership are actually funded, in whole or in part, depends on the contractual terms of such commitments, including the satisfaction or waiver of any conditions to closing or funding. It is

expected that between the time the Apollo Capital Markets Partnership makes a commitment and funding of such commitment, efforts will be made to syndicate such commitment to, among others, third parties, which should reduce its risk when committing to certain transactions. The Apollo Capital Markets Partnership may also, with respect to a particular transaction, enter into other arrangements with third parties which reduce its commitment risk.

In connection with the acquisition of Stone Tower in 2012, Apollo agreed to pay its former owners a specified percentage of future performance revenues earned from certain of its funds, CLOs, and strategic investment accounts. This obligation liability was determined based on the present value of estimated future performance revenue payments and is recorded in other liabilities. The fair value of the remaining contingent obligation was $104 million and $126 million as of June 30, 2022 and December 31, 2021, respectively. This contingent consideration obligation is remeasured to fair value at each reporting period until the obligations are satisfied. The changes in the fair value of the Stone Tower contingent consideration obligation is reflected in profit sharing expense in the condensed consolidated statements of operations.

In connection with the acquisition of Griffin Capital's U.S. asset management business on May 3, 2022, Apollo agreed to pay its former owners certain share-based consideration contingent on specified AUM and capital raising thresholds. This obligation was determined based on the present value of estimated future performance relative to such thresholds and is recorded in other liabilities. The fair value of the contingent obligation liabilities were approximately $35 million and $36 million as of June 30, 2022 and the date of acquisition, respectively. This contingent consideration obligation is remeasured to fair value at each reporting period until the respective thresholds are met such that the contingencies are satisfied. The changes in the fair value of the Griffin Capital contingent consideration obligation are reflected in other income (loss) in the condensed consolidated statements of income.

Funding Agreements

Athene is a member of the Federal Home Loan Bank of Des Moines ("FHLB") and, through its membership, has issued funding agreements to the FHLB in exchange for cash advances. As of June 30, 2022, Athene had $3.0 billion of FHLB funding agreements outstanding. Athene is required to provide collateral in excess of the funding agreement amounts outstanding, considering any discounts to the securities posted and prepayment penalties.

Athene has a funding agreement backed notes ("FABN") program, which allows Athene Global Funding, a special purpose, unaffiliated statutory trust, to offer its senior secured medium-term notes. Athene Global Funding uses the net proceeds from each sale to purchase one or more funding agreements from Athene. As of June 30, 2022, Athene had $23.0 billion of FABN funding agreements outstanding. Athene had $11.4 billion of board-authorized FABN capacity remaining as of June 30, 2022.

Athene established a secured funding agreement backed repurchase agreement ("FABR") program, in which a special-purpose, unaffiliated entity entered into repurchase agreements with a bank and the proceeds of the repurchase agreements were used by the special purpose entity to purchase funding agreements from Athene. As of June 30, 2022, Athene had $2.0 billion of FABR funding agreements outstanding.

Pledged Assets and Funds in Trust (Restricted Assets)

Athene's total restricted assets included on the condensed consolidated statements of financial condition are as follows:

(In millions)	June 30, 2022
AFS securities	$ 11,038
Trading securities	54
Equity securities	46
Mortgage loans	7,024
Investment funds	102
Derivative assets	52
Short-term investments	3
Other investments	142
Restricted cash and cash equivalents	753
Total restricted assets	$ 19,214

The restricted assets are primarily related to reinsurance trusts established in accordance with coinsurance agreements and the FHLB and FABR funding agreements described above.

Letters of Credit

Athene has undrawn letters of credit totaling $ 1.4 billion as of June 30, 2022. These letters of credit were issued for Athene's reinsurance program and have expirations through December 10, 2023.

Litigation

The Company is party to various legal actions arising from time to time in the ordinary course of business including claims and lawsuits, arbitrations, reviews, investigations or proceedings by governmental and self-regulatory agencies regarding the Company's business.

In 2000 and 2001, two insurance companies which were subsequently merged into Athene Annuity and Life Company, a wholly owned subsidiary of Athene ("AAIA"), purchased broad based variable corporate-owned life insurance ("COLI") policies from American General Life Insurance Company ("American General"). In January 2012, the COLI policy administrator delivered to AAIA a supplement to the existing COLI policies and advised that American General and ZC Resource Investment Trust ("ZC Trust") had unilaterally implemented changes set forth in the supplement that, if effective, would: (1) potentially negatively impact the crediting rate for the policies and (2) change the exit and surrender protocols set forth in the policies. In March 2013, AAIA filed suit against American General, ZC Trust, and ZC Resource LLC in Chancery Court in Delaware, seeking, among other relief, a declaration that the changes set forth in the supplement were ineffectual and in breach of the parties' agreement. The parties filed cross motions for judgment as a matter of law, and the court granted defendants' motion and dismissed without prejudice on ripeness grounds. The issue that negatively impacts the crediting rate for one of the COLI policies has subsequently been triggered and, on April 3, 2018, AAIA filed suit against the same defendants in Chancery Court in Delaware seeking substantially similar relief. Defendants moved to dismiss and the court heard oral arguments on February 13, 2019. The court issued an opinion on July 31, 2019 that did not address the merits, but found that the Chancery Court did not have jurisdiction over AAIA's claims and directed AAIA to either amend our complaint or transfer the matter to Delaware Superior Court. The matter was transferred to the Delaware Superior Court. Defendants renewed their motion to dismiss and the Superior Court heard oral arguments on December 18, 2019. The Superior Court issued an opinion on May 18, 2020 in which it granted in part and denied in part defendants' motion. The Superior Court denied defendants' motion with respect to the issue that negatively impacts the crediting rate for one of the COLI policies, which issue proceeded to discovery. The Superior Court granted defendants' motion and dismissed without prejudice on ripeness grounds claims related to the exit and surrender protocols set forth in the policies, and dismissed defendant ZC Resource LLC. If the supplement were to have been deemed effective, the purported changes to the policies could have impaired AAIA's ability to access the value of guarantees associated with the policies. The parties engaged in discovery as well as discussions concerning whether the matter could be resolved without further litigation and, at the request of the parties, on August 11, 2021, the court entered an Amended Scheduling Order setting the trial date for June 2023. On December 27, 2021, the parties agreed in principle to a settlement, pursuant to which AAIA will be able to surrender the policies at any time and receive proceeds within six months. During the year ended December 31, 2021, Athene recorded an impairment of the COLI asset of $53 million, and an adjustment to deferred tax liabilities of $ 47 million, to reflect the terms of the settlement.

From 2015 to 2018, Athene's U.S. insurance subsidiaries experienced increased complaints related to the conversion and administration of the block of life insurance business acquired in connection with Athene's acquisition of Aviva USA and reinsured to affiliates of Global Atlantic. The life insurance policies included in this block have been and are currently being administered by AllianceOne Inc. ("AllianceOne"), a subsidiary of DXC Technology Company, which was retained by such Global Atlantic affiliates to provide third party administration services on such policies. AllianceOne also administers a small block of annuity policies that were on Aviva USA's legacy policy administration systems that were also converted in connection with the acquisition of Aviva USA and have experienced some similar service and administration issues, but to a lesser degree. As a result of the difficulties experienced with respect to the administration of such policies, Athene has received notifications from several state regulators, including but not limited to New York State Department of Financial Services ("NYSDFS"), the California Department of Insurance ("CDI") and the Texas Department of Insurance ("TDI"), indicating, in each case, that the respective regulator planned to undertake a market conduct examination or enforcement proceeding of the applicable U.S. insurance subsidiary relating to the treatment of policyholders subject to Athene's reinsurance agreements with affiliates of Global Atlantic and the conversion of the life and annuity policies, including the administration of such blocks by AllianceOne. Athene or one or more of its subsidiaries have entered into consent orders with several state regulators, including the NYSDFS, the CDI and the TDI, to resolve underlying matters in the respective states. All fines and costs, including those

associated with remediation plans, paid in connection with the consent orders are subject to indemnification by Global Atlantic or affiliates of Global Atlantic. Pursuant to the terms of the reinsurance agreements between Athene and the relevant affiliates of Global Atlantic, the applicable affiliates of Global Atlantic have financial responsibility for the ceded life block and are subject to significant administrative service requirements, including compliance with applicable law. The agreements also provide for indemnification to Athene, including for administration issues. In addition to the examinations and proceedings initiated to date, it is possible that other regulators may pursue similar formal examinations, inquiries or enforcement proceedings and that any examinations, inquiries and/or enforcement proceedings may result in fines, administrative penalties and payments to policyholders.

On August 3, 2017, a complaint was filed in the United States District Court for the Middle District of Florida against AAM, a senior partner of Apollo and a former principal of Apollo by Michael McEvoy on behalf of a purported class of employees of subsidiaries of CEVA Group, LLC ("CEVA Group") who purchased shares in CEVA Investment Limited ("CIL"), the former parent company of CEVA Group. The complaint alleged that the defendants breached fiduciary duties to and defrauded the plaintiffs by inducing them to purchase shares in CIL and subsequently participating in a debt restructuring of CEVA Group in which shareholders of CIL did not receive a recovery. McEvoy subsequently revised his complaint to attempt to assert claims that do not belong to CIL. The amended complaint no longer named any individual defendants, but Apollo Management VI, L.P. and CEVA Group were added as defendants. The amended complaint sought damages of approximately € 30 million and asserts, among other things, claims for violations of the Investment Advisers Act of 1940, breach of fiduciary duties, and breach of contract. On December 7, 2018, McEvoy filed his amended complaint in the District Court for the Middle District of Florida. On January 6, 2020, the Florida court granted in part Apollo's motion to dismiss, dismissing McEvoy's Investment Advisers Act of 1940, as amended (the "Investment Advisers Act") claim with prejudice, and denying without prejudice Apollo's motion with respect to the remaining claims, and directing the parties to conduct limited discovery, and submit new briefing, solely with respect to the statute of limitations. On July 30, 2020, Apollo and CEVA filed a joint motion for summary judgment on statute of limitations grounds. On June 29, 2021, the district court issued a decision denying the defendants' joint motion for summary judgment on statute of limitations grounds, and set deadlines on July 23, 2021 for the plaintiff to file an amended complaint and August 20, 2021 for defendants to answer or move to dismiss the amended complaint. Plaintiff filed his second amended complaint on July 23, 2021 which added alleged grounds for tolling the statute of limitations. Also on July 23, 2021, the defendants filed a joint motion for reconsideration with respect to aspects of the district court's June 29, 2021 decision. On March 10, 2022, the court granted defendants' motion for reconsideration and granted Apollo's motion for summary judgment. On April 7, 2022, Plaintiff filed a motion to alter or amend the court's order of March 10. The defendants, including Apollo, opposed that motion on April 28, 2022. The court denied Plaintiff's motion on May 26, 2022. Plaintiff has appealed the court's decisions to the Eleventh Circuit. Apollo believes that Plaintiff's appeal is without merit. No reasonable estimate of possible loss, if any, can be made at this time.

On December 21, 2017, several entities referred to collectively as "Harbinger" commenced an action in New York Supreme Court captioned *Harbinger Capital Partners II LP et al. v. Apollo Global Management LLC, et al.* (No. 657515/2017). The complaint named as defendants AAM, and funds managed by Apollo that invested in SkyTerra Communications, Inc. ("SkyTerra"), among others. The complaint alleged that during the period of Harbinger's various equity and debt investments in SkyTerra from 2004 to 2010, the defendants concealed from Harbinger material defects in SkyTerra technology. The complaint further alleged that Harbinger would not have made investments in SkyTerra totaling approximately $ 1.9 billion had it known of the defects, and that the public disclosure of these defects ultimately led to SkyTerra filing for bankruptcy in 2012 (after it had been renamed LightSquared). The complaint sought $1.9 billion in damages, as well as punitive damages, interest, costs, and fees. On June 12, 2019, Harbinger voluntarily discontinued the state action without prejudice. On June 8, 2020, Harbinger refiled its litigation in New York Supreme Court, captioned *Harbinger Capital Partners II, LP et al. v. Apollo Global Management, LLC et al.* (No. 652342/2020). The complaint adds eight new defendants and three new claims relating to Harbinger's contention that the new defendants induced Harbinger to buy CCTV One Four Holdings, LLC ("CCTV") to support SkyTerra's network even though they allegedly knew that the network had material defects. On November 23, 2020, Defendants refiled a bankruptcy motion, and on November 24, 2020, filed in the state court a motion to stay the state court proceedings pending a ruling by the bankruptcy court on the bankruptcy motion. On February 1, 2021, the bankruptcy court denied the bankruptcy motion. On March 31, 2021, Defendants filed their motions to dismiss the New York Supreme Court action. Hearings were held on the motions to dismiss on February 15, 2022 and February 18, 2022, and the motions remain pending. Apollo believes the claims in this action are without merit. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On November 1, 2019, plaintiff Benjamin Fongers filed a putative class action in Illinois Circuit Court, Cook County, against CareerBuilder, LLC ("CareerBuilder") and AAM. Plaintiff alleges that in March 2019, CareerBuilder changed its compensation plan so that sales representatives such as Fongers would (i) receive reduced commissions; and (ii) only be able to receive

commissions for accounts they originated that were not reassigned to anyone else, a departure from the earlier plan. Plaintiff also claims that the plan applied retroactively to deprive sales representatives of commissions to which they were earlier entitled. Plaintiff alleges that AAM exercises complete control over CareerBuilder and thus, CareerBuilder acts as AAM's agent. Based on these allegations, Plaintiff alleges claims against both defendants for breach of written contract, breach of implied contract, unjust enrichment, violation of the Illinois Sales Representative Act, and violation of the Illinois Wage and Payment Collection Act. The defendants removed the action to the Northern District of Illinois on December 5, 2019, and Plaintiff moved to remand on January 6, 2020. On October 21, 2020, the district court granted the motion to remand. On January 11, 2021, the district court ordered the clerk of court to take the necessary steps to transfer the case back to Illinois Circuit Court, Cook County. On March 8, 2021, Plaintiff filed a motion under 28 U.S.C. § 1447(c) to recover attorneys' fees of approximately $35,000 for the remand briefing. Defendants filed their opposition on March 31, 2021, and Plaintiff replied on April 14, 2021. Defendants filed motions to dismiss the complaint in the Illinois Circuit Court, Cook County on June 11, which were fully briefed on August 13, 2021. CareerBuilder has also filed a Motion for a Protective Order and to Stay Discovery pending the outcome of the motions to dismiss. On February 7, 2022, the court held a hearing on the motions to dismiss and the request to stay discovery. At the hearing, the court took the motions to dismiss under advisement and granted CareerBuilder's motion to stay discovery. On March 11, 2022, the parties filed a Notice of Settlement notifying the court that the parties have reached an agreement in principle to resolve the case in full, and the court has granted preliminary approval of the settlement. The final approval hearing for the settlement is scheduled for November 17, 2022.

In March 2020, Frank Funds, which claims to be a former shareholder of MPM Holdings, Inc. ("MPM"), commenced an action in the Delaware Court of Chancery, captioned *Frank Funds v. Apollo Global Management, Inc., et al.*, C.A. No. 2020-0130, against AAM, certain former MPM directors (including three Apollo officers and employees), and members of the consortium that acquired MPM in a May 2019 merger. The complaint asserts, on behalf of a putative class of former MPM shareholders, a claim against Apollo for breach of its fiduciary duties as MPM's alleged controlling shareholder in connection with the May 2019 merger. Frank Funds seeks unspecified compensatory damages. On July 23, 2019, a group of former MPM shareholders filed an appraisal petition in Delaware Chancery Court seeking the fair value of their MPM shares that were purchased through MPM's May 15, 2019 merger, in an action captioned *In re Appraisal of MPM Holdings, Inc.*, C.A. No. 2019-0519 (Del. Ch.). On June 3, 2020, petitioners moved for leave to file a verified amended appraisal petition and class-action complaint that included claims for breach of fiduciary duty and/or aiding and abetting breaches of fiduciary duty against AAM, the Apollo-affiliated fund that owned MPM's shares before the merger, certain former MPM directors (including three Apollo employees), and members of the consortium that acquired MPM, based on alleged actions related to the May 2019 merger. The petitioners also sought to consolidate their appraisal proceeding with the Frank Funds action. On November 13, 2020, the Chancery Court granted the parties' stipulated order to consolidate the two matters, and on December 21, 2020, the Chancery Court granted petitioners' motion for leave to file the proposed amended complaint. This new consolidated action is captioned *In Re MPM Holdings Inc. Appraisal and Stockholder Litigation*, C.A. No. 2019-0519 (Del Ch.). On January 13, 2022, the Chancery Court denied Apollo's motion to dismiss. Apollo believes the claims in this action are without merit. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On May 29, 2020, plaintiff Vrajeshkumar Patel filed a putative stockholder derivative and class action complaint in the Delaware Court of Chancery against Talos Energy, Inc. ("Talos"), all of the members of Talos's board of directors (including two Apollo partners), Riverstone Holdings, LLC ("Riverstone"), AAM, and Guggenheim Securities, LLC in connection with the acquisition of certain assets from Castex Energy 2014, LLC and ILX Holdings, LLC in February 2020. The complaint asserts direct and derivative claims against Apollo, Riverstone, and the individual defendants for breach of their fiduciary duties. The plaintiff alleges that Apollo and Riverstone comprise a controlling shareholder group. The complaint seeks, among other relief, class certification and unspecified money damages. On August 4, 2020, the defendants filed motions to dismiss. On May 17, 2021, the court ordered that the Riverstone funds and Apollo funds that hold the relevant Talos stock be joined as necessary parties. The parties filed a stipulation, which was entered by the court on June 7, 2021, adding Riverstone Talos Energy Equityco LLC, Riverstone Talos Energy Debtco LLC, Apollo Talos Holdings, L.P., and AP Talos Energy Debtco LLC as defendants in the action. On September 30, 2021, the court dismissed the complaint in its entirety against all defendants. Plaintiff filed an appeal of this decision, which was dismissed by the Delaware Supreme Court.

On August 4, 2020, a putative class action complaint was filed in the United States District Court for the District of Nevada against PlayAGS Inc. ("PlayAGS"), all of the members of PlayAGS's board of directors (including three directors who are affiliated with Apollo), certain underwriters of PlayAGS (including Apollo Global Securities, LLC), as well as AAM, Apollo Investment Fund VIII, L.P., Apollo Gaming Holdings, L.P., and Apollo Gaming Voteco, LLC (these last four parties, together, the "Apollo Defendants"). The complaint asserts claims against all defendants arising under the Securities Act of 1933 in connection with certain secondary offerings of PlayAGS stock conducted in August 2018 and March 2019, alleging that the registration statements issued in connection with those offerings did not fully disclose certain business challenges facing

PlayAGS. The complaint further asserts a control person claim under Section 20(a) of the Exchange Act against the Apollo Defendants and the director defendants (including the directors affiliated with Apollo), alleging such defendants were responsible for certain misstatements and omissions by PlayAGS about its business. Plaintiffs filed amended complaints on January 11, 2021 and again on March 25, 2021. On May 24, 2021, the Apollo Defendants filed a motion to dismiss the complaint, which motion remains pending. Apollo believes the claims in this action are without merit. Because this action is in the early stages, no reasonable estimate of possible loss, if any, can be made at this time.

On or around October 19, 2021, a purported stockholder of AAM filed a complaint against AAM in the Court of Chancery of the State of Delaware seeking the disclosure of certain additional documents pursuant to Section 220 of the Delaware General Corporation Law. The complaint alleges that the stockholder seeks to investigate (a) whether wrongdoing or mismanagement occurred in connection with the decision of the AAM board of directors to pay, in connection with the elimination of the AAM Up-C structure, the partners of AP Professional Holdings, L.P. (including the Former Managing Partners) a payment of cash equal to $ 3.66 per AOG Unit held, which the complaint characterizes as providing $ 640 million for “Tax Receivable Agreement” assets (which the stockholder alleges are worth nothing); (b) the independence and disinterestedness of AAM directors and/or officers; and (c) potential damages relating thereto. No reasonable estimate of possible loss, if any, can be made at this time because the plaintiff is not seeking any monetary damages in connection with this action.

18. Segments

The Company conducts its business through three reportable segments: (i) Asset Management, (ii) Retirement Services and (iii) Principal Investing. Segment information is utilized by the Company’s chief operating decision maker to assess performance and to allocate resources.

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

Segment Reporting Changes

In connection with the completion of the Mergers, Apollo undertook a strategic review of its operating structure and business segments to assess the performance of its businesses and the allocation of resources. As a result, for periods following the Mergers, Apollo is reporting results through three operating and reportable segments called Asset Management, Retirement Services, and Principal Investing.

In connection with these changes, all prior periods have been recast to conform to the new presentation. Consequently, this information will be different from the historical segment financial results previously reported by Apollo in its reports filed with the SEC.

Adjusted Segment Income

Adjusted Segment Income, or “ASI”, is the key performance measure used by management in evaluating the performance of the asset management, retirement services, and principal investing segments. Management uses Adjusted Segment Income to make key operating decisions such as the following:

- decisions related to the allocation of resources such as staffing decisions including hiring and locations for deployment of the new hires;
- decisions related to capital deployment such as providing capital to facilitate growth for the business and/or to facilitate expansion into new businesses;
- decisions related to expenses, such as determining annual discretionary bonuses and equity-based compensation awards to its employees. With respect to compensation, management seeks to align the interests of certain professionals and selected other individuals with those of the investors in the funds and those of Apollo’s stockholders by providing such individuals a profit sharing interest in the performance fees earned in relation to the funds. To achieve that objective, a certain amount of compensation is based on Apollo’s performance and growth for the year; and
- decisions related to the amount of earnings available for dividends to common stockholders and holders of equity-based awards that participate in dividends.

Adjusted Segment Income is a measure of profitability and has certain limitations in that it does not take into account certain items included under U.S. GAAP. Adjusted Segment Income is the sum of (i) Fee Related Earnings, (ii) Spread Related Earnings and (iii) Principal Investing Income. Adjusted Segment Income excludes the effects of the consolidation of any of the related funds and SPACs, interest and other financing costs related to AGM not attributable to any specific segment, taxes and related payables, transaction-related charges and any acquisitions. Transaction-related charges includes equity-based compensation charges, the amortization of intangible assets, contingent consideration, and certain other charges associated with acquisitions, and restructuring charges. In addition, Adjusted Segment Income excludes non-cash revenue and expense related to equity awards granted by unconsolidated related parties to employees of the Company, compensation and administrative related expense reimbursements, as well as the assets, liabilities and operating results of the funds and VIEs that are included in the condensed consolidated financial statements.

Adjusted Segment Income may not be comparable to similarly titled measures used by other companies and is not a measure of performance calculated in accordance with U.S. GAAP. We use Adjusted Segment Income as a measure of operating performance, not as a measure of liquidity. Adjusted Segment Income should not be considered in isolation or as a substitute for net income or other income data prepared in accordance with U.S. GAAP. The use of Adjusted Segment Income without consideration of related U.S. GAAP measures is not adequate due to the adjustments described above. Management compensates for these limitations by using Adjusted Segment Income as a supplemental measure to U.S. GAAP results, to provide a more complete understanding of our performance as management measures it. A reconciliation of Adjusted Segment Income to its most directly comparable U.S. GAAP measure of income (loss) before income tax provision can be found in this footnote.

Fee Related Earnings

Fee Related Earnings ("FRE") is a component of Adjusted Segment Income that is used to assess the performance of the Asset Management segment. FRE is the sum of (i) management fees, (ii) advisory and transaction fees, (iii) fee-related performance fees from indefinite term vehicles, that are measured and received on a recurring basis and not dependent on realization events of the underlying investments and (iv) other income, net, less (a) fee-related compensation, excluding equity-based compensation, (b) non-compensation expenses incurred in the normal course of business, (c) placement fees and (d) non-controlling interests in the management companies of certain funds the Company manages.

Spread Related Earnings

Spread Related Earnings ("SRE") is a component of Adjusted Segment Income that is used to assess the performance of the Retirement Services segment, excluding certain market volatility and certain expenses related to integration, restructuring, equity-based compensation, and other expenses. For the Retirement Services segment, SRE equals the sum of (i) the net investment earnings on Athene's net invested assets and (ii) management fees earned on the ADIP share of ACRA assets, less (x) cost of funds, (y) operating expenses excluding equity-based compensation and (z) financing costs including interest expense and preferred dividends, if any, paid to Athene's preferred stockholders.

Principal Investing Income

Principal Investing Income ("PII") is a component of Adjusted Segment Income that is used to assess the performance of the Principal Investing segment. For the Principal Investing segment, PII is the sum of (i) realized performance fees, excluding realizations received in the form of shares, and (ii) realized investment income, less (x) realized principal investing compensation expense, excluding expense related to equity-based compensation, and (y) certain corporate compensation and non-compensation expenses.

The following present financial data for the Company's reportable segments.

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022	2021	2022	2021
Asset Management				
Management fees[1]	$ 521.9	$ 468.8	$ 1,027.3	$ 922.7
Advisory and transaction fees, net	103.1	83.2	167.2	138.6
Fee-related performance fees	11.7	8.1	25.9	16.9
Fee-related compensation	(187.2)	(161.6)	(362.6)	(316.0)
Other operating expenses	(108.4)	(79.6)	(206.7)	(141.6)
Fee Related Earnings	341.1	318.9	651.1	620.6
Retirement Services				
Fixed income and other investment income, net	1,302.1	—	2,508.9	—
Alternative investment income, net	186.3	—	634.0	—
Strategic capital management fees	12.6	—	25.0	—
Cost of funds	(885.9)	—	(1,712.3)	—
Other operating expenses	(109.1)	—	(217.8)	—
Interest and other financing costs	(64.3)	—	(125.9)	—
Spread Related Earnings	441.7	—	1,111.9	—
Principal Investing				
Realized performance fees	150.9	468.8	278.1	575.6
Realized investment income	36.9	72.4	263.3	102.4
Principal investing compensation	(155.0)	(254.1)	(311.0)	(322.3)
Other operating expenses	(13.1)	(14.8)	(23.7)	(22.3)
Principal Investing Income	19.7	272.3	206.7	333.4
Adjusted Segment Income	$ 802.5	$ 591.2	$ 1,969.7	$ 954.0
Segment Assets:				
Asset Management			$ 1,826	
Retirement Services			233,479	
Principal Investing			8,074	
Total Assets[2]			$ 243,379	

[1] Includes intersegment management fees from Retirement Services of $181 million and $363 million for the three and six months ended June 30, 2022, respectively.

[2] Refer below for a reconciliation of total assets for Apollo's total reportable segments to total consolidated assets.

The following reconciles total consolidated revenues to total asset management fee related revenues:

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022	2021	2022	2021
Total Consolidated Revenues	$ 2,272	$ 1,383	$ 3,147	$ 3,678
Retirement services GAAP revenue	(1,980)	—	(1,746)	—
Equity awards granted by unconsolidated related parties, reimbursable expenses and other[1]	(39)	(29)	(79)	(58)
Adjustments related to consolidated funds and VIEs[1]	(5)	33	71	75
Performance fees	336	(749)	(235)	(2,146)
Principal investment income	(129)	(79)	(301)	(472)
Retirement services management fees	181	—	363	—
Total Asset Management Fee Related Revenues	$ 636	$ 559	$ 1,220	$ 1,077

[1] Represents advisory fees, management fees and performance fees earned from consolidated VIEs which are eliminated in consolidation. Includes non-cash revenues related to equity awards granted by unconsolidated related parties to employees of the Company and certain compensation and administrative related expense reimbursements.

The following presents the reconciliation of income before income tax provision reported in the condensed consolidated statements of operations to Adjusted Segment Income:

	Three months ended June 30,		Six months ended June 30,	
(In millions)	2022	2021	2022	2021
Income (loss) before income tax provision (benefit)	$ (3,489)	$ 1,699	$ (5,627)	$ 3,421
Asset Management Adjustments:				
Equity-based profit sharing expense and other[1]	67	27	164	62
Equity-based compensation	37	19	93	35
Preferred dividends	—	(9)	—	(18)
Transaction-related charges[2]	—	19	(1)	28
Merger-related transaction and integration costs[3]	18	13	36	24
(Gains) losses from change in tax receivable agreement liability	—	—	14	(2)
Net (income) loss attributable to non-controlling interests in consolidated entities	903	(116)	1,554	(187)
Unrealized performance fees	488	(280)	43	(1,570)
Unrealized profit sharing expense	(188)	98	3	687
HoldCo interest and other financing costs[4]	35	43	74	86
Unrealized principal investment income (loss)	(72)	(9)	10	(373)
Unrealized net (gains) losses from investment activities and other	(105)	(913)	(123)	(1,239)
Retirement Services Adjustments:				
Investment (gains) losses, net of offsets	2,682	—	5,176	—
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets	381	—	462	—
Integration, restructuring and other non-operating expenses	33	—	67	—
Equity-based compensation	13	—	25	—
Adjusted Segment Income	$ 803	$ 591	$ 1,970	$ 954

[1] Equity-based profit sharing expense and other includes certain profit sharing arrangements in which a portion of performance fees distributed to the general partner are required to be used by employees of Apollo to purchase restricted shares of common stock or RSUs, which are granted under the Equity Plan. Equity-based profit sharing expense and other also includes performance grants which are tied to the Company's receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense.

[2] Transaction-related charges include contingent consideration, equity-based compensation charges and the amortization of intangible assets and certain other charges associated with acquisitions, and restructuring charges.

[3] Merger-related transaction and integration costs includes advisory services, technology integration, equity-based compensation charges and other costs associated with the Mergers.

[4] Represents interest and other financing costs related to AGM not attributable to any specific segment.

The following table presents the reconciliation of the Company's total reportable segment assets to total assets:

(In millions)	June 30, 2022	December 31, 2021
Total reportable segment assets	$ 243,379	$ 13,573
Adjustments[1]	4,471	16,929
Total assets	$ 247,850	$ 30,502

[1] Represents the addition of assets of consolidated funds and VIEs and consolidation elimination adjustments.

19. Subsequent Events

Dividends

On August 4, 2022, the Company declared a cash dividend of $ 0.40 per share of common stock, which will be paid on August 31, 2022 to holders of record at the close of business on August 18, 2022.

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

	As of June 30, 2022			
(In millions)	Apollo Global Management, Inc. and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets				
Asset Management				
Cash and cash equivalents	$ 1,545	$ 1	$ —	$ 1,546
Restricted cash and cash equivalents	2	691	—	693
Investments	5,343	346	(293)	5,396
Assets of consolidated variable interest entities				
Cash and cash equivalents	—	148	—	148
Investments	—	3,092	1	3,093
Other assets	—	81	(21)	60
Due from related parties	522	—	(114)	408
Goodwill	264	—	—	264
Other assets	2,223	1	—	2,224
	9,899	4,360	(427)	13,832
Retirement Services				
Cash and cash equivalents	11,172	—	—	11,172
Restricted cash and cash equivalents	753	—	—	753
Investments	162,652	—	—	162,652
Investments in related parties	33,844	—	(10,091)	23,753
Assets of consolidated variable interest entities				
Cash and cash equivalents	—	198	—	198
Investments	1,605	10,377	—	11,982
Other assets	9	57	—	66
Reinsurance recoverable	4,437	—	—	4,437
Deferred acquisition costs, deferred sales inducements and value of business acquired	4,890	—	—	4,890
Goodwill	4,153	—	—	4,153
Other assets	9,965	—	(3)	9,962
	233,480	10,632	(10,094)	234,018
Total Assets	$ 243,379	$ 14,992	$ (10,521)	$ 247,850

(Continued)

(In millions)	As of June 30, 2022			
	Apollo Global Management, Inc. and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Liabilities and Equity				
Liabilities				
Asset Management				
Accounts payable, accrued expenses, and other liabilities	$ 2,894	$ 46	$ (3)	$ 2,937
Due to related parties	1,068	8	(31)	1,045
Debt	2,813	—	—	2,813
Liabilities of consolidated variable interest entities				
Debt, at fair value	—	1,939	(173)	1,766
Notes payable	—	50	—	50
Other liabilities	—	519	(2)	517
	6,775	2,562	(209)	9,128
Retirement Services				
Interest sensitive contract liabilities	164,571	—	—	164,571
Future policy benefits	52,478	—	—	52,478
Debt	3,279	—	—	3,279
Payables for collateral on derivatives and securities to repurchase	6,013	—	—	6,013
Other liabilities	3,883	—	—	3,883
Liabilities of consolidated variable interest entities				
Other liabilities	133	275	(71)	337
	230,357	275	(71)	230,561
Total Liabilities	237,132	2,837	(280)	239,689
Commitments and Contingencies (note 17)				
Redeemable non-controlling interests:				
Redeemable non-controlling interests	—	998	5	1,003
Equity				
Additional paid in capital	15,452	(54)	14	15,412
Retained earnings (accumulated deficit)	(1,940)	10,461	(10,464)	(1,943)
Accumulated other comprehensive income (loss)	(9,830)	(25)	65	(9,790)
Total AGM Stockholders' Equity	3,682	10,382	(10,385)	3,679
Non-controlling interests	2,565	775	139	3,479
Total Equity	6,247	11,157	(10,246)	7,158
Total Liabilities and Equity	**$ 243,379**	**$ 14,992**	**$ (10,521)**	**$ 247,850**

(Concluded)

(In millions)	As of December 31, 2021			
	Apollo Global Management, Inc. and Consolidated Subsidiaries	Consolidated Funds and VIEs	Eliminations	Consolidated
Assets				
Cash and cash equivalents	$ 915	$ 2	$ —	$ 917
Restricted cash and cash equivalents	18	690	—	708
Investments	10,474	1,162	(282)	11,354
Assets of consolidated variable interest entities				
Cash and cash equivalents	—	463	—	463
Investments	—	15,133	(396)	14,737
Other assets	—	253	(1)	252
Due from related parties	587	(9)	(88)	490
Goodwill	117	—	—	117
Other assets	1,462	3	(1)	1,464
Total Assets	$ 13,573	$ 17,697	$ (768)	$ 30,502
Liabilities and Equity				
Liabilities				
Accounts payable, accrued expenses, and other liabilities	$ 2,731	$ 146	$ (30)	$ 2,847
Due to related parties	1,231	10	(19)	1,222
Debt	3,134	—	—	3,134
Liabilities of consolidated variable interest entities				
Debt, at fair value	—	8,068	(125)	7,943
Notes payable	—	2,714	(103)	2,611
Other liabilities	$ —	867	(86)	781
Total Liabilities	7,096	11,805	(363)	18,538
Commitments and Contingencies (note 17)				
Redeemable non-controlling interests:				
Redeemable non-controlling interests	—	1,762	8	1,770
Equity				
Series A Preferred Stock	264	—	—	264
Series B Preferred Stock	290	—	—	290
Additional paid in capital	2,166	(98)	28	2,096
Retained earnings	1,165	433	(454)	1,144
Accumulated other comprehensive income (loss)	(5)	(13)	13	(5)
Total AGM Stockholders' Equity	3,880	322	(413)	3,789
Non-controlling interests	2,597	3,808	—	6,405
Total Equity	6,477	4,130	(413)	10,194
Total Liabilities and Equity	**$ 13,573**	**$ 17,697**	**$ (768)**	**$ 30,502**

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

The following discussion should be read in conjunction with Apollo Global Management, Inc.'s condensed consolidated financial statements and the related notes within this quarterly report. This discussion contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results and the timing of events may differ significantly from those expressed or implied in such forward-looking statements due to a number of factors, including those included in our quarterly report on Form 10-Q filed with the SEC on May 10, 2022 and in the section of this report entitled "Item 1A. Risk Factors." The highlights listed below have had significant effects on many items within our condensed consolidated financial statements and affect the comparison of the current period's activity with those of prior periods. Target returns included in this report are presented gross and do not account for fees, expenses and taxes, which will reduce returns. Target returns are neither guarantees nor predictions or projections of future performance. There can be no assurance that target returns will be achieved or that Apollo will be successful in implementing the applicable strategy. Actual gross and net returns for funds managed by Apollo, and individual investors participating directly or indirectly in funds managed by Apollo, may vary significantly from the target returns set forth herein.

General

Our Businesses

Founded in 1990, Apollo is a high-growth, global alternative asset manager and a retirement services provider. Apollo conducts its business primarily in the United States through the following three reportable segments: Asset Management, Retirement Services and Principal Investing. These business segments are differentiated based on the investment services they provide as well as varying investing strategies.

Asset Management

Our Asset Management segment focuses on three investing strategies: yield, hybrid and equity. We have a flexible mandate in many of the funds we manage which enables our funds to invest opportunistically across a company's capital structure. We raise, invest and manage funds on behalf of some of the world's most prominent pension, endowment and sovereign wealth funds, as well as other institutional and individual investors. As of June 30, 2022, we had total AUM of $514.8 billion.

Our Asset Management segment had a team of 2,432 employees as of June 30, 2022, with offices throughout the world. This team possesses a broad range of transaction, financial, managerial and investment skills. We operate our asset management business in a highly integrated manner, which we believe distinguishes us from other alternative asset managers. Our investment teams frequently collaborate across disciplines and believe that this collaboration enables the funds we manage to more successfully invest across a company's capital structure. Our objective is to achieve superior long-term risk-adjusted returns for our clients. The majority of the investment funds we manage are designed to invest capital over periods of seven or more years from inception, thereby allowing us to seek to generate attractive long-term returns throughout economic cycles. We have a contrarian, value-oriented investment approach, emphasizing downside protection, and the preservation of capital. We believe our contrarian investment approach is reflected in a number of ways, including:

- our willingness to pursue investments in industries that our competitors typically avoid;
- the often complex structures employed in some of the investments of our funds;
- our experience investing during periods of uncertainty or distress in the economy or financial markets; and
- our willingness to undertake transactions that have substantial business, regulatory or legal complexity.

We have applied this investment philosophy to identify what we believe are attractive investment opportunities, deploy capital across the balance sheet of industry leading, or "franchise," businesses and create value throughout economic cycles.

The yield, hybrid, and equity investing strategies of our Asset Management segment reflect the range of investment capabilities across our platform based on relative risk and return. As an asset manager, we earn fees for providing investment management services and expertise to our client base. The amount of fees charged for managing these assets depends on the underlying investment strategy, liquidity profile, and, ultimately, our ability to generate returns for our clients. We also earn transaction and advisory fees as part of our growing capital solutions business and as part of monitoring and deployment activity alongside our sizeable private equity franchise. After expenses, we call the resulting earnings stream "Fee Related Earnings" or "FRE", which represents the primary performance measure for the Asset Management segment.

Yield

Yield is our largest asset management strategy with $375.8 billion of AUM as of June 30, 2022. Our yield strategy focuses on generating excess returns through high-quality credit underwriting and origination. Beyond participation in the traditional issuance and secondary credit markets, through our origination platforms and corporate solutions capabilities we seek to originate attractive and safe-yielding assets for our investors. Within our yield strategy, we target 4% to 10% returns for our clients. Since inception, the total return yield fund has generated a 5% gross Return on Equity ("ROE") and 4% net ROE annualized through June 30, 2022. The investment portfolios of the yield-oriented funds Apollo manages include several asset classes, as described below:

- *Corporate Fixed Income* ($94.1 billion of AUM), which generally includes investment grade corporate bonds, emerging markets investments and investment grade private placement investments;
- *Corporate Credit* ($83.1 billion of AUM), which includes performing credit investments, including income-oriented, senior loan and bond investments involving issuers primarily domiciled in the U.S. and in Europe as well as investment grade asset-backed securities;
- *Structured Credit* ($66.7 billion of AUM), which includes corporate structured and asset-backed securities as well consumer and residential real estate credit investments;
- *Real Estate Debt* ($38.6 billion of AUM), including debt investments across a broad spectrum of property types and at various points within a property's capital structure, including first mortgage and mezzanine financing and preferred equity; and
- *Direct Origination* ($32.3 billion of AUM), which includes originations (both directly with sponsors and through banks) and investments in loans primarily related to middle market lending and aviation finance.

Hybrid

Our hybrid strategy, with $56.1 billion of AUM as of June 30, 2022, brings together our capabilities across debt and equity to seek to offer a differentiated risk-adjusted return with an emphasis on structured downside protected opportunities across asset classes. We target 8% to 15% returns within our hybrid strategy by pursuing investments in all market environments, deploying capital during both periods of dislocation and market strength, and focusing on different investing strategies and asset classes. Our flagship hybrid credit hedge fund has generated an 11% gross ROE and a 7% net ROE annualized and our hybrid value funds have generated a 24% gross IRR and a 19% net IRR from inception through June 30, 2022. The investing strategies and asset classes within our hybrid strategy are described below:

- *Accord and Credit Strategies* ($10.1 billion of AUM), which refers to the investment strategy of certain funds managed by Apollo that invest opportunistically in both the primary and secondary markets in order to seek to capitalize on both near and longer-term relative value across market cycles. The investment portfolios of these funds include credit investments in a broad array of primary and secondary opportunities encompassing stressed and distressed public and private securities including senior loans (secured and unsecured), large corporate investment grade loan origination and structured capital solutions, high yield, mezzanine, derivative securities, debtor in possession financings, rescue or bridge financings, and other debt investments.
- *Hybrid Value* ($10.5 billion of AUM), which refers to the investment strategy of certain funds managed by Apollo that focus on providing companies, among other things, rescue financing or customized capital solutions, including senior secured and unsecured debt or preferred equity securities, often with equity-linked or equity-like upside, as well as structured equity investments.
- *Infrastructure Equity* ($5.1 billion of AUM), which refers to the investment strategy of certain funds managed by Apollo that focus on investing in a broad range of infrastructure assets, including communications, midstream energy, power and renewables, and transportation related assets.
- *Hybrid Real Estate* ($5.3 billion of AUM), which includes our net lease and core plus investment strategies. In our net lease strategy, we seek to build net lease investment portfolios for our clients that are diversified by both geography

and tenancy, while targeting attractive risk-adjusted returns. In our core plus strategy, we seek to build investment portfolios for our clients that include stabilized real estate investments with attractive fundamentals in select cities in Europe.

Equity

Our equity strategy manages $82.9 billion of AUM as of June 30, 2022. Our equity strategy emphasizes flexibility, complexity, and purchase price discipline to drive opportunistic-like returns for our clients throughout market cycles. Apollo's equity team has experience across sectors, industries, and geographies in both private equity and real estate equity. Our control equity transactions are principally buyouts, corporate carveouts and distressed investments, while our real estate funds generally transact in single asset, portfolio and platform acquisitions. Within our equity strategy, we target upwards of 15% returns in the funds we manage. We have consistently produced attractive long-term investment returns in our traditional private equity funds, generating a 39% gross IRR and a 24% net IRR on a compound annual basis from inception through June 30, 2022. Our equity strategy focuses on several investing strategies as described below:

- *Flagship Private Equity* ($55.1 billion of AUM), which refers to our investment strategy focused on creating investment opportunities with attractive risk-adjusted returns across industries and geographies and throughout market cycles, utilizing our value-oriented investment approach. Through this strategy, we seek to build portfolios of investments that are created at meaningful discounts to comparable market multiples of adjusted cash flow, thereby resulting in what we believe are portfolios focused on capital preservation. The transactions in this strategy include opportunistic buyouts, corporate carveouts and distressed investments. After acquisition by an Apollo-managed fund, Apollo works with its funds' portfolio companies to seek to accelerate growth and execute a value creation strategy.

  Included within flagship private equity are assets related to our impact investing strategy, which pursues private equity-like investment opportunities with the intention of generating a positive, measurable, social and/or environmental impact while also seeking attractive risk-adjusted returns. The impact investment strategy targets investment opportunities across five core impact-aligned investment themes including: (i) economic opportunity, (ii) education; (iii) health, safety and wellness; (iv) industry 4.0; and (v) climate and sustainability.

- *European Principal Finance ("EPF")* ($7.9 billion of AUM), which refers to our investment strategy focused on European commercial and residential real estate, performing loans, non-performing loans, and unsecured consumer loans, as well as acquiring assets as a result of distressed market situations. Certain of the European principal finance vehicles we manage also own captive pan-European financial institutions, loan servicing and property management platforms that perform banking and lending activities and manage and service consumer credit receivables and loans secured by commercial and residential properties.

- *Real Estate Equity* ($4.9 billion of AUM), which refers to our investment strategy that targets investments in real estate and real estate-related assets, portfolios and platforms located in primary, secondary and tertiary markets across North America and Asia and across various real estate asset classes.

Perpetual Capital

Included within our investing strategies above is $298.9 billion of Perpetual Capital, out of the $514.8 billion of AUM as of June 30, 2022. As of June 30, 2022, Perpetual Capital includes, without limitation, certain assets in our Yield strategy, including assets relating to publicly traded and non-traded vehicles, certain origination platform assets and assets managed for certain of our retirement services clients. Perpetual Capital assets may be withdrawn under certain circumstances.

Retirement Services

Our retirement services business is conducted by Athene, a leading financial services company that specializes in issuing, reinsuring and acquiring retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. Athene provides retail annuity retirement solutions to policyholders, and reinsures fixed indexed annuities ("FIA"), multi-year guaranteed annuities ("MYGA"), traditional one-year guarantee fixed deferred annuities, immediate annuities and institutional products from reinsurance partners. In addition, Athene offers institutional products, including funding agreements and pension group annuities. Apollo's asset management business provides a full suite of services for Athene's investment portfolio, including direct investment management, asset allocation, mergers and acquisition

asset diligence and certain operational support services, including investment compliance, tax, legal and risk management support. As of June 30, 2022, Athene had 1,509 employees.

Our retirement services business focuses on generating spread income by combining the two core competencies of (1) sourcing long-term, generally illiquid liabilities and (2) using the global scale and reach of our asset management business to actively source or originate assets with Athene's preferred risk and return characteristics. Athene's investment philosophy is to invest a portion of its assets in securities that earn an incremental yield by taking measured liquidity risk and complexity risk and capitalizing on its long-dated and persistent liability profile to prudently achieve higher net investment earned rates, rather than assuming solely credit risk. A cornerstone of Athene's investment philosophy is that given the operating leverage inherent in its business, modest investment outperformance can translate to outsized return performance. Because Athene maintains discipline in underwriting attractively priced liabilities, it has the ability to invest in a broad range of high-quality assets to generate attractive earnings.

Our asset management expertise supports the sourcing and underwriting of asset classes for Athene's portfolio. Athene is invested in a diverse array of corporate bonds and more structured, but highly rated, asset classes. Athene establishes risk thresholds which in turn define risk tolerance across a wide range of factors, including credit risk, liquidity risk, concentration risk and caps on specific asset classes. In addition to other efforts, we partially mitigate the risk of rising interest rates by strategically allocating a meaningful portion of Athene's investment portfolio into floating rate securities. Athene also maintains holdings in less interest rate-sensitive investments, including collateralized loan obligations ("CLO"), commercial mortgage loans, residential mortgage loans, non-agency residential mortgage-backed securities ("RMBS") and various types of structured products, consistent with its strategy of pursuing incremental yield by assuming liquidity risk and complexity risk, rather than assuming solely credit risk.

Rather than increase Athene's allocation to higher risk securities to increase yield, we pursue the direct origination of high-quality, predominantly senior secured assets, which we believe possess greater alpha-generating qualities than securities that would otherwise be readily available in public markets. These direct origination strategies include investments sourced by (1) affiliated platforms that originate loans to third parties and in which Athene gains exposure directly to the loan or indirectly through its ownership of the platform, and (2) our extensive network of direct relationships with predominantly investment-grade counterparties.

Athene uses, and may continue to use, derivatives, including swaps, options, futures and forward contracts, and reinsurance contracts to hedge risks such as current or future changes in the fair value of its assets and liabilities, current or future changes in cash flows, changes in interest rates, equity markets, currency fluctuations and changes in longevity.

Products

Athene principally offers two product lines: annuities and funding agreements.

Annuities

Athene's primary product line is annuities, which include Fixed Indexed Annuities, Registered Index-Linked Annuities, Fixed Rate Annuities, Payout Annuities and Group Annuities.

Fixed Indexed Annuities ("FIAs"). FIAs are the majority of Athene's net reserve liabilities. FIAs are a type of insurance contract in which the policyholder makes one or more premium deposits which earn interest, on a tax deferred basis, at a crediting rate based on a specified market index, subject to a specified cap, spread or participation rate. FIAs allow policyholders the possibility of earning interest without significant risk to principal, unless the contract is surrendered during a surrender charge period. A market index tracks the performance of a specific group of stocks or other assets representing a particular segment of the market, or in some cases, an entire market. Athene generally buys options on the indices to which the FIAs are tied to hedge the associated market risk. The cost of the option is priced into the overall economics of the product as an option budget. Athene generates income on FIA products by earning an investment spread, based on the difference between (1) income earned on the investments supporting the liabilities and (2) the cost of funds, including fixed interest credited to customers, option costs, the cost of providing guarantees (net of rider fees), policy issuance and maintenance costs, and commission costs.

Registered Index-Linked Annuities ("RILA"). A RILA is similar to an FIA in offering the policyholder the opportunity for tax-deferred growth based in part on the performance of a market index. Compared to an FIA, a RILA has the potential for higher

returns but also has the potential for risk of loss to principal and related earnings. A RILA provides the ability for the policyholder to participate in the positive performance of certain market indices during a term, limited by a cap or adjusted for a participation rate. Negative performance of the market indices during a term can result in negative policyholder returns, with downside protection typically provided in the form of either a "buffer" or a "floor" to limit the policyholder's exposure to market loss. A "buffer" is protection from negative exposure up to a certain percentage, typically 10 or 20 percent. A "floor" is protection from negative exposure less than a stated percentage (i.e., the policyholder risks exposure of loss up to the "floor," but is protected against any loss in excess of this amount).

Fixed Rate Annuities. Fixed rate annuities include annual reset annuities and MYGAs. Unlike FIAs, fixed rate annuities earn interest at a set rate (or declared crediting rate), rather than a rate that may vary based on an index. Fixed rate annual reset annuities have a crediting rate that is typically guaranteed for one year. After such period, Athene has the ability to change the crediting rate at its discretion, generally once annually, to any rate at or above a guaranteed minimum rate. MYGAs are similar to annual reset annuities except that the initial crediting rate is guaranteed for a specified number of years, rather than just one year, before it may be changed at Athene's discretion. After the initial crediting period, MYGAs can generally be reset annually.

Withdrawal Options for Deferred Annuities. After the first year following the issuance of a deferred annuity, the policyholder is typically permitted to make withdrawals up to 5% or 10% (depending on the contract) of the prior year's value without a surrender charge or market value adjustment ("MVA"), subject to certain limitations. Withdrawals in excess of the allowable amounts are assessed a surrender charge and MVA if such withdrawals are made during the surrender charge period of the policy. The surrender charge for most Athene products at contract inception is generally between 7% and 15% of the contract value and decreases by approximately one percentage point per year during the surrender charge period, which generally ranges from 3 to 20 years.

At maturity, the policyholder may elect to receive proceeds in the form of a single payment or an annuity. If the annuity option is selected, the policyholder will receive a series of payments either over the policyholder's lifetime or over a fixed number of years, depending upon the terms of the contract. Some contracts permit annuitization prior to maturity. A fixed annuity policyholder may also elect to purchase an income rider.

Income Riders to Fixed Annuity Products. Athene's income riders on its deferred annuities can be broadly categorized as either guaranteed or participating. Guaranteed income riders provide policyholders with a guaranteed lifetime withdrawal benefit ("GLWB"), which permits policyholders to elect to receive guaranteed payments for life from their contract without having to annuitize their policies. Participating income riders tend to have lower levels of guaranteed income than guaranteed income riders but provide policyholders the opportunity to receive greater levels of income if the policies' indexed crediting strategies perform well. As of June 30, 2022, approximately 36% of Athene's deferred annuity account value had rider benefits.

Payout Annuities. Payout annuities primarily consist of single premium immediate annuities ("SPIA"), supplemental contracts and structured settlements. Payout annuities provide a series of periodic payments for a fixed period of time or for the life of the policyholder, based upon the policyholder's election at the time of issuance. The amounts, frequency and length of time of the payments are fixed at the outset of the annuity contract. SPIAs are often purchased by persons at or near retirement age who desire a steady stream of payments over a future period of years. Supplemental contracts are typically created upon the conversion of a death claim or the annuitization of a deferred annuity. Structured settlements generally relate to legal settlements.

Group Annuities. Group annuities issued in connection with pension group annuity transactions usually involve a single premium group annuity contract issued to discharge certain pension plan liabilities. The group annuities that Athene issues are non-participating contracts. The assets supporting the guaranteed benefits for each contract may be held in a separate account. Group annuity benefits may be purchased for current, retired and/or terminated employees and their beneficiaries covered under terminating or continuing pension plans. Both immediate and deferred annuity certificates may be issued pursuant to a single group annuity contract. Immediate annuity certificates cover those retirees and beneficiaries currently receiving payments, whereas deferred annuity certificates cover those participants who have not yet begun receiving benefit payments. Immediate annuity certificates have no cash surrender rights, whereas deferred annuity certificates may include an election to receive a lump sum payment, exercisable by the participant upon either the participant achieving a specified age or the occurrence of a specified event, such as termination of the participant's employment.

Athene earns income on group annuities based upon the spread between the return on the assets received in connection with the pension group annuity transaction and the cost of the pension obligations assumed. Group annuities expose Athene to longevity

risk, which would be realized if plan participants live longer than assumed in underwriting the transaction, resulting in aggregate payments that exceed Athene's expectations.

Funding Agreements

Funding agreements are issued opportunistically to institutional investors at attractive risk-adjusted funding costs. Funding agreements are negotiated privately between an investor and an insurance company. They are designed to provide an agreement holder with a guaranteed return of principal and periodic interest payments, while offering competitive yields and predictable returns. The interest rate can be fixed or floating. Athene also includes repurchase agreements with a term that exceeds one year at the time of execution within the funding agreement product category.

Distribution Channels

Athene has developed four dedicated distribution channels to address the retirement services market: retail, flow reinsurance, institutional and acquisitions and block reinsurance, which support opportunistic origination across differing market environments. Additionally, Athene believes these distribution channels enable it to achieve stable asset growth while maintaining attractive returns.

Retail

Athene has built a scalable platform that allows it to originate and rapidly grow its business in deferred annuity products. Athene has developed a suite of retirement savings products, distributed through its network of approximately 53 independent marketing organizations ("IMOs"); approximately 72,000 independent agents in all 50 states; and a growing network of 18 banks and 122 regional broker-dealers. Athene is focused in every aspect of its retail channel on providing high quality products and service to its policyholders and maintaining appropriate financial protection over the life of their policies.

Flow Reinsurance

Flow reinsurance provides another opportunistic channel for Athene to source liabilities with attractive cost of funds and offers insurance companies the opportunity to improve their product offerings and enhance their financial results. As in the retail channel, Athene does not pursue flow volume growth at the expense of profitability, and therefore tends to respond rapidly to adjust pricing for changes in asset yields.

Reinsurance is an arrangement under which an insurance company, the reinsurer, agrees to indemnify another insurance company, the ceding company or cedant, for all or a portion of certain insurance risks underwritten by the ceding company. Reinsurance is designed to (1) reduce the net amount at risk on individual risks, thereby enabling the ceding company to increase the volume of business it can underwrite, as well as increase the maximum risk it can underwrite on a single risk, (2) stabilize operating results by reducing volatility in the ceding company's loss experience, (3) assist the ceding company in meeting applicable regulatory requirements and (4) enhance the ceding company's financial strength and surplus position.

Within its flow reinsurance channel, Athene generally conducts third-party flow reinsurance transactions through its subsidiary, ALRe. As a fixed annuity reinsurer, ALRe partners with insurance companies to develop solutions to their capital requirements, enhance their presence in the retirement market and improve their financial results. The specific liabilities that ALRe targets to reinsure include FIAs, MYGAs, traditional one-year guarantee fixed deferred annuities, immediate annuities and institutional products. For various transaction-related reasons, from time to time, Athene's US insurance subsidiaries will reinsure business from third-party ceding companies. In these instances, the respective US insurance subsidiary will generally retrocede a portion of the reinsured business to Athene Annuity Re Ltd. or ALRe.

Institutional

The Institutional channel includes pension group annuity transactions and funding agreements.

Pension Group Annuity Transactions. Athene partners with institutions seeking to transfer and thereby reduce their obligation to pay future pension benefits to retirees and deferred participants, through pension group annuities. Athene works with advisors, brokers and consultants to source pension group annuity transactions and design solutions that meet the needs of prospective pension group annuity counterparties.

Funding Agreements. Athene participates in a FABN program through which it may issue funding agreements to a special-purpose trust that issues marketable medium-term notes. The notes are underwritten and marketed by major investment banks' broker-dealer operations and are sold to institutional investors. The proceeds of the issuance of notes are used by the trust to purchase one or more funding agreements from Athene subsidiaries with matching interest and maturity payment terms. Athene has established a funding agreement-backed repurchase program, in which a special-purpose, unaffiliated entity may enter into a repurchase agreement with a bank and the proceeds of the repurchase transactions are used by the special-purpose entity to purchase secured funding agreements from Athene subsidiaries. Athene is also a member of the FHLB and Athene has issued funding agreements to the FHLB in exchange for cash advances. Finally, repurchase agreements with an original maturity exceeding one year are also included within the funding agreement channel.

Acquisitions and Block Reinsurance

Acquisitions. Acquisitions are an important source of growth in our retirement services business. Athene has a proven ability to acquire businesses in complex transactions at favorable terms, manage the liabilities acquired and reinvest the associated assets. Athene plans to continue leveraging this expertise in sourcing and evaluating transactions to profitably grow its business. Athene believes its demonstrated ability to source transactions, consummate complex transactions and reinvest assets into higher yielding investments as well as its access to capital provide it with distinct advantages relative to other acquisition candidates.

Block Reinsurance. Through block reinsurance transactions, Athene partners with life and annuity companies to decrease their exposure to one or more products or to divest of lower-margin or non-core segments of their businesses. Unlike acquisitions in which Athene must acquire the assets or stock of a target company, block reinsurance allows Athene to contractually assume assets and liabilities associated with a certain book of business. In doing so, Athene contractually assumes responsibility for only that portion of the business that it deems desirable, without assuming additional liabilities.

Capital

We believe that Athene has a strong capital position and that it is well positioned to meet policyholder and other obligations. Athene measures capital sufficiency using an internal capital model which reflects management's view on the various risks inherent to its business, the amount of capital required to support its core operating strategies and the amount of capital necessary to maintain its current ratings in a recessionary environment. The amount of capital required to support Athene's core operating strategies is determined based upon internal modeling and analysis of economic risk, as well as inputs from rating agency capital models and consideration of both NAIC risk-based capital ("RBC") and Bermuda capital requirements. Capital in excess of this required amount is considered excess equity capital, which is available to deploy.

Deployable Capital

Athene's deployable capital is comprised of capital from three sources: excess equity capital, untapped debt capacity and available undrawn capital commitments from ACRA. As of June 30, 2022, we believe that Athene had approximately $6.6 billion in total excess equity capital, untapped debt capacity and available undrawn ACRA commitments available to be deployed, subject, in the case of debt capacity, to favorable market conditions and general availability.

ACRA

In order to support growth strategies and capital deployment opportunities, Athene established ACRA as a long-duration, on-demand capital vehicle. Athene owns 36.55% of ACRA's economic interests and 100% of ACRA's voting interests, with the remaining 63.45% of the economic interests being owned by ADIP, a series of funds managed by Apollo. ACRA participates in certain transactions by drawing a portion of the required capital for such transactions from third-party investors equal to ADIP's proportionate economic interest in ACRA. This strategic capital solution allows us the flexibility to simultaneously deploy capital across multiple accretive avenues, while maintaining a strong financial position for Athene and its subsidiaries.

Uses of Capital

Capital deployment includes the payment for a business opportunity, such as the payment of a ceding commission to enter into a block reinsurance transaction, and the retention of capital based on our internal capital model. Currently, we deploy capital from our retirement services business in four primary ways: (1) supporting organic growth, (2) supporting inorganic growth, (3) making dividend payments to AGM from time to time, and (4) retaining capital to support financial strength ratings upgrades. Athene generally seeks returns on its capital deployment of mid-teens or higher.

Internal Reinsurance

Subject to quota shares generally ranging from 80% to 100%, substantially all of the existing deposits held and new deposits generated by Athene's US insurance subsidiaries are reinsured to its Bermuda reinsurance subsidiaries. Athene maintains the same reserving standards for its Bermuda reinsurance subsidiaries as it does for its US insurance subsidiaries. Athene also retrocedes certain inorganic transactions, pension group annuity transactions and certain flow reinsurance transactions to ACRA, and effective January 1, 2022, it began to retrocede a quota share of its retail business to a subsidiary of ACRA. Athene's internal reinsurance structure provides it with several strategic and operational advantages, including the aggregation of regulatory capital, which makes the aggregate capital of its Bermuda reinsurance subsidiaries available to support the risks assumed by each entity, and enhanced operating efficiencies. As a result of its internal reinsurance structure and third-party direct to Bermuda business, a significant majority of Athene's aggregate capital is held by its Bermuda reinsurance subsidiaries.

Ratings

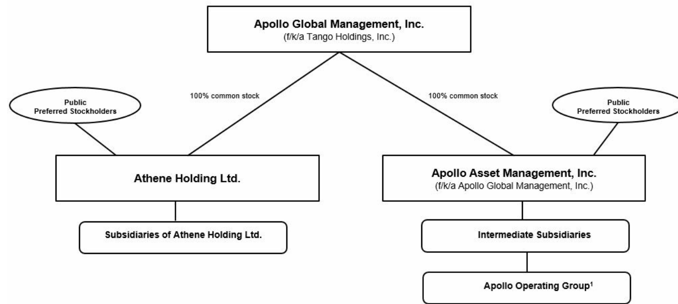
As of June 30, 2022, each of Athene's significant insurance subsidiaries is rated "A+", "A1" or "A" by the four rating agencies that evaluate the financial strength of such subsidiaries. To achieve financial strength ratings aspirations in the Retirement Services segment, Athene may choose to retain additional capital above the level required by the rating agencies to support operating needs. Athene believes there are numerous benefits to achieving stronger ratings over time, including increased recognition of and confidence in the financial strength by prospective business partners, particularly within product distribution, as well as potential profitability improvements in certain organic channels though lower funding costs.

Principal Investing

Our Principal Investing segment is comprised of our realized performance fee income, realized investment income from our balance sheet investments, and certain allocable expenses related to corporate functions supporting the entire company. The Principal Investing segment also includes our growth capital and liquidity resources at AGM. We expect to deploy capital into strategic investments over time that will help accelerate the growth of our Asset Management segment, by broadening our investment management and/or product distribution capabilities or increasing the efficiency of our operations. We believe these investments will translate into greater compounded annual growth of Fee Related Earnings.

Given the cyclical nature of performance fees, earnings from our Principal Investing segment, or Principal Investing Income ("PII"), is inherently more volatile in nature than earnings from the Asset Management and Retirement Services segments. We earn fees based on the investment performance of the funds we manage and compensate our employees, primarily investment professionals, with a meaningful portion of these proceeds to align our team with the investors in the funds we manage and incentivize them to deliver strong investment performance over time. We expect to increase the proportion of performance fee income we pay to our employees over time, and as such proportion increases, we expect PII to represent a relatively smaller portion of our total company earnings.

The diagram below depicts our current organizational structure:



Note: The organizational structure chart above depicts a simplified version of the Apollo structure. It does not include all legal entities in the structure.
(1) Includes direct and indirect ownership by AGM.

Business Environment

Economic and Market Conditions

Our asset management and retirement services businesses are affected by the condition of global financial markets and the economy. Price fluctuations within equity, credit, commodity, foreign exchange markets, as well as interest rates, which may be volatile and mixed across geographies, can significantly impact the performance of our business, including, but not limited to, the valuation of investments, including those of the funds we manage, and related income we may recognize.

We carefully monitor economic and market conditions that could potentially give rise to global market volatility and affect our business operations, investment portfolios and derivatives, which includes global inflation. We have seen U.S. inflation continue to rise during 2022, which has been driven by various factors, including supply chain disruptions, consumer demand, tight labor markets, historically low albeit rising mortgage interest rates, a severely distorted supply/demand housing imbalance, and residential vacancy rates. The U.S. Bureau of Labor Statistics reported that the annual U.S. inflation rate increased to 9.1% as of June 30, 2022 from 8.5% as of March 31, 2022, and continues to be the highest rate since the 1980s. In June 2022, the Federal Reserve raised the benchmark interest rate to a target range of 1.50% to 1.75% from a target range of 0% to 0.25% in 2021 and has indicated more rate hikes throughout 2022 in order to tame runaway inflation.

Adverse economic conditions may result from domestic and global economic and political developments, including plateauing or decreasing economic growth and business activity, civil unrest, geopolitical tensions or military action, such as the armed conflict between Ukraine and Russia and corresponding sanctions imposed by the United States and other countries, and new or evolving legal and regulatory requirements on business investment, hiring, migration, labor supply and global supply chains.

We are actively monitoring the developments in Ukraine resulting from the Russia/Ukraine Conflict and the economic sanctions and restrictions imposed against Russia, Belarus, and certain Russian and Belarussian entities and individuals. The Company has established a Russia/Ukraine Task Force (“Task Force”) consisting of Legal, Compliance, Operations, Risk, Finance and Treasury personnel to (i) identify and assess any exposure to designated persons or entities across the Company’s business; (ii) ensure existing surveillance and controls are calibrated to the evolving sanctions; and (iii) ensure appropriate levels of communication across the Company, and with other relevant market participants, as appropriate.

As of June 30, 2022, the funds we manage have no investments that would cause Apollo or any Apollo managed fund to be in violation of current international sanctions, and we believe the direct exposure of our funds' investment portfolios to Russia and Ukraine is insignificant. The Company and the funds we manage do not intend to make any material new investments in Russia, and have appropriate controls in place to ensure review of any new exposure.

In the U.S., the S&P 500 Index decreased by 16.4% during the second quarter of 2022, following a decrease of 4.9% during the first quarter of 2022. Global equity markets have also been impacted, with the MSCI All Country World ex USA Index decreasing 14.4% during the second quarter of 2022, following a decrease of 4.7% in the first quarter of 2022.

Conditions in the credit markets have a significant impact on our business. Credit markets are negative in 2022, with the BofAML HY Master II Index decreasing by 10.0% in the second quarter of 2022, while the S&P/LSTA Leveraged Loan Index decreased by 5.3%. The U.S. 10-year Treasury yield at the end of the quarter was 2.98%.

In terms of economic conditions in the U.S., the Bureau of Economic Analysis reported real GDP decreased at an annual rate of 0.9% in the second quarter of 2022, following a decrease of 1.4% in the first quarter of 2022. As of July 2022, the International Monetary Fund estimated that the U.S. economy will expand by 2.3% in 2022 and 1.0% in 2023. The U.S. Bureau of Labor Statistics reported that the U.S. unemployment rate remained unchanged at 3.6% as of June 30, 2022.

Foreign exchange rates can materially impact the valuations of our investments and those of the funds we manage that are denominated in currencies other than the U.S. dollar. The increasing yield disparity globally drove the strengthening of the U.S. dollar compared to the Euro and the British pound. Relative to the U.S. dollar, the Euro depreciated 5.3% during the quarter, after depreciating 2.7% in the first quarter of 2022, while the British pound depreciated 7.3% during the quarter, after depreciating 2.9% in the first quarter of 2022. The price of crude oil appreciated by 5.5% during the quarter, after appreciating by 33.3% in the first quarter of 2022, in large part due to constrained supply due to the ongoing conflict between Ukraine and Russia, and is expected to stay elevated throughout 2022.

Institutional investors continue to allocate capital towards alternative investment managers for more attractive risk-adjusted returns in a low interest rate environment, and we believe the business environment remains generally accommodative to raise larger successor funds, launch new products, and pursue attractive strategic growth opportunities.

Interest Rate Environment

Interest rates are expected to continue to rise in 2022. A period of sharply rising interest rates could increase the cost of debt financing for the Company, the funds we manage, as well as their portfolio companies, which can lead to reduced investment returns and missed investment opportunities. Rising interest rates may also contribute to a sustained period of decline in the equity markets and make it more difficult to realize value from investments, including portfolio investments of the funds we manage.

With respect to Retirement Services, Athene's investment portfolio consists predominantly of fixed maturity investments. If prevailing interest rates were to rise, we believe the yield on Athene's new investment purchases may also rise and Athene's investment income from floating rate investments would increase, while the value of Athene's existing investments may decline. If prevailing interest rates were to decline, it is likely that the yield on Athene's new investment purchases may decline and Athene's investment income from floating rate investments would decrease, while the value of Athene's existing investments may increase.

Athene addresses interest rate risk through managing the duration of the liabilities it sources with assets it acquires through asset liability management ("ALM") modeling. As part of its investment strategy, Athene purchases floating rate investments, which we expect would perform well in a rising interest rate environment and which we expect would underperform in a declining rate environment. As of June 30, 2022, Athene's net invested asset portfolio includes $38.9 billion of floating rate investments, or 21% of its net invested assets, and its net reserve liabilities include $14.3 billion of floating rate liabilities at notional, or 8% of its net invested assets, translating to $24.6 billion of net floating rate assets, or 13% of its net invested assets.

If prevailing interest rates were to rise, we believe Athene's products would be more attractive to consumers and its sales would likely increase. If prevailing interest rates were to decline, it is likely that Athene's products would be less attractive to consumers and Athene's sales would likely decrease. In periods of prolonged low interest rates, the net investment spread may be negatively impacted by reduced investment income to the extent that Athene is unable to adequately reduce policyholder crediting rates due to policyholder guarantees in the form of minimum crediting rates or otherwise due to market conditions. A

significant majority of Athene's deferred annuity products have crediting rates that it may reset annually upon renewal following the expiration of the current guaranteed period. While Athene has the contractual ability to lower these crediting rates to the guaranteed minimum levels, its willingness to do so may be limited by competitive pressures.

See Item 3. Quantitative and Qualitative Disclosures About Market Risk, which includes a discussion regarding interest rate and other significant risks and our strategies for managing these risks.

Overview of Results of Operations

Financials Measures under U.S. GAAP - Asset Management

The following discussion of financial measures under U.S. GAAP is based on Apollo's asset management business as of June 30, 2022.

Revenues

Management Fees

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

Advisory and Transaction Fees, Net

As a result of providing advisory services with respect to actual and potential investments, we are entitled to receive fees for transactions related to the acquisition and, in certain instances, disposition and financing of companies, some of which are portfolio companies of the funds we manage, as well as fees for ongoing monitoring of portfolio company operations and directors' fees. We also receive advisory fees for advisory services provided to certain funds. In addition, monitoring fees are generated on certain structured portfolio company investments. Under the terms of the limited partnership agreements for certain funds, the management fee payable by the funds may be subject to a reduction based on a certain percentage (up to 100%) of such advisory and transaction fees, net of applicable broken deal costs ("Management Fee Offset"). Such amounts are presented as a reduction to advisory and transaction fees, net, in the condensed consolidated statements of operations (see note 2 to our condensed consolidated financial statements for more detail on advisory and transaction fees, net).

Performance Fees

The general partners of the funds we manage are entitled to an incentive return of normally up to 20% of the total returns of a fund's capital, depending upon performance of the underlying funds and subject to preferred returns and high water marks, as applicable. Performance fees, categorized as performance allocations, are accounted for as an equity method investment, and effectively, the performance fees for any period are based upon an assumed liquidation of the funds' assets at the reporting date, and distribution of the net proceeds in accordance with the funds' allocation provisions. Performance fees categorized as incentive fees, which are not accounted as an equity method investment, are deferred until fees are probable to not be significantly reversed. The majority of performance fees are comprised of performance allocations.

As of June 30, 2022, approximately 48% of the value of our funds' investments on a gross basis was determined using market-based valuation methods (i.e., reliance on broker or listed exchange quotes) and the remaining 52% was determined primarily by comparable company and industry multiples or discounted cash flow models. See "Item 1A. Risk Factors—Risks Relating to Our Asset Management Business—*The performance of the funds we manage, and our performance, may be adversely affected by the financial performance of portfolio companies of the funds we manage and industries in which the funds we manage invest"* in our quarterly report on Form 10-Q filed with the SEC on May 10, 2022 for discussion regarding certain industry-specific risks that could affect the fair value of our equity funds' portfolio company investments.

In our equity strategy funds, the Company does not earn performance fees until the investors in the fund have achieved cumulative investment returns on invested capital (including management fees and expenses) in excess of an 8% hurdle rate. Additionally, certain of our yield and hybrid strategy funds have various performance fee rates and hurdle rates. Certain of our

yield and hybrid strategy funds allocate performance fees to the general partner in a similar manner as the equity funds. In our equity, certain yield and hybrid funds, so long as the investors achieve their priority returns, there is a catch-up formula whereby the Company earns a priority return for a portion of the return until the Company's performance fees equate to its incentive fee rate for that fund; thereafter, the Company participates in returns from the fund at the performance fee rate. Performance fees, categorized as performance allocations, are subject to reversal to the extent that the performance fees distributed exceed the amount due to the general partner based on a fund's cumulative investment returns. The Company recognizes potential repayment of previously received performance fees as a general partner obligation representing all amounts previously distributed to the general partner that would need to be repaid to the Apollo funds if these funds were to be liquidated based on the current fair value of the underlying funds' investments as of the reporting date. The actual general partner obligation, however, would not become payable or realized until the end of a fund's life or as otherwise set forth in the respective limited partnership agreement of the fund.

The table below presents an analysis of Apollo's (i) performance fees receivable on an unconsolidated basis and (ii) realized and unrealized performance fees:

	As of June 30, 2022	Performance Fees for the Three Months Ended June 30, 2022			Performance Fees for the Six Months Ended June 30, 2022		
(In millions)	Performance Fees Receivable on an Unconsolidated Basis	Unrealized	Realized	Total	Unrealized	Realized	Total
AIOF I and II	$ 14.0	$ (1.3)	$ 0.6	$ (0.7)	$ (2.0)	$ 5.6	$ 3.6
ANRP I, II and III[1,2]	26.3	(64.7)	1.8	(62.9)	(63.7)	1.8	(61.9)
EPF Funds	116.2	(21.0)	28.8	7.8	(20.5)	37.4	16.9
FCI Funds	147.7	15.6	—	15.6	8.5	—	8.5
Fund IX	1,169.8	(3.7)	17.2	13.5	401.5	71.3	472.8
Fund VIII	329.3	(323.8)	6.4	(317.4)	(396.9)	6.3	(390.6)
Fund VII[1]	55.4	(9.8)	11.0	1.2	(28.2)	34.5	6.3
Fund VI	16.0	(0.4)	0.3	(0.1)	(0.5)	0.3	(0.2)
Fund IV and Fund V[1]	—	(0.1)	—	(0.1)	(0.3)	—	(0.3)
HVF I	82.7	(39.3)	42.2	2.9	(23.4)	56.8	33.4
Real Estate Equity Funds[1]	58.7	(6.8)	10.8	4.0	17.8	13.7	31.5
Corporate Credit	1.8	(5.7)	—	(5.7)	(4.6)	4.4	(0.2)
Structured Finance and ABS	64.5	(14.6)	5.1	(9.5)	(11.4)	10.3	(1.1)
Direct Origination	129.3	12.5	6.5	19.0	22.0	15.7	37.7
Other[1,3]	387.7	(25.4)	31.8	6.4	56.0	45.8	101.8
Total	$ 2,599.4	$ (488.5)	$ 162.5	$ (326.0)	$ (45.7)	$ 303.9	$ 258.2
Total, net of profit sharing payable[4]/expense	$ 1,236.9	$ (298.7)	$ 21.4	$ (277.3)	$ (45.8)	$ 17.9	$ (27.9)

[1] As of June 30, 2022, certain funds had $81.4 million in general partner obligations to return previously distributed performance fees. The fair value gain on investments and income at the fund level needed to reverse the general partner obligations was $1.3 billion as of June 30, 2022.

[2] As of June 30, 2022, the remaining investments and escrow cash of ANRP II was valued at 94% of the fund's unreturned capital, which was below the required escrow ratio of 115%. As a result, the fund is required to place in escrow current and future performance fee distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation. As of June 30, 2022, ANRP II had $64.6 million of gross performance fees or $43.5 million net of profit sharing, in escrow. With respect to ANRP II, realized performance fees currently distributed to the general partner are limited to potential tax distributions and interest on escrow balances per the fund's partnership agreements. Performance fees receivable as of June 30, 2022 and realized performance fees for the three and six months ended June 30, 2022 include interest earned on escrow balances that is not subject to contingent repayment.

[3] Other includes certain SIAs.

[4] There was a corresponding profit sharing payable of $1.4 billion as of June 30, 2022, including profit sharing payable related to amounts in escrow and contingent consideration obligations of $104.2 million.

The general partners of certain of our funds accrue performance fees, categorized as performance allocations, when the fair value of investments exceeds the cost basis of the individual investors' investments in the fund, including any allocable share of expenses incurred in connection with such investments, which we refer to as "high water marks." These high water marks are applied on an individual investor basis. Certain of the funds we manage have investors with various high water marks, the achievement of which is subject to market conditions and investment performance.

Performance fees from certain funds we manage are subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative performance fees distributed from inception to date exceeds the amount computed as due to the general partner at the final distribution. These general partner obligations, if applicable, are included in due to related parties on the condensed consolidated statements of financial condition.

The following table summarizes our performance fees since inception through June 30, 2022:

	Performance Fees Since Inception[1]				
	Undistributed by Fund and Recognized	Distributed by Fund and Recognized[2]	Total Undistributed and Distributed by Fund and Recognized[3]	General Partner Obligation[3]	Maximum Performance Fees Subject to Potential Reversal[4]
			(in millions)		
AIOF I and II	$ 14.0	$ 37.1	$ 51.1	$ —	$ 36.0
ANRP I, II and III	26.3	158.3	184.6	12.0	50.4
EPF Funds	116.2	467.9	584.1	26.5	331.1
FCI Funds	147.8	24.2	172.0	—	147.8
Fund IX	1,169.8	460.4	1,630.2	—	1,427.2
Fund VIII	329.3	1,645.2	1,974.5	—	1,381.1
Fund VII	55.4	3,209.8	3,265.2	—	26.6
Fund VI	16.0	1,663.9	1,679.9	—	0.3
Fund IV and Fund V	—	2,053.1	2,053.1	32.0	0.4
HVF I	82.7	141.9	224.6	—	149.5
Real Estate Equity	58.7	70.9	129.6	—	72.0
Corporate Credit	1.8	926.0	927.8	—	1.8
Structured Finance and ABS	64.5	52.1	116.6	—	54.1
Direct Origination	129.4	65.9	195.3	—	120.0
Other[5]	387.5	1,630.6	2,018.1	10.9	543.5
Total	$ 2,599.4	$ 12,607.3	$ 15,206.7	$ 81.4	$ 4,341.8

[1] Certain funds are denominated in Euros and historical figures are translated into U.S. dollars at an exchange rate of €1.00 to $1.05 as of June 30, 2022. Certain funds are denominated in pound sterling and historical figures are translated into U.S. dollars at an exchange rate of £1.00 to $1.22 as of June 30, 2022.

[2] Amounts in "Distributed by Fund and Recognized" for the Citi Property Investors ("CPI"), Gulf Stream Asset Management, LLC ("Gulf Stream"), Stone Tower Capital LLC and its related companies ("Stone Tower") funds and SIAs are presented for activity subsequent to the respective acquisition dates. Amounts exclude certain performance fees from business development companies and Redding Ridge Holdings LP ("Redding Ridge Holdings"), an affiliate of Redding Ridge.

[3] Amounts were computed based on the fair value of fund investments on June 30, 2022. Performance fees have been allocated to and recognized by the general partner. Based on the amount allocated, a portion is subject to potential reversal or, to the extent applicable, has been reduced by the general partner obligation to return previously distributed performance fees at June 30, 2022. The actual determination and any required payment of any such general partner obligation would not take place until the final disposition of the fund's investments based on contractual termination of the fund.

[4] Represents the amount of performance fees that would be reversed if remaining fund investments became worthless on June 30, 2022. Amounts subject to potential reversal of performance fees include amounts undistributed by a fund (i.e., the performance fees receivable), as well as a portion of the amounts that have been distributed by a fund, net of taxes and not subject to a general partner obligation to return previously distributed performance fees, except for those funds that are gross of taxes as defined in the respective funds' governing documents.

[5] Other includes certain SIAs.

Expenses

Compensation and Benefits

The most significant expense in our asset management business is compensation and benefits expense. This consists of fixed salary, discretionary and non-discretionary bonuses, profit sharing expense associated with the performance fees earned and compensation expense associated with the vesting of non-cash equity-based awards.

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

In addition, certain professionals and selected other individuals have a profit sharing interest in the performance fees earned in order to better align their interests with our own and with those of the investors in funds we manage. Profit sharing expense is part of our compensation and benefits expense and is generally based upon a fixed percentage of performance fees. Profit sharing expense can reverse during periods when there is a decline in performance fees that were previously recognized. Profit sharing amounts are normally distributed to employees after the corresponding investment gains have been realized and generally before preferred returns are achieved for the investors. Therefore, changes in our unrealized performance fees have the same effect on our profit sharing expense. Profit sharing expense increases when unrealized performance fees increase. Realizations only impact profit sharing expense to the extent that the effects on investments have not been recognized previously. If losses on other investments within a fund are subsequently realized, the profit sharing amounts previously distributed are normally subject to a general partner obligation to return performance fees previously distributed back to the funds. This general partner obligation due to the funds would be realized only when the fund is liquidated, which generally occurs at the end of the fund's term. However, indemnification obligations also exist for realized gains with respect to Fund IV, Fund V and Fund VI, which, although our Former Managing Partners and Contributing Partners would remain personally liable, may indemnify our Former Managing Partners and Contributing Partners for 17.5% to 100% of the previously distributed profits regardless of the fund's future performance. See note 16 to our condensed consolidated financial statements for further information regarding the Company's indemnification liability.

The Company grants equity awards to certain employees, including RSUs, restricted shares of common stock and options, that generally vest and become exercisable in quarterly installments or annual installments depending on the award terms. In some instances, vesting of an RSU is also subject to the Company's receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense. See note 13 to our condensed consolidated financial statements for further discussion of equity-based compensation.

Other expenses

The balance of our other expenses includes interest, placement fees, and general, administrative and other operating expenses. Interest expense consists primarily of interest related to the 2024 Senior Notes, the 2026 Senior Notes, the 2029 Senior Notes, the 2030 Senior Notes, the 2048 Senior Notes and the 2050 Subordinated Notes as discussed in note 12 to our condensed consolidated financial statements. Placement fees are incurred in connection with our capital raising activities. In cases where the limited partners of the funds are determined to be the customer in an arrangement, placement fees may be capitalized as a cost to acquire a customer contract, and amortized over the life of the customer contract. General, administrative and other expenses includes occupancy expense, depreciation and amortization, professional fees and costs related to travel, information technology and administration. Occupancy expense represents charges related to office leases and associated expenses, such as utilities and maintenance fees. Depreciation and amortization of fixed assets is normally calculated using the straight-line method over their estimated useful lives, ranging from two to sixteen years, taking into consideration any residual value. Leasehold improvements are amortized over the shorter of the useful life of the asset or the expected term of the lease. Intangible assets are amortized based on the future cash flows over the expected useful lives of the assets.

Other Income (Loss)

Net Gains (Losses) from Investment Activities

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

Net Gains (Losses) from Investment Activities of Consolidated Variable Interest Entities

Changes in the fair value of the consolidated VIEs' assets and liabilities and related interest, dividend and other income and expenses subsequent to consolidation are presented within net gains (losses) from investment activities of consolidated variable interest entities and are attributable to non-controlling interests in the condensed consolidated statements of operations.

Other Income (Losses), Net

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

Financials Measures under U.S. GAAP - Retirement Services

The following discussion of financial measures under U.S. GAAP is based on Apollo's retirement services business which is operated by Athene as of June 30, 2022.

Revenues

Premiums

Premiums for long-duration contracts, including products with fixed and guaranteed premiums and benefits, are recognized as revenue when due from policyholders. Insurance revenues are reported net of amounts ceded.

Product charges

Revenues for universal life-type policies and investment contracts, including surrender and market value adjustments, costs of insurance, policy administration, GMDB, GLWB and no-lapse guarantee charges, are earned when assessed against policyholder account balances during the period.

Net investment income

Net investment income is a significant component of Athene's total revenues. Athene recognizes investment income as it accrues or is legally due, net of investment management and custody fees. Investment income on fixed maturity securities includes coupon interest, as well as the amortization of any premium and the accretion of any discount. Investment income on equity securities represents dividend income and preferred coupons interest.

Investment related gains (losses)

Investment related gains (losses) primarily consist of (i) realized gains and losses on sales of investments, (ii) unrealized gains or losses relating to identified risks within AFS securities in fair value hedging relationships, (iii) gains and losses on trading securities, (iv) change in the fair value of the embedded derivatives and derivatives not designated as a hedge, and (v) allowance for expected credit losses recorded through credit loss expense.

Expenses

Interest sensitive contract benefits

Universal life-type policies and investment contracts include fixed indexed and traditional fixed annuities in the accumulation phase, funding agreements, universal life insurance, fixed indexed universal life insurance and immediate annuities without significant mortality risk (which includes pension group annuities without life contingencies). Liabilities for traditional fixed annuities, universal life insurance and funding agreements are carried at the account balances without reduction for potential surrender or withdrawal charges, except for a block of universal life business ceded to Global Atlantic which is carried at fair value. Fixed indexed annuities and fixed indexed universal life insurance contracts contain an embedded derivative. Benefits reserves for fixed indexed annuities and fixed indexed universal life insurance contracts are reported as the sum of the fair value of the embedded derivative and the host (or guaranteed) component of the contracts. Liabilities for immediate annuities without significant mortality risk are calculated as the present value of future liability cash flows and policy maintenance expenses discounted at contractual interest rates.

Changes in the interest sensitive contract liabilities, excluding deposits and withdrawals, are recorded in interest sensitive contract benefits or product charges on the condensed consolidated statements of operations.

Future policy and other policy benefits

Athene issues contracts classified as long-duration, which includes term and whole life, accident and health, disability, and deferred and immediate annuities with life contingencies (which includes pension group annuities with life contingencies). Liabilities for non-participating long-duration contracts are established using accepted actuarial valuation methods which require the use of assumptions related to expenses, investment yields, mortality, morbidity and persistency at the date of issue or acquisition.

Changes in future policy benefits other than the adjustment for the OCI effects of unrealized investment gains and losses on AFS securities, are recorded in future policy and other policy benefits on the condensed consolidated statements of operations.

Amortization of deferred acquisition costs, deferred sales inducements, and value of business acquired

Costs related directly to the successful acquisition of new or renewal insurance or investment contracts are deferred to the extent they are recoverable from future premiums or gross profits. These costs consist of commissions and policy issuance costs, as well as sales inducements credited to policyholder account balances.

Deferred costs related to investment contracts without significant revenue streams from sources other than investment of the policyholder funds are amortized using the effective interest method. Deferred costs related to universal life-type policies and investment contracts with significant revenue streams from sources other than investment of the policyholder funds are amortized over the lives of the policies, based upon the proportion of the present value of actual and expected deferred costs to the present value of actual and expected gross profits to be earned over the life of the policies. VOBA associated with acquired contracts is amortized in relation to applicable policyholder liabilities.

Policy and other operating expenses

Policy and other operating expenses includes normal operating expenses, policy acquisition expenses, interest expense, dividends to policyholders, integration, restructuring and other non-operating expenses, and stock compensation expenses.

Other Financial Measures under U.S. GAAP

Income Taxes

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

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

Non-Controlling Interests

For entities that are consolidated, but not 100% owned, a portion of the income or loss and corresponding equity is allocated to owners other than Apollo. The aggregate of the income or loss and corresponding equity that is not owned by the Company is included in non-controlling interests in the condensed consolidated financial statements. non-controlling interests primarily include limited partner interests in certain consolidated funds and VIEs. Prior to the Mergers on January 1, 2022, the non-controlling interests relating to Apollo Global Management, Inc. also included the ownership interest in the Apollo Operating Group held by the Former Managing Partners and Contributing Partners through their limited partner interests in AP Professional Holdings, L.P. and the non-controlling interest in the Apollo Operating Group held by Athene.

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

Results of Operations

Below is a discussion of our condensed consolidated results of operations for the three and six months ended June 30, 2022 and 2021. For additional analysis of the factors that affected our results at the segment level, see "—Segment Analysis" below:

	For the Three Months ended June 30,		Total Change	Percentage Change	For the Six Months Ended June 30,		Total Change	Percentage Change
	2022	2021			2022	2021		
		(In millions)				*(In millions)*		
Revenues								
Asset Management								
Management fees	$ 375	$ 470	$ (95)	(20.2)%	$ 711	$ 927	$ (216)	(23.3)%
Advisory and transaction fees, net	110	86	24	27.9	176	142	34	23.9
Investment income (loss)	(195)	812	(1,007)	NM	506	2,590	(2,084)	(80.5)
Incentive fees	2	15	(13)	(86.7)	8	19	(11)	(57.9)
	292	1,383	(1,091)	(78.9)	1,401	3,678	(2,277)	(61.9)
Retirement Services								
Premiums	5,614	—	5,614	NM	7,724	—	7,724	NM
Product charges	175	—	175	NM	341	—	341	NM
Net investment income	1,903	—	1,903	NM	3,634	—	3,634	NM
Investment related gains (losses)	(5,759)	—	(5,759)	NM	(9,976)	—	(9,976)	NM
Revenues of consolidated variable interest entities	55	—	55	NM	34	—	34	NM
Other revenues	(8)	—	(8)	NM	(11)	—	(11)	NM
	1,980	—	1,980	NM	1,746	—	1,746	NM
Total Revenues	2,272	1,383	889	64.3	3,147	3,678	(531)	(14.4)
Expenses								
Asset Management								
Compensation and benefits:								
Salary, bonus and benefits	234	182	52	28.6	452	357	95	26.6
Equity-based compensation	113	53	60	113.2	269	109	160	146.8
Profit sharing expense	(38)	361	(399)	NM	322	1,017	(695)	(68.3)
Total compensation and benefits	309	596	(287)	(48.2)	1,043	1,483	(440)	(29.7)
Interest expense	31	35	(4)	(11.4)	63	70	(7)	(10.0)
General, administrative and other	157	116	41	35.3	305	216	89	41.2
	497	747	(250)	(33.5)	1,411	1,769	(358)	(20.2)
Retirement Services								
Interest sensitive contract benefits	(621)	—	(621)	NM	(662)	—	(662)	NM
Future policy and other policy benefits	5,609	—	5,609	NM	7,694	—	7,694	NM
Amortization of deferred acquisition costs, deferred sales inducements and value of business acquired	125	—	125	NM	250	—	250	NM
Policy and other operating expenses	331	—	331	NM	639	—	639	NM
	5,444	—	5,444	NM	7,921	—	7,921	NM
Total Expenses	5,941	747	5,194	NM	9,332	1,769	7,563	427.5
Other income (loss) – Asset Management								
Net gains from investment activities	146	913	(767)	(84.0)	180	1,266	(1,086)	(85.8)
Net gains from investment activities of consolidated variable interest entities	13	145	(132)	(91.0)	380	258	122	47.3
Other income (loss), net	21	5	16	320.0	(2)	(12)	10	(83.3)
Total Other Income (Loss)	180	1,063	(883)	(83.1)	558	1,512	(954)	(63.1)
Income (loss) before income tax (provision) benefit	(3,489)	1,699	(5,188)	NM	(5,627)	3,421	(9,048)	NM
Income tax (provision) benefit	487	(194)	681	NM	1,095	(397)	1,492	NM
Net income (loss)	(3,002)	1,505	(4,507)	NM	(4,532)	3,024	(7,556)	NM
Net (income) loss attributable to non-controlling interests	951	(847)	1,798	NM	1,611	(1,687)	3,298	NM
Net income (loss) attributable to Apollo Global Management, Inc.	(2,051)	658	(2,709)	NM	(2,921)	1,337	(4,258)	NM
Preferred stock dividends	—	(9)	9	(100.0)	—	(18)	18	(100.0)
Net income (loss) available to Apollo Global Management, Inc. Common Stockholders	$ (2,051)	$ 649	$ (2,700)	NM	$ (2,921)	$ 1,319	$ (4,240)	NM

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

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021

In this section, references to 2022 refer to the three months ended June 30, 2022 and references to 2021 refer to the three months ended June 30, 2021.

Asset Management

Revenues

Revenues were $292 million in 2022, a decrease of $1.1 billion from $1.4 billion in 2021, primarily driven by lower investment income (loss) and management fees. Investment income (loss) decreased $1.0 billion in 2022 to a loss of $195 million in 2022 compared to a gain of $812 million in 2021. The investment loss for 2022 was primarily attributable to a decrease in performance allocations from Fund VIII, Fund IX, ANRP II and Fund VII of $452.3 million, $281.2 million, $119.5 million and $98.0 million, respectively, as a result of equity market volatility in 2022.

See below for details on the respective fund's performance allocations.

The decrease in performance allocations from Fund VIII was primarily driven by depreciation in the value of the fund's investments in public portfolio companies primarily in the consumer services, leisure and media, telecom and technology sectors, as well as depreciation in private portfolio companies primarily in the telecom and technology sectors during 2022.

The decrease in performance allocations from Fund IX was primarily driven by depreciation in the value of the fund's investments in public portfolio companies primarily in the media, telecom and technology sector as well as lower appreciation in private portfolio companies primarily in the media, telecom and technology, leisure, and manufacturing and industrial sectors during 2022.

The decrease in performance allocations from ANRP II was primarily driven by depreciation in the value of the fund's private investments in the natural resources sector during 2022.

The decrease in performance allocations from Fund VII was primarily driven by lower appreciation in the value of the fund's investments in private portfolio companies in the consumer services sector during 2022.

Management fees decreased by $95 million to $375 million in 2022 from $470 million in 2021. The decrease for 2022 was primarily driven by the elimination of management fees between AAM and Athene subsidiaries upon consolidation, as a result of the Mergers. The decrease was, in part, offset by increases in management fees of $16.3 million, as a result of the acquisition of Griffin Capital's U.S. asset management business and $11.7 million earned from MidCap, as a result of higher Fee-Generating AUM.

Expenses

Expenses were $497 million in 2022, a decrease of $250 million from $747 million in 2021 due to a decrease in profit sharing expense of $399 million resulting from lower investment income during 2022. In any period, the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance allocations in the period. This decrease was partially offset by increases in equity-based compensation of $60 million and an increase in salary, bonus and benefits of $52 million due to accelerated headcount growth in 2022. In addition, equity-based compensation increased as a result of: (i) performance grants which are tied to the Company's receipt of performance fees, within prescribed periods and are typically recognized on an accelerated recognition method over the requisite service period to the extent the performance revenue metrics are met or deemed probable, and (ii) the impact of one-time grants awarded to the Co-Presidents of AAM which vest on a cliff basis subject to continued employment over five years and the Company's achievement of FRE and SRE per share metrics.

General, administrative and other expenses were $157 million in 2022, an increase of $41 million from $116 million in 2021. The increase in 2022 was driven by increases in depreciation, primarily associated with the Company's commitment asset, travel and entertainment expenses, professional fees and the absorption of occupancy expense to support the Company's increased headcount, as well as the acquisition of Griffin Capital's U.S. asset management business, partially offset by decreases in recruitment fees.

Other Income (Loss)

Other Income (loss) was $180 million in 2022, a decrease of $0.9 billion from $1.1 billion in 2021. Other Income in 2022 was primarily attributable to a gain from one of the Company’s balance sheet investments and income earned as a result of APSG I’s deconsolidation event, partially offset by foreign currency losses. Other Income in 2021 was primarily due to net gains from investment activities from the Company’s investment in Athene Holding. Following the Mergers, Athene became a consolidated subsidiary of AGM. Refer to note 16 and 3 for further details regarding APSG I’s deconsolidation event in 2022 and the Mergers, respectively.

Retirement Services

Revenues

Retirement Services revenues were $2.0 billion in 2022. Revenues were primarily driven by pension group annuity premiums and net investment income, partially offset by the adverse impact from investment related gains and losses. Investment related losses of $5.8 billion were primarily driven by unfavorable changes in the fair value of reinsurance asset s, FIA hedging derivatives, mortgage loans, trading and equity securities, realized losses on AFS securities and an increase in the provision for credit losses. The losses on Retirement Services’ assets were primarily due to credit spread widening and an increase in U.S. Treasury rates in the current quarter. The change in fair value of FIA hedging derivatives decreased due to the unfavorable performance of the indices upon which Athene’s call options are based as the majority of the call options are based on the S&P 500 index, which decreased 16.4% during the quarter. The unfavorable change in the provision for credit losses was primarily driven by unfavorable economics.

Expenses

Retirement Services expenses were $5.4 billion in 2022. Expenses were primarily driven by pension group annuity obligations, interest credited to policyholders, interest paid on funding agreements, policy and other operating expenses and amortization of DAC and VOBA, partially offset by the favorable change in FIA embedded derivatives. The change in FIA fair value embedded derivatives was primarily due to the performance of the equity indices to which Athene’s FIA policies are linked, primarily the S&P 500 index, which experienced a decrease of 16.4% during the quarter, as well as the favorable change in discount rates, partially offset by unfavorable economics impacting policyholder projected benefits.

Income Tax (Provision) Benefit

The Company’s income tax (provision) benefit totaled $487 million and $(194) million in 2022 and 2021, respectively. The change to the provision was primarily related to the decrease in pre-tax income. The provision for income taxes includes federal, state, local and foreign income taxes resulting in an effective income tax rate of 14.0% and 11.4% for 2022 and 2021, respectively. The most significant reconciling items between the U.S. federal statutory income tax rate and the effective income tax rate were due to the following: (i) foreign, state and local income taxes, including NYC UBT, (ii) income passed through to non-controlling interests and (iii) equity-based compensation net of the limiting provisions for executive compensation under Internal Revenue Code Section 162(m) (see note 11 to the condensed consolidated financial statements for further details regarding the Company’s income tax provision).

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

In this section, references to 2022 refer to the six months ended June 30, 2022 and references to 2021 refer to the six months ended June 30, 2021.

Asset Management

Revenues

Revenues were $1.4 billion in 2022, a decrease of $2.3 billion from $3.7 billion in 2021 due to lower investment income and management fees. Investment income decreased $2.1 billion in 2022 to $506 million compared to $2.6 billion in 2021. The decrease in investment income for 2022 was primarily attributable to decreases in performance allocations from Fund VIII, Fund IX and ANRP II of $1.1 billion, $214.0 million and $203.1 million, respectively, as a result of equity market volatility in 2022.

See below for details on the respective fund's performance allocations.

The decrease in performance allocations from Fund VIII was primarily driven by the depreciation in the value of the fund's investments in public portfolio companies primarily in the consumer services, leisure, and media, telecom and technology sectors, as well as depreciation in private portfolio companies primarily in the telecom and technology and consumer services sectors during 2022.

The decrease in performance allocations from Fund IX was primarily driven by the depreciation in the value of the fund's investments in public and private portfolio companies in the media, telecom and technology sector during 2022.

The decrease in performance allocations from ANRP II was primarily driven by the depreciation in the value of the fund's private investments in the natural resources sector during 2022.

Management fees decreased by $216 million to $711 million in 2022 from $927 million in 2021. The decrease for 2022 was primarily driven by the elimination of management fees between AAM and Athene subsidiaries upon consolidation, as a result of the Mergers. The decrease was, in part, offset by increases in management fees of $16.3 million, as a result of the acquisition of Griffin Capital's U.S. asset management business and $10.7 million earned from MidCap, as a result of higher Fee-Generating AUM.

Expenses

Expenses were $1.4 billion in 2022, a decrease of $358 million from $1.8 billion in 2021 due to a decrease in profit sharing expense of $695 million resulting from lower investment income during 2022. This decrease was partially offset by increases in equity-based compensation of $160 million and an increase in salary, bonus and benefits of $95 million due to accelerated headcount growth in 2022, including for certain senior level roles, as the Company strategically invests in talent that will seek to capture its next leg of growth. In addition, equity-based compensation increased as a result of: (i) performance grants which are tied to the Company's receipt of performance fees, within prescribed periods and are typically recognized on an accelerated recognition method over the requisite service period to the extent the performance revenue metrics are met or deemed probable, and (ii) the impact of one-time grants awarded to the Co-Presidents of AAM which vest on a cliff basis subject to continued employment over five years and the Company's achievement of FRE and SRE per share metrics.

General, administrative and other expenses were $305 million in 2022, an increase of $89 million from $216 million in 2021. The increase in 2022 was driven by increases in depreciation, primarily associated with the Company's commitment asset, travel and entertainment expenses, professional fees and the absorption of occupancy expense to support the Company's increased headcount, as well as the acquisition of Griffin Capital's U.S. asset management business, partially offset by decreases in recruitment fees.

Other Income (Loss)

Other Income (Loss) was $558 million in 2022, a decrease of $954 million from $1.5 billion in 2021. Other Income in 2022 was primarily attributable to net gains from investment activities of consolidated VIEs and income earned as a result of APSG I's deconsolidation event. Other Income in 2021 was primarily due to net gains from investment activities from the Company's investment in Athene Holding during 2021. Following the Mergers, Athene became a consolidated subsidiary of AGM. Refer to note 16 and 3 for further details regarding APSG I's deconsolidation event in 2022 and the Mergers, respectively.

Retirement Services

Revenues

Retirement Services revenues were $1.7 billion in 2022. Revenues were primarily driven by pension group annuity premiums and net investment income, partially offset by the adverse impact of investment related losses. Investment related losses of $10.0 billion were primarily driven by unfavorable changes in the fair value of reinsurance assets, FIA hedging derivatives, mortgage loans, trading and equity securities, realized losses on AFS securities and an increase in the provision for credit losses. The losses on Retirement Services' assets were primarily due to credit spread widening and an increase in U.S. Treasury rates in the current year. The change in fair value of FIA hedging derivatives decreased due to the unfavorable performance of the indices upon which Athene's call options are based as the majority of the call options are based on the S&P 500 index, which decreased 20.6% during the year. The unfavorable change in the provision for credit losses was primarily driven by unfavorable economics.

Expenses

Retirement Services expenses were $7.9 billion in 2022. Expenses were primarily driven by pension group annuity obligations, interest credited to policyholders, interest paid on funding agreements, policy and other operating expenses and amortization of DAC and VOBA, partially offset by the favorable change in FIA embedded derivatives. The change in FIA fair value embedded derivatives was primarily due to the performance of the equity indices to which Athene's FIA policies are linked, primarily the S&P 500 index, which experienced a decrease of 20.6% during the year, as well as the favorable change in discount rates, partially offset by unfavorable economics impacting policyholder projected benefits.

Income Tax (Provision) Benefit

The Company's income tax (provision) benefit totaled $1,095 million and $(397) million in 2022 and 2021, respectively. The change to the provision was primarily related to the decrease in pre-tax income and a tax benefit from the derecognition of a deferred tax liability related to the Mergers. The provision for income taxes includes federal, state, local and foreign income taxes resulting in an effective income tax rate of 19.5% and 11.6% for 2022 and 2021, respectively. The most significant reconciling items between the U.S. federal statutory income tax rate and the effective income tax rate were due to the following: (i) a benefit realized from the derecognition of a deferred tax liability related to the Company's historical holdings in Athene, (ii) foreign, state and local income taxes, including NYC UBT, (iii) income attributable to non-controlling interests and (iv) equity-based compensation net of the limiting provisions for executive compensation under IRC Section 162(m).(see note 11 to the condensed consolidated financial statements for further details regarding the Company's income tax provision).

Managing Business Performance - Key Segment and Non-U.S. GAAP Performance Measures

We believe that the presentation of Adjusted Segment Income supplements a reader's understanding of the economic operating performance of each of our segments.

Adjusted Segment Income and Adjusted Net Income

Adjusted Segment Income, or "ASI", is the key performance measure used by management in evaluating the performance of the Asset Management, Retirement Services, and Principal Investing segments. Adjusted Net Income ("ANI") represents Adjusted Segment Income less HoldCo interest and other financing costs and estimated income taxes. For purposes of calculating the Adjusted Net Income tax rate, Adjusted Segment Income is reduced by HoldCo interest and financing costs. Income taxes on FRE and PII represents the total current corporate, local, and non-U.S. taxes as well as the current payable

under Apollo's tax receivable agreement. Income taxes on FRE and PII excludes the impacts of deferred taxes and the remeasurement of the tax receivable agreement, which arise from changes in estimated future tax rates. Certain assumptions and methodologies that impact the implied FRE and PII income tax provision are similar to those used under U.S. GAAP. Specifically, certain deductions considered in the income tax provision under U.S. GAAP relating to transaction related charges, equity-based compensation, and tax deductible interest expense are taken into account for the implied tax provision. Income Taxes on SRE represent the total current and deferred tax expense or benefit on income before taxes adjusted to eliminate the impact of the tax expense or benefit associated with the non-operating adjustments. Management believes the methodologies used to compute income taxes on FRE, SRE, and PII are meaningful to each segment and increases comparability of income taxes between periods.

We believe that ASI is helpful for an understanding of our business and that investors should review the same supplemental financial measure that management uses to analyze our segment performance. This measure supplements and should be considered in addition to and not in lieu of the results of operations discussed below in "—Overview of Results of Operations" that have been prepared in accordance with U.S. GAAP. See note 18 to the condensed consolidated financial statements for more details regarding the components of ASI and management's consideration of ASI.

Fee Related Earnings, Spread Related Earnings and Principal Investing Income

Fee Related Earnings, or "FRE", is a component of ASI that is used as a supplemental performance measure to assess the performance of the Asset Management segment.

Spread Related Earnings, or "SRE", is a component of ASI that is used as a supplemental performance measure to assess the performance of the Retirement Services segment, excluding certain market volatility and certain expenses related to integration, restructuring, equity-based compensation, and other expenses.

Principal Investing Income, or "PII", is a component of ASI that is used as a supplemental performance measure to assess the performance of the Principal Investing segment.

See note 18 to the condensed consolidated financial statements for more details regarding the components of FRE, SRE, and PII.

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

Net Invested Assets

In managing its business, Athene analyzes net invested assets, which does not correspond to total Athene investments, including investments in related parties on the consolidated statements of financial condition. Net invested assets represents the investments that directly back its net reserve liabilities as well as surplus assets. Net invested assets is used in the computation of net investment earned rate, which is used to analyze the profitability of Athene's investment portfolio. Net invested assets includes (a) total investments on the consolidated statements of financial condition with AFS securities at cost or amortized cost, excluding derivatives, (b) cash and cash equivalents and restricted cash, (c) investments in related parties, (d) accrued investment income, (e) VIE assets, liabilities and non-controlling interest adjustments, (f) net investment payables and receivables, (g) policy loans ceded (which offset the direct policy loans in total investments) and (h) an allowance for credit losses. Net invested assets also excludes assets associated with funds withheld liabilities related to business exited through reinsurance agreements and derivative collateral (offsetting the related cash positions). Athene includes the underlying investments supporting its assumed funds withheld and modco agreements in its net invested assets calculation in order to match the assets with the income received. Athene believes the adjustments for reinsurance provide a view of the assets for which it has economic exposure. Net invested assets includes Athene's proportionate share of ACRA investments, based on its economic ownership, but does not include the proportionate share of investments associated with the non-controlling interest. Net invested assets are averaged over the number of quarters in the relevant period to compute a net investment earned rate for such period. While Athene believes net invested assets is a meaningful financial metric and enhances the understanding of the underlying drivers of its investment portfolio, it should not be used as a substitute for Athene's total investments, including related parties, presented under U.S. GAAP.

Segment Analysis

Discussed below are our results of operations for each of our reportable segments. They represent the segment information available and utilized by management to assess performance and to allocate resources. See note 18 to our condensed consolidated financial statements for more information regarding our segment reporting.

Asset Management

The following table presents Fee Related Earnings, the performance measure of our Asset Management segment.

	Three months ended June 30,		Total Change	Percentage Change	Six months ended June 30,		Total Change	Percentage Change
	2022	2021			2022	2021		
	(In millions)				(In millions)			
Asset Management:								
Management fees - Yield	$ 342.2	$ 291.7	$ 50.5	17.3%	$ 675.6	$ 572.8	$ 102.8	17.9%
Management fees - Hybrid	52.7	41.6	11.1	26.7	101.0	80.8	20.2	25.0
Management fees - Equity	127.0	135.5	(8.5)	(6.3)	250.7	269.1	(18.4)	(6.8)
Management fees	521.9	468.8	53.1	11.3	1,027.3	922.7	104.6	11.3
Advisory and transaction fees, net	103.1	83.2	19.9	23.9	167.2	138.6	28.6	20.6
Fee-related performance fees	11.7	8.1	3.6	44.4	25.9	16.9	9.0	53.3
Fee-related compensation	(187.2)	(161.6)	(25.6)	15.8	(362.6)	(316.0)	(46.6)	14.7
Other operating expenses	(108.4)	(79.6)	(28.8)	36.2	(206.7)	(141.6)	(65.1)	46.0
Fee Related Earnings (FRE)	**$ 341.1**	**$ 318.9**	**$ 22.2**	7.0%	**$ 651.1**	**$ 620.6**	**$ 30.5**	4.9%

	Three months ended June 30,		Total Change	Percentage Change	Six months ended June 30,		Total Change	Percentage Change
	2021	2020			2021	2020		
	(In millions)				(In millions)			
Asset Management:								
Management fees - Yield	$ 291.7	$ 227.7	$ 64.0	28.1%	$ 572.8	$ 442.2	$ 130.6	29.5%
Management fees - Hybrid	41.6	34.8	6.8	19.5	80.8	64.9	15.9	24.5
Management fees - Equity	135.5	139.3	(3.8)	(2.7)	269.1	277.1	(8.0)	(2.9)
Management fees	468.8	401.8	67.0	16.7	922.7	784.2	138.5	17.7
Advisory and transaction fees, net	83.2	61.8	21.4	34.6	138.6	98.5	40.1	40.7
Fee-related performance fees	8.1	3.4	4.7	138.2	16.9	5.8	11.1	191.4
Fee-related compensation	(161.6)	(128.0)	(33.6)	26.3	(316.0)	(246.5)	(69.5)	28.2
Other operating expenses	(79.6)	(64.4)	(15.2)	23.6	(141.6)	(126.5)	(15.1)	11.9
Fee Related Earnings (FRE)	**$ 318.9**	**$ 274.6**	**$ 44.3**	16.1%	**$ 620.6**	**$ 515.5**	**$ 105.1**	20.4%

In this section, references to 2022 refer to the three months ended June 30, 2022, references to 2021 refer to the three months ended June 30, 2021, and references to 2020 refer to the three months ended June 30, 2020.

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021

FRE was $341.1 million in 2022, an increase of $22.2 million compared to $ 318.9 million in 2021. This increase was primarily attributable to continued growth in management fees and record quarterly advisory and transaction fees. The increase in management fees was primarily attributable to an increase in management fees earned from Athene of $37.2 million, as a result of higher Fee-Generating AUM in 2022, and $16.3 million from the acquisition of Griffin Capital's U.S. asset management business in 2022. The growth in revenues was offset, in part, by higher fee-related compensation expenses and other operating expenses due to an increase in headcount to support the Company's next phase of growth as well as higher travel and entertainment costs, occupancy expenses, and professional fees in 2022.

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

FRE was $318.9 million in 2021, an increase of $44.3 million compared to $274.6 million in 2020. This increase was primarily attributable to growth in management fees and advisory and transaction fees. The increase in management fees was driven by

our yield funds, primarily from Athene. The increase in advisory and transaction fees was primarily driven by structuring fees earned from a company in the consumer and retail industry. The growth in revenues was offset, in part, by higher fee-related compensation expenses due to an increase in headcount as we continued to expand our global team in 2021.

In this section, references to 2022 refer to the six months ended June 30, 2022, references to 2021 refer to the six months ended June 30, 2021, and references to 2020 refer to the six months ended June 30, 2020.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

FRE was $651.1 million in 2022, an increase of $30.5 million compared to $ 620.6 million in 2021. This increase was primarily attributable to continued growth in management fees and advisory and transaction fees. The increase in management fees was primarily attributable to an increase in management fees earned from Athene of $85.7 million, as a result of higher Fee-Generating AUM in 2022, and $16.3 million from the acquisition of Griffin Capital's U.S. asset management business in 2022. The growth in revenues was offset, in part, by higher fee-related compensation expenses and other operating expenses due to a an increase in headcount to support the Company's next phase of growth, as well as higher travel and entertainment costs, occupancy expenses, and professional fees in 2022.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

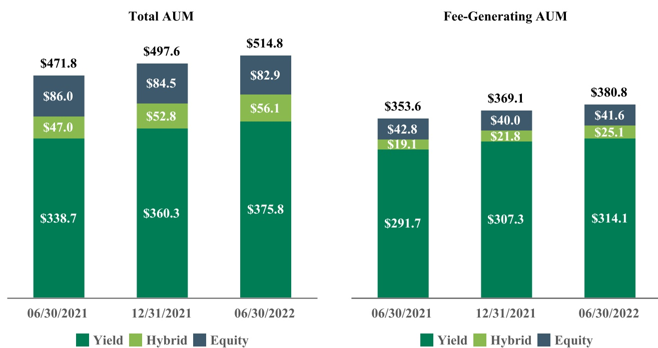
FRE was $620.6 million in 2021, an increase of $105.1 million compared to $515.5 million in 2020. This increase was primarily attributable to the growth in management fees and advisory and transaction fees. The increase in management fees was primarily driven by yield funds, primarily from Athene and Athora. The increase in advisory and transaction fees were primarily driven by fees earned related to portfolio companies in the consumer and retail industries during 2021.The growth in revenues was offset, in part, by higher fee-related compensation expense due to an increase in headcount as we continued to expand our global team in 2021.

Asset Management Operating Metrics

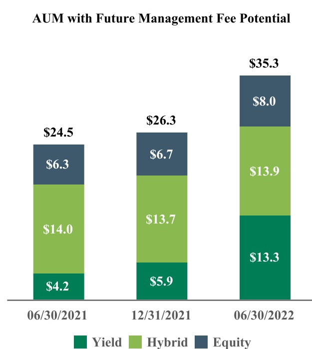
We monitor certain operating metrics that are common to the alternative asset management industry and directly impact the performance of our Asset Management segment. These operating metrics include Assets Under Management, gross capital deployment and uncalled commitments.

Assets Under Management

The following presents Apollo's Total AUM and Fee-Generating AUM by investing strategy (in billions):



The following presents Apollo's AUM with Future Management Fee Potential by investing strategy (in billions):



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

	As of June 30, 2022			
	Yield	Hybrid	Equity	Total
	(In millions)			
Performance Fee-Generating AUM [1]	$ 36,855	$ 12,777	$ 39,922	$ 89,554
AUM Not Currently Generating Performance Fees	11,493	12,798	3,856	28,147
Uninvested Performance Fee-Eligible AUM	4,163	16,509	17,861	38,533
Total Performance Fee-Eligible AUM	$ 52,511	$ 42,084	$ 61,639	$ 156,234

	As of June 30, 2021			
	Yield	Hybrid	Equity	Total
	(In millions)			
Performance Fee-Generating AUM [1]	$ 33,479	$ 15,637	$ 38,309	87,425
AUM Not Currently Generating Performance Fees	4,974	4,842	2,846	12,662
Uninvested Performance Fee-Eligible AUM	2,535	15,791	23,913	42,239
Total Performance Fee-Eligible AUM	$ 40,988	$ 36,270	$ 65,068	142,326

	As of December 31, 2021			
	Yield	Hybrid	Equity	Total
	(In millions)			
Performance Fee-Generating AUM [1]	$ 37,756	$ 17,663	$ 37,447	$ 92,866
AUM Not Currently Generating Performance Fees	2,355	4,971	3,614	10,940
Uninvested Performance Fee-Eligible AUM	2,644	16,478	21,075	40,197
Total Performance Fee-Eligible AUM	$ 42,755	$ 39,112	$ 62,136	$ 144,003

[1] Performance Fee-Generating AUM of $3.1 billion, $4.7 billion and $5.2 billion as of June 30, 2022, June 30, 2021 and December 31, 2021, respectively, are above the hurdle rates or preferred returns and have been deferred to future periods when the fees are probable to not be significantly reversed.

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

	As of June 30, 2022			
	Yield	Hybrid	Equity	Total
	(In millions)			
Fee-Generating AUM based on capital commitments	$ —	$ 3,580	$ 27,552	$ 31,132
Fee-Generating AUM based on invested capital	2,431	7,722	13,059	23,212
Fee-Generating AUM based on gross/adjusted assets	272,211	5,035	618	277,864
Fee-Generating AUM based on NAV	39,420	8,786	380	48,586
Total Fee-Generating AUM	$ 314,062	$ 25,123	$ 41,609 [1]	$ 380,794

[1] The weighted average remaining life of the traditional private equity funds as of June 30, 2022 was 59 months.

	As of June 30, 2021			
	Yield	Hybrid	Equity	Total
	(In millions)			
Fee-Generating AUM based on capital commitments	$ 100	$ 2,386	$ 30,966	$ 33,452
Fee-Generating AUM based on invested capital	1,900	5,833	11,202	18,935
Fee-Generating AUM based on gross/adjusted assets	261,235	3,335	215	264,785
Fee-Generating AUM based on NAV	28,445	7,574	369	36,388
Total Fee-Generating AUM	$ 291,680	$ 19,128	$ 42,752 [1]	$ 353,560

[1] The weighted average remaining life of the traditional private equity funds at June 30, 2021 was 69 months.

	As of December 31, 2021			
	Yield	Hybrid	Equity	Total
	(In millions)			
Fee-Generating AUM based on capital commitments	$ —	$ 3,580	$ 27,277	$ 30,857
Fee-Generating AUM based on invested capital	2,321	6,826	12,075	21,222
Fee-Generating AUM based on gross/adjusted assets	273,695	4,293	406	278,394
Fee-Generating AUM based on NAV	31,290	7,146	192	38,628
Total Fee-Generating AUM	$ 307,306	$ 21,845	$ 39,950 [1]	$ 369,101

[1] The weighted average remaining life of the traditional private equity funds as of December 31, 2021 was 64 months.

Apollo, through its consolidated subsidiary, ISG, provides asset management services to Athene with respect to assets in the accounts owned by or related to Athene ("Athene Accounts"), including asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions, asset diligence, hedging and other asset management services and receives management fees for providing these services. The Company, through ISG, also provides sub-allocation services with respect to a portion of the assets in the Athene Accounts. Apollo, through its asset management business, managed or advised $225.4 billion, $212.6 billion, and $193.9 billion of AUM on behalf of Athene as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

Apollo, through ISGI, provides investment advisory services with respect to certain assets in certain portfolio companies of Apollo funds and sub-advises the Athora Accounts and broadly refers to "Athora Sub-Advised" assets as those assets in the Athora Accounts which the Company explicitly sub-advises as well as those assets in the Athora Accounts which are invested directly in funds and investment vehicles Apollo manages. The Company refers to the portion of the Athora AUM that is not Athora Sub-Advised AUM as "Athora Non-Sub Advised" AUM. See note 16 to the condensed consolidated financial statements for more details regarding the fee arrangements with respect to the assets in the Athora Accounts. Apollo managed or advised $44.1 billion, $59.0 billion, and $61.2 billion of AUM on behalf of Athora as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively.

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

	For the Three Months Ended June 30,							
	2022				2021			
	Yield	Hybrid	Equity	Total	Yield	Hybrid	Equity	Total
	(In millions)							
Change in Total AUM[1]:								
Beginning of Period	$ 372,696	$ 53,740	$ 86,407	$ 512,843	$ 328,783	$ 45,442	$ 86,913	$ 461,138
Inflows	27,262	4,163	4,205	35,630	11,695	2,211	2,189	16,095
Outflows[2]	(11,045)	(291)	(3)	(11,339)	(6,618)	(73)	(1,254)	(7,945)
Net Flows	16,217	3,872	4,202	24,291	5,077	2,138	935	8,150
Realizations	(1,000)	(1,061)	(4,754)	(6,815)	(1,199)	(1,214)	(6,619)	(9,032)
Market Activity[3]	(12,160)	(431)	(2,966)	(15,557)	6,068	675	4,776	11,519
End of Period	$ 375,753	$ 56,120	$ 82,889	$ 514,762	$ 338,729	$ 47,041	$ 86,005	$ 471,775

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

[2] Outflows for Total AUM include redemptions of $0.8 billion and $0.5 billion during the three months ended June 30, 2022 and 2021, respectively.

[3] Includes foreign exchange impacts of $(4.7) billion and $0.8 billion during the three months ended June 30, 2022 and 2021, respectively.

	For the Six Months Ended June 30,							
	2022				2021			
	Yield	Hybrid	Equity	Total	Yield	Hybrid	Equity	Total
	(in millions)							
Change in Total AUM[1]:								
Beginning of Period	$ 360,289	$ 52,772	$ 84,491	$ 497,552	$ 332,880	$ 42,317	$ 80,289	$ 455,486
Inflows	54,121	6,601	5,564	66,286	23,323	5,017	3,078	31,418
Outflows[2]	(20,592)	(744)	(3)	(21,339)	(14,263)	(269)	(1,312)	(15,844)
Net Flows	33,529	5,857	5,561	44,947	9,060	4,748	1,766	15,574
Realizations	(1,626)	(2,700)	(7,000)	(11,326)	(1,676)	(2,150)	(8,917)	(12,743)
Market Activity[3]	(16,439)	191	(163)	(16,411)	(1,535)	2,126	12,867	13,458
End of Period	$ 375,753	$ 56,120	$ 82,889	$ 514,762	$ 338,729	$ 47,041	$ 86,005	$ 471,775

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

[2] Outflows for Total AUM include redemptions of $1.4 billion and $1.3 billion during the six months ended June 30, 2022 and 2021, respectively.

[3] Includes foreign exchange impacts of $(7.2) billion and $(2.5) billion during the six months ended June 30, 2022 and 2021, respectively.

Three Months Ended June 30, 2022

Total AUM was $514.8 billion at June 30, 2022, an increase of $1.9 billion, or 0.4%, compared to $512.8 billion at March 31, 2022. The net increase was primarily due to growth of our retirement services AUM, subscriptions across the platform, increased leverage, and the acquisition of Griffin Capital's U.S. asset management business, partially offset by distributions across our equity strategy and market activity across our yield strategy due to foreign exchange depreciation and market related changes. More specifically, the net increase was due to:

- Net flows of $24.3 billion primarily related to:
  - a $16.2 billion increase related to funds we manage in our yield strategy primarily consisting of (i) $6.6 billion related to the growth of our retirement services clients, (ii) $6.5 billion related to the acquisition of Griffin Capital's U.S. asset management business, (iii) a $5.2 billion increase in leverage and (iv) $3.5 billion of subscriptions mostly related to the corporate credit funds we manage; partially offsetting these increases were transfers primarily to the equity strategy;
  - a $3.9 billion increase related to funds we manage in our hybrid strategy primarily due to $3.2 billion of subscriptions across the hybrid credit funds we manage; and
  - a $4.2 billion increase related to funds we manage in the equity strategy primarily consisting of (i) net $2.1 billion of transfers in from the yield strategy and (ii) $1.5 billion of fundraising.

- Realizations of $(6.8) billion primarily related to:
  - $(1.0) billion related to funds we manage in our yield strategy primarily consisting of distributions from the corporate credit funds;
  - $(1.1) billion related to funds we manage in our hybrid strategy primarily consisting of distributions from the hybrid credit funds; and
  - $(4.8) billion related to funds we manage in our equity strategy primarily consisting of distributions across our traditional private equity funds.

- Market activity of $(15.6) billion, primarily related to:
  - $(12.2) billion related to funds we manage in our yield strategy primarily consisting of $(8.4) billion related to Athora and $(2.6) billion related to our corporate credit funds;
  - $(0.4) billion related to funds we manage in our hybrid strategy; and
  - $(3.0) billion related to funds we manage in our equity strategy primarily due to our traditional private equity funds.

Six Months Ended June 30, 2022

Total AUM was $514.8 billion at June 30, 2022, an increase of $17.2 billion, or 3.5%, compared to $497.6 billion at December 31, 2021. The net increase was primarily due to subscriptions across the platform, increased leverage, growth of our retirement services AUM, and the acquisition of Griffin Capital's U.S. asset management business, partially offset by distributions across our equity strategy and market activity across our yield strategy due to foreign exchange depreciation and market related changes. More specifically, the net increase was due to:

- Net flows of $44.9 billion primarily related to:
  - a $33.5 billion increase related to funds we manage in our yield strategy primarily consisting of (i) $13.2 billion of subscriptions mostly related to the corporate credit funds we manage, (ii) $11.5 billion related to the growth of our retirement services clients, (iii) a $10.1 billion increase in leverage, and (iv) $6.5 billion related to the the acquisition of Griffin Capital's U.S. asset management business; partially offsetting these increases were $(3.5) billion of net transfers primarily to the equity strategy;
  - a $5.9 billion increase related to funds we manage in our hybrid strategy due to $5.4 billion of fundraising primarily across the hybrid credit funds we manage; and
  - a $5.6 billion increase related to funds we manage in our equity strategy primarily consisting of (i) $3.1 billion of transfers in primarily from the yield strategy and (ii) $1.7 billion of fundraising.

- Realizations of $(11.3) billion primarily related to:
  - $(1.6) billion related to funds we manage in our yield strategy primarily consisting of distributions from the corporate credit funds we manage;
  - $(2.7) billion related to funds we manage in our hybrid strategy primarily consisting of distributions from the hybrid credit funds we manage; and
  - $(7.0) billion related to funds we manage in our equity strategy primarily consisting of distributions across our traditional private equity funds.

- Market activity of $(16.4) billion, primarily related to:
  - $(16.4) billion related to funds we manage in our yield strategy primarily consisting of $(11.1) billion related to Athora and $(3.8) billion related to our corporate credit funds;
  - $0.2 billion related to funds we manage in our hybrid strategy; and
  - $(0.2) billion related to funds we manage in our equity strategy.

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

	For the Three Months ended June 30,						
	2022				2021		
	Yield	Hybrid	Equity	Total	Yield	Hybrid	Equity
				(In millions)			
Change in Fee-Generating AUM[1]:							
Beginning of Period	$ 311,318	$ 23,501	$ 40,900	$ 375,719	$ 281,465	$ 18,376	$ 4
Inflows	21,900	2,649	1,402	25,951	12,108	1,322	
Outflows[2]	(8,411)	(457)	(413)	(9,281)	(7,102)	(591)	
Net Flows	13,489	2,192	989	16,670	5,006	731	
Realizations	(367)	(309)	(157)	(833)	(649)	(277)	(
Market Activity[3]	(10,378)	(261)	(123)	(10,762)	5,858	298	
End of Period	$ 314,062	$ 25,123	$ 41,609	$ 380,794	$ 291,680	$ 19,128	$ 4

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

[2] Outflows for Fee-Generating AUM include redemptions of $0.5 billion and $0.5 billion during the three months ended June 30, 2022 and 2021, respectively.

[3] Includes foreign exchange impacts of $(3.8) billion and $0.7 billion during the three months ended June 30, 2022 and 2021, respectively.

	For the Six Months Ended June 30,							
	2022				2021			
	Yield	Hybrid	Equity	Total	Yield	Hybrid	Equity	Total
	(in millions)							
Change in Fee-Generating AUM[1]:								
Beginning of Period	$ 307,306	$ 21,845	$ 39,950	$ 369,101	$ 285,830	$ 17,622	$ 45,222	$ 348,674
Inflows	38,352	5,160	2,710	46,222	21,443	3,023	830	25,296
Outflows[2]	(17,183)	(757)	(482)	(18,422)	(13,436)	(1,569)	(996)	(16,001)
Net Flows	21,169	4,403	2,228	27,800	8,007	1,454	(166)	9,295
Realizations	(676)	(891)	(420)	(1,987)	(958)	(636)	(2,267)	(3,861)
Market Activity[3]	(13,737)	(234)	(149)	(14,120)	(1,199)	688	(37)	(548)
End of Period	$ 314,062	$ 25,123	$ 41,609	$ 380,794	$ 291,680	$ 19,128	$ 42,752	$ 353,560

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

[2] Outflows for Fee-Generating AUM include redemptions of $0.9 billion and $1.2 billion during the six months ended June 30, 2022 and 2021, respectively.

[3] Includes foreign exchange impacts of $(5.7) billion and $(2.1) billion during the six months ended June 30, 2022 and 2021, respectively.

Three Months Ended June 30, 2022

Total Fee-Generating AUM was $380.8 billion at June 30, 2022, an increase of $5.1 billion, or 1.4%, compared to $375.7 billion at March 31, 2022. The net increase was primarily due to growth of our retirement services AUM, the acquisition of Griffin Capital's U.S. asset management business, fundraising, and deployment, partially offset by market activity across our yield strategy due to foreign exchange depreciation and market related changes. More specifically, the net increase was due to:

- Net flows of $16.7 billion primarily related to:
  - a $13.5 billion increase related to funds we manage in our yield strategy primarily consisting of (i) $6.6 billion related to the growth of our retirement services clients, (ii) $6.5 billion related to the acquisition of Griffin Capital's U.S. asset management business, (iii) $1.7 billion of subscriptions mostly related to the corporate credit funds we manage, and (iv) $1.7 billion of fee-generating capital deployment;
  - a $2.2 billion increase related to funds we manage in our hybrid strategy primarily due to fee-generating capital deployment; and
  - a $1.0 billion increase related to funds we manage in our equity strategy primarily due to fee-generating capital deployment.

- Net flows were offset by:
  - $(10.8) billion of market activity primarily related to funds we manage in our yield strategy driven by $(7.1) billion related to Athora and $(2.2) billion related to our corporate credit funds; and
  - $(0.8) billion of realizations across the platform.

Six Months Ended June 30, 2022

Total Fee-Generating AUM was $380.8 billion at June 30, 2022, an increase of $11.7 billion, or 3.2%, compared to $369.1 billion at December 31, 2021. The net increase was primarily due to growth of our retirement services AUM, the acquisition of Griffin Capital's U.S. asset management business, fundraising and deployment, partially offset by market activity across our yield strategy due to foreign exchange depreciation and market related changes . More specifically, the net increase was due to:

- Net flows of $27.8 billion primarily related to:
  - a $21.2 billion increase related to funds we manage in our yield strategy primarily consisting of (i) an $11.5 billion increase in AUM related to the growth of our retirement services clients, (ii) $6.5 billion related to the acquisition of Griffin Capital's U.S. asset management business, (iii) $4.1 billion of fee-generating capital deployment, and (iv) $3.5 billion of subscriptions mostly related to the corporate credit funds we manage;

- a $4.4 billion increase related to funds we manage in our hybrid strategy primarily due to (i) $3.4 billion of fee-generating capital deployment and (ii) $1.1 billion of subscriptions mostly related to the hybrid credit funds we manage; and
- a $2.2 billion increase related to funds we manage in our equity strategy primarily due to $2.2 billion of fee-generating capital deployment.

- Net flows were offset by:
  - $(14.1) billion of market activity primarily related to funds we manage in our yield strategy, consisting of $(9.0) billion related to Athora and $(3.3) billion related to the corporate credit funds we manage; and
  - $(2.0) billion of realizations primarily across the funds we manage in the hybrid and yield strategies.

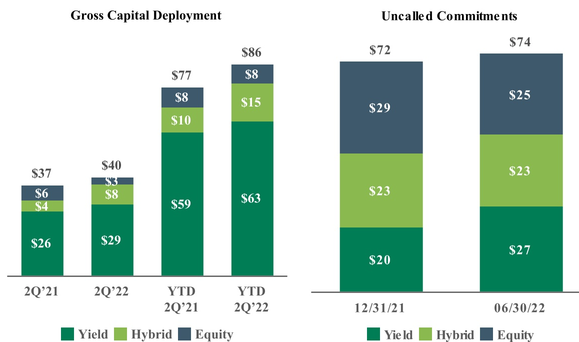
Gross Capital Deployment and Uncalled Commitments

Gross capital deployment represents the gross capital that has been invested in investments by the funds and accounts we manage during the relevant period, but excludes certain investment activities primarily related to hedging and cash management functions at the Company. Gross Capital Deployment is not reduced or netted down by sales or refinancings, and takes into account leverage used by the funds and accounts we manage in gaining exposure to the various investments that they have made.

Uncalled commitments, by contrast, represent unfunded capital commitments that certain of Apollo's funds have received from fund investors to fund future or current fund investments and expenses.

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

The following presents gross capital deployment and uncalled commitments (in billions):



As of June 30, 2022 and December 31, 2021, Apollo had $50 billion and $47 billion of dry powder, respectively, which represents the amount of capital available for investment or reinvestment subject to the provisions of the applicable limited partnership agreements or other governing agreements of the funds, partnerships and accounts we manage. These amounts

exclude uncalled commitments which can only be called for fund fees and expenses and commitments from perpetual capital vehicles.

Retirement Services

The following table presents Spread Related Earnings, the performance measure of our Retirement Services segment.

(In millions)	Three months ended June 30, 2022	Six months ended June 30, 2022
Retirement Services:		
Fixed income and other investment income, net	$ 1,302.1	$ 2,508.9
Alternative investment income, net	186.3	634.0
Strategic capital management fees	12.6	25.0
Cost of funds	(885.9)	(1,712.3)
Net investment spread	615.1	1,455.6
Other operating expenses	(109.1)	(217.8)
Interest and other financing costs	(64.3)	(125.9)
Spread Related Earnings (SRE)	**$ 441.7**	**$ 1,111.9**

In this section, references to 2022 refer to the three months ended June 30, 2022.

Three Months Ended June 30, 2022

Spread Related Earnings

SRE was $441.7 million for the three months ended June 30, 2022. SRE is comprised of investment income from Athene’s fixed income and other and alternative portfolios as well as strategic capital management fees less cost of funds on Athene’s liabilities, other operating expenses, and interest and other financing costs. SRE for the three months ended June 30, 2022 was mainly attributed to fixed income and other investment income and alternative investment income, partially offset by cost of funds, other operating expenses and financing costs. Fixed income and other investment income benefited from strong growth in organic inflows, as well as floating rate income driven by the increase in rates. As a result of purchase accounting, the book value of Athene’s investment portfolio was marked up to fair value resulting in an adverse impact to fixed income and other investment income. Alternative investment income benefited from the deployment of inflows into alternative investments as well as strong performance on real estate, yield funds, Athora and MidCap but was adversely impacted by unfavorable economics. Cost of funds was primarily driven by interest credited and option costs on annuity products, interest on funding agreement issuances, pension group annuity benefits, income rider reserve and DAC and VOBA amortization as well as other liability costs. As a result of purchase accounting, Athene marked its reserve liabilities to fair value resulting in a favorable impact to cost of funds. Additionally, cost of funds was favorably impacted by actuarial experience and an adjustment to exclude changes in the value of corporate-owned life insurance from SRE.

Net Investment Spread

	Three months ended June 30, 2022
Fixed income and other net investment earned rate	2.97 %
Alternative net investment earned rate	6.38 %
Net investment earned rate	3.19 %
Strategic capital management fees	0.03 %
Cost of funds	(1.90) %
Net investment spread	1.32 %

Net investment earned rate of 3.19% for the three months ended June 30, 2022 is comprised of a fixed income and other net investment earned rate of 2.97% and alternative net investment earned rate of 6.38%. The fixed income earned rate was adversely impacted by unfavorable purchase accounting impacts, partially offset by floating rate income due to the increase in rates. The alternative investment earned rate was driven by strong performance on real estate, yield funds, Athora and MidCap but was adversely impacted by unfavorable economics.

Strategic capital management fees of 0.03% for the three months ended June 30, 2022 consisted of the management fee for ADIP's portion of Athene's business ceded to ACRA.

Cost of funds of 1.90% for the three months ended June 30, 2022 was primarily driven by interest credited and option costs on annuity products, interest on funding agreement issuances, pension group annuity benefits, income rider reserve and DAC and VOBA amortization, as well as other liability costs. As a result of purchase accounting, Athene marked its reserve liabilities to fair value resulting in a favorable impact to cost of funds. Additionally, cost of funds was favorably impacted by actuarial experience and an adjustment to exclude changes in the value of corporate-owned life insurance from SRE.

In this section, references to 2022 refer to the six months ended June 30, 2022.

Six Months Ended June 30, 2022

Spread Related Earnings

SRE was $1,111.9 million for the six months ended June 30, 2022. SRE was mainly attributed to fixed income and other investment income and strong alternative investment income, partially offset by cost of funds, other operating expenses and interest and other financing costs. Fixed income and other investment income benefited from strong growth in organic inflows as well as floating rate income driven by the increase in rates. As a result of purchase accounting, the book value of Athene's investment portfolio was marked up to fair value resulting in an adverse impact to fixed income and other investment income. Alternative investment income benefited from the deployment of inflows into alternative investments as well as strong performance on real estate, private equity, Athora and MidCap but was adversely impacted by unfavorable economics. Cost of funds was primarily driven by interest credited and option costs on annuity products, interest on funding agreement issuances, pension group annuity benefits, income rider reserve and DAC and VOBA amortization as well as other liability costs. As a result of purchase accounting, Athene marked its reserve liabilities to fair value resulting in a favorable impact to cost of funds. Additionally, cost of funds was favorably impacted by actuarial experience.

Net Investment Spread

	Six months ended June 30, 2022
Fixed income and other net investment earned rate	2.90 %
Alternative net investment earned rate	11.39 %
Net investment earned rate	3.42 %
Strategic capital management fees	0.03 %
Cost of funds	(1.86) %
Net investment spread	1.59 %

Net investment earned rate of 3.42% for the six months ended June 30, 2022 is comprised of a fixed income and other net investment earned rate of 2.90% and alternative net investment earned rate of 11.39%. The fixed income earned rate was adversely impacted by unfavorable purchase accounting impacts, partially offset by floating rate income due to the increase in rates. The alternative investment earned rate was driven by strong performance on real estate, private equity, Athora and MidCap but was adversely impacted by unfavorable economics.

Strategic capital management fees of 0.03% for the six months ended June 30, 2022 consisted of the management fee for ADIP's portion of Athene's business ceded to ACRA.

Cost of funds of 1.86% for the six months ended June 30, 2022 was primarily driven by interest credited and option costs on annuity products, interest on funding agreement issuances, pension group annuity benefits, income rider reserve and DAC and VOBA amortization, as well as other liability costs. As a result of purchase accounting, Athene marked its reserve liabilities to fair value. Cost of funds was favorably impacted by these purchase accounting adjustments as well as favorable actuarial experience.

Investment Portfolio

Athene had investments, including related parties and VIEs, of $198.4 billion as of June 30, 2022. Athene's investment strategy seeks to achieve sustainable risk-adjusted returns through the disciplined management of its investment portfolio against its long-duration liabilities, coupled with the diversification of risk. The investment strategies focus primarily on a buy and hold asset allocation strategy that may be adjusted periodically in response to changing market conditions and the nature of Athene's liability profile. Athene takes advantage of its generally illiquid liability profile by identifying investment opportunities with an emphasis on earning incremental yield by taking liquidity and complexity risk rather than assuming solely credit risk. Athene has selected a diverse array of corporate bonds and more structured, but highly rated asset classes. Athene also maintains holdings in floating rate and less rate-sensitive instruments, including CLOs, non-agency RMBS and various types of structured products. In addition to its fixed income portfolio, Athene opportunistically allocates approximately 5%-6% of its portfolio to alternative investments where it primarily focuses on fixed income-like, cash flow-based investments.

The following table presents the carrying values of Athene's total investments and investments in related party and VIEs:

	June 30, 2022	
(In millions, except percentages)	Carrying Value	Percent of Total
AFS securities		
US government and agencies	$ 2,794	1.4 %
US state, municipal and political subdivisions	1,000	0.5 %
Foreign governments	896	0.4 %
Corporate	56,218	28.3 %
CLO	13,485	6.8 %
ABS	9,547	4.8 %
CMBS	2,904	1.5 %
RMBS	5,167	2.6 %
Total AFS securities, at fair value	92,011	46.3 %
Trading securities, at fair value	1,735	0.9 %
Equity securities	1,508	0.8 %
Mortgage loans	25,218	12.7 %
Investment funds	133	0.1 %
Policy loans	358	0.2 %
Funds withheld at interest	37,638	19.0 %
Derivative assets	2,932	1.5 %
Short-term investments	264	0.1 %
Other investments	855	0.4 %
Total investments	162,652	82.0 %
Investments in related parties		
AFS securities		
Corporate	1,007	0.5 %
CLO	2,522	1.3 %
ABS	5,269	2.7 %
Total AFS securities, at fair value	8,798	4.5 %
Trading securities, at fair value	891	0.3 %
Equity securities, at fair value	163	0.1 %
Mortgage loans	1,416	0.7 %
Investment funds	1,538	0.8 %
Funds withheld at interest	10,675	5.4 %
Other investments	272	0.1 %
Total related party investments	23,753	11.9 %
Total investments including related party	186,405	93.9 %
Investments owned by consolidated VIEs		
Trading securities, at fair value	386	0.2 %
Mortgage loans	1,992	1.0 %
Investment funds	9,494	4.8 %
Other investments	111	0.1 %
Total investments owned by consolidated VIEs	11,983	6.1 %
Total investments including related party and VIEs	$ 198,388	100.0 %

Athene's investment portfolio consists largely of high quality fixed maturity securities, loans and short-term investments, as well as additional opportunistic holdings in investment funds and other instruments, including equity holdings. Fixed maturity securities and loans include publicly issued corporate bonds, government and other sovereign bonds, privately placed corporate bonds and loans, mortgage loans, CMBS, RMBS, CLOs and ABS. A significant majority of Athene's AFS portfolio, 95.5% as of June 30, 2022, was invested in assets considered investment grade with a NAIC designation of 1 or 2.

Athene invests a portion of its investment portfolio in mortgage loans, which are generally comprised of high quality commercial first lien and mezzanine real estate loans. Athene has acquired mortgage loans through acquisitions and reinsurance arrangements, as well as through an active program to invest in new mortgage loans. It invests in CMLs on income producing properties including hotels, apartments, retail and office buildings, and other commercial and industrial properties. The RML portfolio primarily consists of first lien RMLs collateralized by properties located in the U.S. Funds withheld at interest

represent a receivable for amounts contractually withheld by ceding companies in accordance with modco and funds withheld reinsurance agreements in which Athene acts as the reinsurer. Generally, assets equal to statutory reserves are withheld and legally owned by the ceding company.

While the substantial majority of Athene's investment portfolio has been allocated to corporate bonds and structured credit products, a key component of Athene's investment strategy is the opportunistic acquisition of investment funds with attractive risk and return profiles. Athene's investment fund portfolio consists of funds that employ various strategies including real estate and other real asset funds, credit funds and private equity funds. Athene has a strong preference for assets that have some or all of the following characteristics, among others: (1) investments that constitute a direct investment or an investment in a fund with a high degree of co-investment; (2) investments with credit- or debt-like characteristics (for example, a stipulated maturity and par value), or alternatively, investments with reduced volatility when compared to pure equity; or (3) investments that Athene believes have less downside risk.

Athene holds derivatives for economic hedging purposes to reduce its exposure to the cash flow variability of assets and liabilities, equity market risk, interest rate risk, credit risk and foreign exchange risk. Athene's primary use of derivative instruments relates to providing the income needed to fund the annual indexed credits on its FIA products. Athene primarily uses fixed indexed options to economically hedge index annuity products that guarantee the return of principal to the policyholder and credit interest based on a percentage of the gain in a specific market index.

Net Invested Assets

The following summarizes Athene's net invested assets:

	June 30, 2022	
(In millions, except percentages)	**Net Invested Asset Value[1]**	**Percent of Total**
Corporate	$ 79,064	41.8 %
CLO	18,197	9.6 %
Credit	97,261	51.4 %
CML	24,070	12.7 %
RML	9,327	4.9 %
RMBS	6,871	3.6 %
CMBS	3,729	2.0 %
Real estate	43,997	23.2 %
ABS	19,324	10.2 %
Alternative investments	11,841	6.3 %
State, municipal, political subdivisions and foreign government	2,716	1.4 %
Equity securities	1,575	0.8 %
Short-term investments	559	0.3 %
US government and agencies	2,671	1.4 %
Other investments	38,686	20.4 %
Cash and equivalents	7,691	4.1 %
Policy loans and other	1,670	0.9 %
Net invested assets	189,305	100.0 %

[1] See Managing Business Performance - Key Segment and Non-U.S. GAAP Performance Measures for the definition of net invested assets.

Athene's net invested assets were $189.3 billion as of June 30, 2022. In managing its business, Athene utilizes net invested assets as presented in the above table. Net invested assets do not correspond to Athene's total investments, including related parties, on the condensed consolidated statements of financial condition, as discussed previously in *Managing Business Performance - Key Segment and Non-U.S. GAAP Performance Measures* . Net invested assets represent Athene's investments that directly back the net reserve liabilities and surplus assets. Athene believes this view of its portfolio provides a view of the assets for which it has economic exposure. Athene adjusts the presentation for funds withheld and modco transactions to include or exclude the underlying investments based upon the contractual transfer of economic exposure to such underlying investments. Athene also adjusts for VIEs to show the net investment in the funds, which are included in the alternative investments line above, as well as adjust for the allowance for credit losses. Net invested assets includes its proportionate share

of ACRA investments, based on its economic ownership, but excludes the proportionate share of investments associated with the non-controlling interest.

Net invested assets is utilized by management to evaluate Athene's investment portfolio. Net invested assets is used in the computation of net investment earned rate, which allows Athene to analyze the profitability of the investment portfolio. Net invested assets is also used in Athene's risk management processes for asset purchases, product design and underwriting, stress scenarios, liquidity, and ALM.

Principal Investing

The following table presents Principal Investing Income, the performance measure of our Principal Investing segment.

	Three months ended June 30,				Six months ended June 30,			
	2022	2021	Total Change	Percentage Change	2022	2021	Total Change	Percentage Change
		(In millions)				(In millions)		
Principal Investing:								
Realized performance fees	$ 150.9	$ 468.8	$ (317.9)	(67.8)%	$ 278.1	$ 575.6	$ (297.5)	(51.7)%
Realized investment income	36.9	72.4	(35.5)	(49.0)	263.3	102.4	160.9	157.1
Principal investing compensation	(155.0)	(254.1)	99.1	(39.0)	(311.0)	(322.3)	11.3	(3.5)
Other operating expenses	(13.1)	(14.8)	1.7	(11.5)	(23.7)	(22.3)	(1.4)	6.3
Principal Investing Income (PII)	**$ 19.7**	**$ 272.3**	**$ (252.6)**	(92.8)	**$ 206.7**	**$ 333.4**	**$ (126.7)**	(38.0)

	Three months ended June 30,				Six months ended June 30,			
	2021	2020	Total Change	Percentage Change	2021	2020	Total Change	Percentage Change
		(In millions)				(In millions)		
Principal Investing:								
Realized performance fees	$ 468.8	$ 10.8	$ 458.0	NM	$ 575.6	$ 76.6	$ 499.0	NM
Realized investment income	72.4	7.2	65.2	NM	102.4	17.1	85.3	498.8
Principal investing compensation	(254.1)	(19.7)	(234.4)	NM	(322.3)	(93.6)	(228.7)	244.3
Other operating expenses	(14.8)	(9.5)	(5.3)	55.8	(22.3)	(32.6)	10.3	(31.6)
Principal Investing Income (PII)	**$ 272.3**	**$ (11.2)**	**$ 283.5**	NM	**$ 333.4**	**$ (32.5)**	**$ 365.9**	NM

As described in "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations — General", earnings from our Principal Investing segment are inherently more volatile in nature than earnings from our Asset Management segment due to the intrinsic cyclical nature of performance fees, one of the key drivers of PII performance.

In this section, references to 2022 refer to the three months ended June 30, 2022, references to 2021 refer to the three months ended June 30, 2021, and references to 2020 refer to the three months ended June 30, 2020.

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021

PII was $19.7 million in 2022, a decrease of $(252.6) million, as compared to $ 272.3 million in 2021. This decrease was primarily attributable to a decrease in realized performance fees earned from Fund VIII of $333.8 million in 2022. The decrease in realized performance fees from Fund VIII was due to the depreciation in the value of the fund's investments in public and private portfolio companies across industries, which delayed monetization activity in 2022 compared to 2021.

Principal investing compensation expense decreased as a result of a corresponding decrease in realized performance fees. In any period, the blended profit sharing percentage is impacted by the respective profit sharing ratios of the funds generating performance allocations in the period. Additionally, included in principal investing compensation are expenses related to the Incentive Pool, a compensation program through which certain employees are allocated discretionary compensation based on realized performance fees in a given year. The Incentive Pool is separate from the fund related profit sharing expense and may result in greater variability in compensation and have a variable impact on the blended profit sharing percentage during a particular period.

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

PII was $272.3 million in 2021, an increase of $283.5 million, as compared to $(11.2) million in 2020. This increase was primarily attributable to increases in realized performance fees and realized investment income offset, partially, by an increase in principal investing compensation expenses. Realized performance fees increased to $468.8 million in 2021 from $10.8 million in 2020 largely driven by an increase in performance fees from Fund VIII of $340.5 million as well as income from the sale of a mortgage business of $75.0 million in 2021. In 2020, the COVID-19 pandemic and the actions taken in response caused severe disruption to the global economy and financial markets. In line with public equity and credit indices, the Company experienced significant unrealized mark-to-market losses in underlying funds which significantly delayed monetization activity. The increase in realized investment income was primarily attributable to an increase in realizations from Apollo's equity ownership in Fund VIII in 2021. Principal investing compensation expense increased as a result of a corresponding increase in realized performance fees as described above.

In this section, references to 2022 refer to the six months ended June 30, 2022, references to 2021 refer to the six months ended June 30, 2021, and references to 2020 refer to the six months ended June 30, 2020.

Six Months Ended June 30, 2022 Compared to Six Months Ended June 30, 2021

PII was $206.7 million in 2022, a decrease of $(126.7) million, as compared to $ 333.4 million in 2021. This decrease was primarily attributable to a decrease in realized performance fees of 51.7% to $ 278.1 million in 2022 from $ 575.6 million in 2021 primarily driven by depreciation in the value of Fund VIII's investments in public and private portfolio companies across industries which delayed monetization activity compared to 2021. This decrease was offset, in part, by an increase in realized investment income primarily due to realized gains on certain of Apollo's general partner fund co-investments transferred to Athene that were subsequently transferred to a fund managed by Apollo and including third-party capital in the second quarter of 2022.

Six Months Ended June 30, 2021 Compared to Six Months Ended June 30, 2020

PII was $333.4 million in 2021, an increase of $365.9 million, as compared to $(32.5) million in 2020. This increase was primarily attributable to increases in realized performance fees, partially offset by an increase in principal investing compensation expenses. Realized performance fees increased to $575.6 million in 2021 from $76.6 million in 2020 driven by an increase in performance fees generated from Fund VIII of $395.0 million as well as fees generated from the sale of a mortgage business of $75.0 million. In 2020, the COVID-19 pandemic and the actions taken in response caused severe disruption to the global economy and financial markets. In line with public equity and credit indices, the Company experienced significant unrealized mark-to-market losses in underlying funds which significantly delayed monetization activity. Principal investing compensation expense increased as a result of a corresponding increase in realized performance fees as described above.

The Historical Investment Performance of Our Funds

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

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

An investment in our common stock is not an investment in any of the Apollo funds, and the assets and revenues of our funds are not directly available to us. The historical and potential future returns of the funds we manage are not directly linked to returns on our common stock. Therefore, you should not conclude that continued positive performance of the funds we manage will necessarily result in positive returns on an investment in our common stock. However, poor performance of the funds that we manage would cause a decline in our revenue from such funds, and would therefore have a negative effect on our performance and in all likelihood the value of our common stock.

Moreover, the historical returns of our funds should not be considered indicative of the future results you should expect from such funds or from any future funds we may raise. There can be no assurance that any Apollo fund will continue to achieve the same results in the future.

Finally, our private equity IRRs have historically varied greatly from fund to fund. For example, Fund VI generated a 12% gross IRR and a 9% net IRR since its inception through June 30, 2022, while Fund V generated a 61% gross IRR and a 44% net IRR since its inception through June 30, 2022. Accordingly, the IRR going forward for any current or future fund may vary considerably from the historical IRR generated by any particular fund, or for our private equity funds as a whole. Future returns will also be affected by the applicable risks, including risks of the industries and businesses in which a particular fund invests. See "Item 1A. Risk Factors—Risks Relating to Our Asset Management Business—*Historical performance metrics are unreliable indicators of our current or future results of operations*" in our quarterly report on Form 10-Q filed with the SEC on May 10, 2022.

Investment Record

The following table summarizes the investment record by strategy of Apollo's significant commitment-based funds that have a defined maturity date in which investors make a commitment to provide capital at the formation of such funds and deliver capital when called as investment opportunities become available. The funds included in the investment record table below have greater than $500 million of AUM and/or form part of a flagship series of funds. All amounts are as of June 30, 2022, unless otherwise noted:

(in millions, except IRR)	Vintage Year	Total AUM	Committed Capital	Total Invested Capital	Realized Value	Remaining Cost	Unrealized Value	Total Value	Gross IRR	Net IRR
Yield:										
Apollo Origination Partners[1]	N/A	$ 2,366	$ 2,315	$ 1,615	$ 248	$ 1,440	$ 1,432	$ 1,680	NM[2]	NM[2]
Hybrid:										
Apollo Infrastructure Opportunity Fund II	2021	2,597	2,542	599	18	589	723	741	NM[2]	NM[2]
Apollo Infrastructure Opportunity Fund	2018	602	897	802	1,007	221	259	1,266	25 %	20 %
FCI IV	2021	1,435	1,123	154	4	154	165	169	NM[2]	NM[2]
FCI III	2017	2,551	1,906	3,042	2,300	1,806	1,726	4,026	17	13
FCI II	2013	2,097	1,555	3,390	2,781	1,680	1,421	4,202	7	5
FCI I	2012	—	559	1,516	1,975	—	—	1,975	12	8
HVF II	2022	4,491	4,592	974	3	970	899	902	NM[2]	NM[2]
HVF I	2019	3,845	3,238	3,679	2,278	2,277	2,845	5,123	26	21
SCRF I, II, III, IV[3]	Various	2,335	3,963	8,316	8,304	1,026	1,081	9,385	13	10
Accord+[4]	2021	2,359	2,255	1,257	228	1,038	1,000	1,228	NM[2]	NM[2]
Accord I, II, III, III B & IV[4]	Various	1,073	6,070	4,765	5,137	—	—	5,137	22	17
Accord V[4]	2022	1,900	1,922	673	161	717	491	652	NM[2]	NM[2]
Total Hybrid		$ 25,285	$ 30,622	$ 29,167	$ 24,196	$ 10,478	$ 10,610	$ 34,806		
Equity:										
Fund IX	2018	$ 32,084	$ 24,729	$ 16,628	$ 6,770	$ 12,791	$ 20,209	$ 26,979	45 %	30 %
Fund VIII	2013	12,247	18,377	16,251	19,616	6,325	8,673	28,289	15	11
Fund VII	2008	490	14,677	16,461	34,150	27	136	34,286	33	25
Fund VI	2006	367	10,136	12,457	21,135	405	2	21,137	12	9
Fund V	2001	62	3,742	5,192	12,721	120	2	12,723	61	44
Fund I, II, III, IV & MIA[5]	Various	9	7,320	8,753	17,400	—	—	17,400	39	26
Traditional Private Equity Funds[6]		$ 45,259	$ 78,981	$ 75,742	$ 111,792	$ 19,668	$ 29,022	$ 140,814	39	24
ANRP III	2020	1,586	1,400	633	79	633	876	955	NM[2]	NM[2]
ANRP II	2016	1,866	3,454	2,924	2,822	1,303	1,268	4,090	16	9
ANRP I	2012	224	1,323	1,149	1,168	461	66	1,234	2	(2)
Impact Mission Fund[1]	N/A	924	886	498	44	454	504	548	NM[2]	NM[2]
EPF IV[1,7]	N/A	1,605	1,608	171	—	171	171	171	NM[2]	NM[2]
EPF III[7]	2017	4,728	4,415	4,663	2,952	2,475	3,316	6,268	19	11
EPF II[7]	2012	917	3,375	3,227	4,500	493	234	4,734	13	8
EPF I[7]	2007	213	1,358	1,784	3,010	—	—	3,010	23	17
U.S. RE Fund III[8]	2021	1,078	935	455	58	433	607	665	47	40
U.S. RE Fund II[8]	2016	1,297	1,264	1,067	661	747	1,066	1,727	16	13
U.S. RE Fund I[8]	2012	53	647	631	926	87	20	946	13	10
Asia RE Fund II[8]	2022	977	978	506	194	337	347	541	NM[2]	NM[2]
Asia RE Fund I[8]	2017	710	691	462	237	289	466	703	16	12
Total Equity		$ 61,437	$ 101,315	$ 93,912	$ 128,443	$ 27,551	$ 37,963	$ 166,406		

1 Vintage Year is not yet applicable as these funds have not had their final closings.
2 Data has not been presented as the fund's effective date is less than 24 months prior to the period indicated and such information was deemed not meaningful.
3 Remaining cost for certain of our hybrid funds may include physical cash called, invested or reserved for certain levered investments.
4 Accord funds have investment periods shorter than 24 months, therefore Gross and Net IRR are presented after 12 months of investing.
5 The general partners and managers of Funds I, II and MIA, as well as the general partner of Fund III, were excluded assets in connection with the reorganization of the Company that occurred in 2007. As a result, Apollo did not receive the economics associated with these entities. The investment performance of these funds, combined with Fund IV, is presented to illustrate fund performance associated with Apollo's investment professionals.
6 Total IRR is calculated based on total cash flows for all funds presented.
7 Includes funds denominated in Euros with historical figures translated into U.S. dollars at an exchange rate of €1.00 to $1.05 as of June 30, 2022.

8 U.S. RE Fund I, U.S. RE Fund II, U.S. RE Fund III, Asia RE Fund I and Asia RE Fund II had $151 million, $792 million, $260 million, $348 million and $515 million of co-investment commitments as of June 30, 2022, respectively, which are included in the figures in the table. A co-invest entity within U.S. RE Fund I is denominated in pound sterling and translated into U.S. dollars at an exchange rate of £1.00 to $1.22 as of June 30, 2022.

Equity

The following table summarizes the investment record for distressed investments made in our traditional private equity fund portfolios, since the Company's inception. All amounts are as of June 30, 2022:

	Total Invested Capital	Total Value	Gross IRR
	(In millions)		
Distressed for Control	$ 7,795	$ 18,875	29 %
Non-Control Distressed	6,281	10,813	71
Total	14,076	29,688	49
Corporate Carve-outs, Opportunistic Buyouts and Other Credit[1]	61,666	111,126	21
Total	$ 75,742	$ 140,814	39 %

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

The following tables provide additional detail on the composition of the Fund IX, Fund VIII and Fund VII private equity portfolios based on investment strategy. Amounts for Fund I, II, III, IV, V and VI are included in the table above but not presented below as their remaining value is less than $100 million or the fund has been liquidated and such information was deemed not meaningful. All amounts are as of June 30, 2022:

Fund IX[1]

	Total Invested Capital	Total Value
	(In millions)	
Corporate Carve-outs	$ 4,082	$ 6,906
Opportunistic Buyouts	11,783	17,683
Distressed[2]	763	2,390
Total	$ 16,628	$ 26,979

Fund VIII[1]

	Total Invested Capital	Total Value
	(In millions)	
Corporate Carve-outs	$ 2,704	$ 6,902
Opportunistic Buyouts	12,980	20,633
Distressed[2]	567	754
Total	$ 16,251	$ 28,289

Fund VII[1]

	Total Invested Capital	Total Value
	(In millions)	
Corporate Carve-outs	$ 2,539	$ 4,849
Opportunistic Buyouts	4,338	10,799
Distressed/Other Credit[2]	9,584	18,638
Total	$ 16,461	$ 34,286

1 Committed capital less unfunded capital commitments for Fund IX, Fund VIII and Fund VII were $14.3 billion, $17.7 billion and $14.7 billion, respectively, which represents capital commitments from limited partners to invest in such funds less capital that is available for investment or reinvestment subject to the provisions of the applicable governing agreements.

2 The distressed investment strategy includes distressed for control, non-control distressed and other credit. Other Credit is defined as investments in debt securities of issuers other than portfolio companies that are not considered to be distressed.

During the recovery and expansionary periods of 1994 through 2000 and late 2003 through the first half of 2007, our private equity funds invested or committed to invest approximately $13.7 billion primarily in traditional and corporate partner buyouts. During the recessionary periods of 1990 through 1993, 2001 through late 2003 and the recessionary and post recessionary periods (beginning the second half of 2007 through June 30, 2022), our private equity funds have invested $74.4 billion, of which $21.9 billion was in distressed buyouts and debt investments when the debt securities of quality companies traded at deep discounts to par value. Our average entry multiple for Fund VIII, VII and VI was 5.7x, 6.1x and 7.7x, respectively, as of June 30, 2022. Our average entry multiple for a private equity fund is the average of the total enterprise value over an applicable adjusted earnings before interest, taxes, depreciation and amortization, which may incorporate certain adjustments based on the investment team's estimates and we believe captures the true economics of our funds' investments in portfolio companies. The average entry multiple of actively investing funds may include committed investments not yet closed.

Perpetual Capital

The following table summarizes the investment record for our Perpetual Capital vehicles, excluding Athene-related and Athora-related assets managed or advised by ISG and ISGI:

			Total Returns[1]			
	IPO Year[2]	Total AUM	For the three months ended June 30, 2022	For the three months ended June 30, 2021	For the six months ended June 30, 2022	For the six months ended June 30, 2021
		(In millions)				
MidCap[3]	N/A	$ 10,898	5 %	2 %	11 %	12 %
AIF	2013	347	(14) %	7 %	(18) %	11 %
AFT	2011	357	(11) %	8 %	(18) %	13 %
AINV/Other[4]	2004	8,397	(16) %	2 %	(11) %	35 %
ARI	2009	9,476	(22) %	17 %	(16) %	50 %
Total		$ 29,475				

1 Total returns are based on the change in closing trading prices during the respective periods presented taking into account dividends and distributions, if any, as if they were reinvested without regard to commission.
2 An initial public offering ("IPO") year represents the year in which the vehicle commenced trading on a national securities exchange.
3 MidCap is not a publicly traded vehicle and therefore IPO year is not applicable. The returns presented are a gross return based on NAV. The net returns based on NAV were 4% and 1% for the three months ended June 30, 2022 and June 30, 2021, respectively, and 9% and 9% for the six months ended June 30, 2022 and June 30, 2021, respectively.
4 Included within total AUM of AINV/Other is $3.8 billion of AUM related to a non-traded business development company and $1.8 billion of AUM related to a publicly traded business development company from which Apollo earns investment-related service fees, but for which Apollo does not provide management or advisory services. Total returns exclude performance related to this AUM.

Summary of Non-U.S. GAAP Measures

The table below sets forth a reconciliation of net income attributable to Apollo Global Management, Inc. common stockholders to our non-U.S. GAAP performance measure:

	Three months ended June 30,				Six months ended June 30,			
(In millions)		2022		2021		2022		2021
GAAP Net Income (Loss) Attributable to Apollo Global Management, Inc.	**$**	**(2,051)**	**$**	**649**	**$**	**(2,921)**	**$**	**1,**
Preferred dividends		—		9		—		
Net income (loss) attributable to non-controlling interests		(951)		847		(1,611)		1,
GAAP Net Income (Loss)	**$**	**(3,002)**	**$**	**1,505**	**$**	**(4,532)**	**$**	**3,**
Income tax provision (benefit)		(487)		194		(1,095)		[illegible]
GAAP Income (Loss) Before Income Tax Provision (Benefit)	**$**	**(3,489)**	**$**	**1,699**	**$**	**(5,627)**	**$**	**3,**
Asset Management Adjustments:								
Equity-based profit sharing expense and other[1]		67		27		164		
Equity-based compensation		37		19		93		
Preferred dividends		—		(9)		—		
Transaction-related charges[2]		—		19		(1)		
Merger-related transaction and integration costs[3]		18		13		36		
(Gains) losses from change in tax receivable agreement liability		—		—		14		
Net (income) loss attributable to non-controlling interests in consolidated entities		903		(116)		1,554		(
Unrealized performance fees		488		(280)		43		(1,5
Unrealized profit sharing expense		(188)		98		3		[illegible]
HoldCo interest and other financing costs[4]		35		43		74		
Unrealized principal investment income (loss)		(72)		(9)		10		(3
Unrealized net (gains) losses from investment activities and other		(105)		(913)		(123)		(1,2
Retirement Services Adjustments:								
Investment (gains) losses, net of offsets		2,682		—		5,176		
Change in fair values of derivatives and embedded derivatives - FIAs, net of offsets		381		—		462		
Integration, restructuring and other non-operating expenses		33		—		67		
Equity-based compensation expense		13		—		25		
Adjusted Segment Income		**803**		**591**		**1,970**		[illegible]
HoldCo interest and other financing costs[4]		(35)		(43)		(74)		
Taxes and related payables		(202)		(46)		(415)		
Adjusted Net Income	**$**	**566**	**$**	**502**	**$**	**1,481**	**$**	[illegible]

[1] Equity-based profit sharing expense and other includes certain profit sharing arrangements in which a portion of performance fees distributed to the general partner are required to be used by employees of Apollo to purchase restricted shares of common stock or RSUs, which ar granted under the Equity Plan. Equity-based profit sharing expense and other also includes performance grants which are tied to the Company's receipt of performance fees, within prescribed periods, sufficient to cover the associated equity-based compensation expense.

[2] Transaction-related charges include contingent consideration, equity-based compensation charges and the amortization of intangible assets and certain other charges associated with acquisitions, and restructuring charges.

[3] Merger-related transaction and integration costs includes advisory services, technology integration, equity-based compensation charges and other costs associated with the Mergers.

[4] Represents interest and other financing costs related to AGM not attributable to any specific segment.

The table below sets forth a reconciliation of common stock outstanding to our Adjusted Net Income Shares Outstanding:

	As of June 30, 2022	As of June 30, 2021	As of December 31, 2021
Total GAAP Common Stock Outstanding	571,028,097	231,366,321	248,896,649
Non-GAAP Adjustments:			
Participating Apollo Operating Group Units	—	201,208,132	184,787,638
Vested RSUs	15,393,631	359,592	17,700,688
Unvested RSUs Eligible for Dividend Equivalents	14,097,587	7,858,538	9,809,245
Adjusted Net Income Shares Outstanding	600,519,315	440,792,583	461,194,220

The table below sets forth a reconciliation of Athene's total investments, including related parties, to net invested assets:

(In millions)	June 30, 2022	December 31, 2021
Total investments, including investment in related parties	$ 186,405	$ —
Derivative assets	(2,932)	—
Cash and cash equivalents (including restricted cash)	11,925	—
Accrued investment income	1,086	—
Payables for collateral on derivatives	(1,904)	—
Reinsurance funds withheld and modified coinsurance	5,449	—
VIE and VOE assets, liabilities and non-controlling interest	11,663	—
Unrealized (gains) losses	17,371	—
Ceded policy loans	(182)	—
Net investment receivables (payables)	26	—
Allowance for credit losses	638	—
Total adjustments to arrive at gross invested assets	43,140	—
Gross invested assets	229,545	—
ACRA non-controlling interest	(40,240)	—
Net invested assets	$ 189,305	$ —

Liquidity and Capital Resources

Overview

The Company primarily derives revenues and cash flows from the assets it manages and the retirement savings products it issues, reinsures and acquires. Based on management's experience, we believe that the Company's current liquidity position, together with the cash generated from revenues will be sufficient to meet the Company's anticipated expenses and other working capital needs for at least the next 12 months. For the longer-term liquidity needs of the asset management business, we expect to continue to fund the asset management business' operations through management fees and performance fees received. The principal sources of liquidity for the retirement services business, in the ordinary course of business, are operating cash flows and holdings of cash, cash equivalents and other readily marketable assets.

AGM is a holding company whose primary source of cash flow is dividends from its subsidiaries, which are expected to be sufficient to fund cash flow requirements based on current estimates of future obligations. AGM's primary liquidity needs include the cash-flow requirements relating to its corporate activities, including its day-to-day operations, common stock dividend payments and strategic transactions, such as acquisitions.

At June 30, 2022, the Company had $12.7 billion of unrestricted cash and cash equivalents and $0.5 billion of U.S. Treasury securities as well as $2.0 billion of available funds from the AMH credit facility and AHL credit facility.

Primary Uses of Cash

Over the next 12 months, we expect the Company's primary liquidity needs will be to:

- support the future growth of Apollo's businesses through strategic corporate investments;
- pay the Company's operating expenses, including, compensation, general, administrative, and other expense;
- make payments to policyholders for surrenders, withdrawals and payout benefits;
- make interest and principal payments on funding agreements;
- make payments to satisfy pension group annuity obligations and policy acquisition costs;
- pay taxes and tax related payments;
- pay cash dividends;
- make payments related to the AOG Unit Payment;
- repurchase common stock; and
- make payments under the tax receivable agreement.

Over the long term, we believe we will be able to (i) grow Apollo's Assets Under Management and generate positive investment performance in the funds we manage, which we expect will allow us to grow the Company's management fees and performance fees and (ii) grow the investment portfolio of retirement services, in each case in amounts sufficient to cover our long-term liquidity requirements, which may include:

- supporting the future growth of our businesses;
- creating new or enhancing existing products and investment platforms;
- making payments to policyholders;
- pursuing new strategic corporate investment opportunities;
- paying interest and principal on the Company's financing arrangements;
- repurchasing common stock;
- making payments under the tax receivable agreement;
- making payments related to the AOG Unit Payment; and
- paying cash dividends.

Cash Flow Analysis

The section below discusses in more detail the Company's primary sources and uses of cash and the primary drivers of cash flows within the Company's consolidated statements of cash flows:

(In millions)	For the Six Months Ended June 30, 2022	2021
Operating Activities	$ (20)	$ 1,093
Investing Activities	(818)	772
Financing Activities	13,280	(177)
Effect of exchange rate changes on cash and cash equivalents	(20)	—
Net Increase in Cash and Cash Equivalents, Restricted Cash and Cash Held at Consolidated Variable Interest Entities	$ 12,422	$ 1,688

The assets of our consolidated funds and VIEs, on a gross basis could have a substantial effect on the accompanying statement of cash flows. Because our consolidated funds and VIEs are generally treated as investment companies for accounting purposes, their investing cash flow amounts are included in our cash flows from operating activities. The table below summarizes our consolidated statements of cash flow by activity attributable to the Company and to our consolidated funds and VIEs.

(In millions)	For the Six Months Ended June 30, 2022	2021
Net cash provided by the Company's operating activities	$ 5,237	$ 1,734
Net cash used in the Consolidated Funds and VIEs operating activities	(5,257)	(641)
Net cash provided by (used in) operating activities	**(20)**	**1,093**
Net cash provided by (used in) the Company's investing activities	(1,843)	756
Net cash provided by the Consolidated Funds and VIEs investing activities	1,025	16
Net cash provided by (used in) in investing activities	**(818)**	**772**
Net cash provided by (used in) the Company's financing activities	9,165	(1,678)
Net cash provided by the Consolidated Funds and VIEs financing activities	4,115	1,501
Net cash provided by (used in) financing activities	**$ 13,280**	**$ (177)**

Operating Activities

The Company's operating activities support its Asset Management, Retirement Services and Principal Investing activities. The primary sources of cash within operating activities include: (a) management fees, (b) advisory and transaction fees, (c) realized performance revenues, (d) realized principal investment income, (e) investment sales from our consolidated funds and VIEs, (f) net investment income, (g) annuity considerations and (h) insurance premiums. The primary uses of cash within operating activities include: (a) compensation and non-compensation related expenses, (b) interest and taxes, (c) investment purchases from our consolidated funds and VIEs, (d) benefit payments and (e) other operating expenses.

- During the six months ended June 30, 2022, cash used in operating activities primarily includes net cash used in our consolidated funds and VIEs for purchases of investments. Net cash provided by operating activities reflects cash inflows of management fees, advisory and transaction fees, realized performance revenues, and realized principal investment income, as well as cash received from pension group annuity transactions, net of outflows.

- During the six months ended June 30, 2021, cash used in operating activities primarily reflects the operating activity of our consolidated funds and VIEs, which include cash outflows for purchases of investments, offset by cash inflows from consolidated funds. Net cash used in operating activities also reflects cash outflows for compensation, general, administrative, and other expenses, offset by cash inflows from the receipt of management fees, advisory and transaction fees, realized performance revenues, and realized principal investment income.

Investing Activities

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

- During the six months ended June 30, 2022, cash used in investing activities primarily reflects purchase of investments due to the deployment of significant cash inflows from Athene's organic growth offset by Athene cash acquired as a result of the merger and the sale, repayment and maturity of investments.

- During the six months ended June 30, 2021, cash provided by investing activities primarily reflects the investing activity of our consolidated funds and VIEs, which primarily reflects net proceeds from U.S. Treasury securities.

Financing Activities

The Company's financing activities reflect its capital market transactions and transactions with equity holders. The primary sources of cash within the financing activities section includes (a) proceeds from debt and preferred equity issuances, (b) inflows on Athene's investment-type policies, (c) changes of cash collateral posted for derivative transactions, and (d) capital contributions and proceeds from other borrowing activities. The primary uses of cash within the financing activities section include: (a) dividends, (b) payments under the tax receivable agreement, (c) share repurchases, (d) cash paid to settle tax

withholding obligations in connection with net share settlements of equity-based awards, (e) repayments of debt, (f) withdrawals on Athene's investment-type policies and (g) changes of cash collateral posted for derivative transactions.

- During the six months ended June 30, 2022, cash provided by financing activities primarily reflects the strong organic inflows from retail, flow reinsurance and funding agreements, net of withdrawals. Cash provided by financing activities by our consolidated funds and VIEs primarily includes proceeds from the issuance of debt.

- During the six months ended June 30, 2021, cash provided by financing activities primarily reflects the financing activity of our consolidated funds and VIEs, which primarily includes cash inflows from the issuance of debt, contributions from non-controlling interests and proceeds from issuance of securities of a SPAC, offset by payment of underwriting discounts.

Contractual Obligations, Commitments and Contingencies

For a summary and a description of the nature of the Company's commitments, contingencies and contractual obligations, see note 17 to the consolidated financial statements and "—Contractual Obligations, Commitments and Contingencies." The Company's commitments are primarily fulfilled through cash flows from operations and financing activities.

Consolidated Funds and VIEs

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

Dividends and Distributions

For information regarding the quarterly dividends and distributions that were made to common stockholders and non-controlling interest holders in the Apollo Operating Group and participating securities, see note 14 to the condensed consolidated financial statements. Although the Company currently expects to pay dividends, we may not pay dividends if, among other things, we do not have the cash necessary to pay the dividends. To the extent we do not have cash on hand sufficient to pay dividends, we may have to borrow funds to pay dividends, or we may determine not to pay dividends. The declaration, payment and determination of the amount of our dividends are at the sole discretion of our board of directors.

On August 4, 2022, AGM declared a cash dividend of $0.40 per share of its common stock, which will be paid on August 31, 2022 to holders of record at the close of business on August 18, 2022.

Repurchase of Securities

Share Repurchase Program

For information regarding the Company's share repurchase program, see note 14 to the condensed consolidated financial statements.

Repurchase of Other Securities

We may from time to time seek to retire or purchase our other outstanding debt or equity securities through cash purchases and/or exchanges for other securities, purchases in the open market, privately negotiated transactions or otherwise. Any such repurchases will be dependent upon several factors, including our liquidity requirements, contractual restrictions, general market conditions and applicable regulatory, legal and accounting factors. Whether or not we repurchase any of our other securities and the size and timing of any such repurchases will be determined at our discretion.

Asset Management Liquidity

Our asset management business requires limited capital resources to support the working capital or operating needs of the business. For the asset management business' longer-term liquidity needs, we expect to continue to fund the asset management business' operations through management fees and performance fees received. Liquidity needs are also met (to a limited extent) through proceeds from borrowings and equity issuances as described in notes 12 and 14 to the condensed consolidated financial statements, respectively. From time to time, if the Company determines that market conditions are favorable after taking into account our liquidity requirements, we may seek to raise proceeds through the issuance of additional debt or equity instruments.

At June 30, 2022, the asset management business had $1.5 billion of unrestricted cash and cash equivalents and $0.5 billion of U.S. Treasury securities as well as $750 million of available funds from the AMH credit facility.

Future Debt Obligations

The asset management business had long-term debt of $2.8 billion at June 30, 2022, which includes notes with maturities in 2024, 2026, 2029, 2030, 2048 and 2050. See note 12 to the condensed consolidated financial statements for further information regarding the asset management business' debt arrangements.

Future Cash Flows

Our ability to execute our business strategy, particularly our ability to increase our AUM, depends on our ability to establish new funds and to raise additional investor capital within such funds. Our liquidity will depend on a number of factors, such as our ability to project our financial performance, which is highly dependent on the funds we manage and our ability to manage our projected costs, fund performance, access to credit facilities, compliance with existing credit agreements, as well as industry and market trends. Also during economic downturns the funds we manage might experience cash flow issues or liquidate entirely. In these situations we might be asked to reduce or eliminate the management fee and performance fees we charge, which could adversely impact our cash flow in the future.

An increase in the fair value of the investments of the funds we manage, by contrast, could favorably impact our liquidity through higher management fees where the management fees are calculated based on the net asset value, gross assets or adjusted assets. Additionally, higher performance fees not yet realized would generally result when investments appreciate over their cost basis which would not have an impact on the asset management business' cash flow until realized.

Consideration of Financing Arrangements

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

Revolver Facility

Under the AMH credit facility, AMH may borrow in an aggregate amount not to exceed $750 million and may incur incremental facilities in an aggregate amount not to exceed $250 million plus additional amounts so long as AMH is in compliance with a net leverage ratio not to exceed 4.00 to 1.00. Borrowings under the AMH credit facility may be used for working capital and general corporate purposes, including without limitation, permitted acquisitions. The AMH credit facility has a final maturity date of November 23, 2025.

Tax Receivable Agreement

The tax receivable agreement provides for the payment to the Former Managing Partners and Contributing Partners of 85% of the amount of cash savings, if any, in U.S. federal, state, local and foreign income taxes that AGM and its subsidiaries realizes subject to the agreement. For more information regarding the tax receivable agreement, see note 16 to the condensed consolidated financial statements.

AOG Unit Payment

On December 31, 2021, holders of AOG Units (other than Athene and Apollo) sold and transferred a portion of such AOG Units to a wholly-owned subsidiary of the Company, in exchange for an amount equal to $3.66 multiplied by the total number of AOG Units held by such holders immediately prior to such transaction (such payment, the “AOG Unit Payment”). The remainder of the AOG Units held by such holders were exchanged for shares of AGM common stock concurrently with the consummation of the Mergers on January 1, 2022.

As of June 30, 2022, the outstanding AOG Unit Payment amount was $438 million, payable in equal installments through December 31, 2024. See note 16 for more information.

Athora

On April 14, 2017, Apollo made a commitment of €125 million to purchase new Class B-1 equity interests in Athora, a strategic platform that acquires and reinsures traditional closed life insurance policies and provides capital and reinsurance solutions to insurers in Europe which, as of April 2020 was fully drawn. In January 2018, Apollo purchased Class C-1 equity interests in Athora that represent a profits interest in Athora which, upon meeting certain vesting triggers, will be convertible by Apollo into additional Class B-1 equity interests in Athora.

In connection with Athora’s acquisition of VIVAT N.V., Apollo exercised its preemptive rights and made an additional incremental commitment of approximately €58 million to purchase new Class B-1 equity interests in Athora. In addition, in April 2020, Apollo purchased Class C-2 equity interests in Athora that represent a profits interest in Athora which, upon meeting certain vesting triggers, will be convertible by Apollo into additional Class B-1 equity interests in Athora.

In November 2021, Apollo made an additional commitment to purchase up to €120 million of new Class B-1 equity interests in Athora, to be drawn in connection with three separate offerings over a period of three years, with a commitment of up to €30 million in 2021, up to €40 million in 2022 and up to €50 million in 2023. Athora’s other common shareholders may exercise preemptive rights to acquire common shares in connection with each offering and any such exercise will reduce the total amount of new Class B-1 equity interests ultimately purchased by Apollo. In connection with the 2021 offering, Apollo acquired approximately €21.9 million of new Class B-1 equity interests. In addition, Apollo purchased Class C-3 equity interests in Athora in connection with the 2021 offering that represent a profits interest in Athora which, upon meeting certain vesting triggers, will be convertible by Apollo into additional Class B-1 equity interests in Athora. The remaining commitments are drawable in four installments between 2022 and 2024.

In December 2021, Apollo committed an additional €250 million to purchase new Class B-1 equity interests to support Athora’s ongoing growth initiatives, of which €180 million was drawn as of December 31, 2021. Apollo expects the remaining €70 million will be drawn in 2022, pending regulatory approvals.

Apollo Asset Management and Athene are minority investors in Athora with a long term strategic relationship. Through its share ownership, Apollo has approximately 19.9% of the total voting power in Athora, and Athene holds shares in Athora representing 10% of the total voting power in Athora. In addition, Athora shares held by funds and other accounts managed by Apollo Asset Management represent, in the aggregate, approximately 15.1% of the total voting power in Athora.

Fund Escrow

As of June 30, 2022, the remaining investments and escrow cash of ANRP II was valued at 94% of the fund’s unreturned capital which was below the required escrow ratio of 115%. As a result, the fund is required to place in escrow current and future performance fee distributions to the general partner until the specified return ratio of 115% is met (at the time of a future distribution) or upon liquidation. Realized performance fees currently distributed to the general partner are limited to potential tax distributions and interest on escrow balances per the fund’s partnership agreement.

Clawback

Performance fees from certain of the funds we manage are subject to contingent repayment by the general partner in the event of future losses to the extent that the cumulative performance fees distributed from inception to date exceeds the amount computed as due to the general partner at the final distribution. See “—Overview of Results of Operations—Performance Fees” for the maximum performance fees subject to potential reversal by each fund.

Indemnification Liability

The asset management business recorded an indemnification liability in the event that the Former Managing Partners, Contributing Partners and certain investment professionals are required to pay amounts in connection with a general partner obligation to return previously distributed performance fees. See note 16 to the consolidated financial statements for further information regarding the asset management business' indemnification liability.

Retirement Services Liquidity

There are two forms of liquidity relevant to our retirement services business, funding liquidity and balance sheet liquidity. Funding liquidity relates to the ability to fund operations. Balance sheet liquidity relates to the ability to liquidate or rebalance Athene's balance sheet without incurring significant costs from fees, bid-offer spreads, or market impact. Athene manages the liquidity position of its business by matching projected cash demands with adequate sources of cash and other liquid assets. The principal sources of liquidity for our retirement services business, in the ordinary course of business, are operating cash flows and holdings of cash, cash equivalents and other readily marketable assets.

Athene's investment portfolio is structured to ensure a strong liquidity position over time in order to permit timely payment of policy and contract benefits without requiring asset sales at inopportune times or at depressed prices. In general, liquid assets include cash and cash equivalents, highly rated corporate bonds, unaffiliated preferred stock and unaffiliated public common stock, all of which generally have liquid markets with a large number of buyers. Assets included in modified coinsurance and funds withheld portfolios are available to fund the benefits for the associated obligations but are restricted from other uses. Although the investment portfolio of our retirement services' business does contain assets that are generally considered illiquid for liquidity monitoring purposes (primarily mortgage loans, policy loans, real estate, investment funds, and affiliated common stock), there is some ability to raise cash from these assets if needed. Athene has access to additional liquidity through the $1.25 billion AHL credit facility, which was undrawn as of June 30, 2022, the AHL revolving liquidity facility, which has a current borrowing capacity of $2.5 billion and was entered into in the third quarter of 2022, and its $2.0 billion of committed repurchase facilities. Athene also has a registration statement on Form S-3 to provide it with access to the capital markets, subject to favorable market conditions and other factors. Athene is also party to repurchase agreements with several different financial institutions, pursuant to which it may obtain short-term liquidity, to the extent available. In addition, through Athene's membership in the FHLB, it is eligible to borrow under variable rate short-term federal funds arrangements to provide additional liquidity.

Athene proactively manages its liquidity position to meet cash needs while minimizing adverse impacts on investment returns. Athene analyzes its cash-flow liquidity over the upcoming 12 months by modeling potential demands on liquidity under a variety of scenarios, taking into account the provisions of its policies and contracts in force, its cash flow position, and the volume of cash and readily marketable securities in its portfolio.

Liquidity risk is monitored, managed and mitigated through a number of stress tests and analyses to assess Athene's ability to meet its cash flow requirements, as well as the ability of its reinsurance and insurance subsidiaries to meet their collateral obligations, under various stress scenarios. Athene further seeks to mitigate liquidity risk by maintaining access to alternative, external sources of liquidity.

Insurance Subsidiaries' Operating Liquidity

The primary cash flow sources for Athene's insurance subsidiaries include retirement services product inflows (premiums), investment income, principal repayments on its investments, net transfers from separate accounts and financial product inflows. Uses of cash include investment purchases, payments to policyholders for surrenders, withdrawals and payout benefits, interest and principal payments on funding agreements, payments to satisfy pension group annuity obligations, policy acquisition costs and general operating costs.

Athene's policyholder obligations are generally long-term in nature. However, policyholders may elect to withdraw some, or all, of their account value during the surrender charge period of an annuity contract. Athene includes provisions within its annuity policies, such as surrender charges and MVAs, which are intended to protect it from early withdrawals. As of June 30, 2022, approximately 74% of Athene's deferred annuity liabilities were subject to penalty upon surrender. In addition, as of June 30, 2022, approximately 53% of policies contained MVAs that may also have the effect of limiting early withdrawals if interest rates increase, but may encourage early withdrawals by effectively subsidizing a portion of surrender charges when

interest rates decrease. Athene’s funding agreements, group annuities and payout annuities are generally non-surrenderable, which accounts for approximately 32% of Athene’s net reserve liabilities as of June 30, 2022.

Membership in Federal Home Loan Bank

Through its membership in the FHLB, Athene is eligible to borrow under variable rate short-term federal funds arrangements to provide additional liquidity. The borrowings must be secured by eligible collateral such as mortgage loans, eligible CMBS or RMBS, government or agency securities and guaranteed loans. As of June 30, 2022, Athene had no outstanding borrowings under these arrangements.

Athene has issued funding agreements to the FHLB. These funding agreements were issued in an investment spread strategy, consistent with other investment spread operations. As of June 30, 2022, Athene had funding agreements outstanding with the FHLB in the aggregate principal amount of $3.0 billion.

The maximum FHLB indebtedness by a member is determined by the amount of collateral pledged, and cannot exceed a specified percentage of the member’s total statutory assets dependent on the internal credit rating assigned to the member by the FHLB. As of June 30, 2022, the total maximum borrowings under the FHLB facilities were limited to $45.5 billion. However, Athene’s ability to borrow under the facilities is constrained by the availability of assets that qualify as eligible collateral under the facilities and certain other limitations. Considering these limitations, as of June 30, 2022 Athene had the ability to draw up to an estimated $4.7 billion, inclusive of borrowings then outstanding. This estimate is based on Athene’s internal analysis and assumptions, and may not accurately measure collateral which is ultimately acceptable to the FHLB.

Securities Repurchase Agreements

Athene engages in repurchase transactions whereby it sells fixed income securities to third parties, primarily major brokerage firms or commercial banks, with a concurrent agreement to repurchase such securities at a determined future date. Athene requires that, at all times during the term of the repurchase agreements, it maintains sufficient cash or other liquid assets sufficient to allow it to fund substantially all of the repurchase price. Proceeds received from the sale of securities pursuant to these arrangements are generally invested in short-term investments, with the offsetting obligation to repurchase the security included within payables for collateral on derivatives and securities to repurchase on the condensed consolidated statements of financial condition. As per the terms of the repurchase agreements, Athene monitors the market value of the securities sold and may be required to deliver additional collateral (which may be in the form of cash or additional securities) to the extent that the value of the securities sold decreases prior to the repurchase date.

As of June 30, 2022, the payables for repurchase agreements were $4.1 billion, while the fair value of securities and collateral held by counterparties backing the repurchase agreements was $4.2 billion. As of June 30, 2022, payables for repurchase agreements were comprised of $1.9 billion of short-term and $2.2 billion of long-term repurchase agreements.

Dividends from Insurance Subsidiaries

AHL is a holding company whose primary liquidity needs include the cash-flow requirements relating to its corporate activities, including its day-to-day operations, debt servicing, preferred and common stock dividend payments and strategic transactions, such as acquisitions. The primary source of AHL’s cash flow is dividends from its subsidiaries, which are expected to be adequate to fund cash flow requirements based on current estimates of future obligations.

The ability of AHL’s insurance subsidiaries to pay dividends is limited by applicable laws and regulations of the jurisdictions where the subsidiaries are domiciled, as well as agreements entered into with regulators. These laws and regulations require, among other things, the insurance subsidiaries to maintain minimum solvency requirements and limit the amount of dividends these subsidiaries can pay.

Subject to these limitations and prior notification to the appropriate regulatory agency, Athene’s U.S. insurance subsidiaries are permitted to pay ordinary dividends based on calculations specified under insurance laws of the relevant state of domicile. Any distributions above the amount permitted by statute in any twelve month period are considered to be extraordinary dividends, and require the approval of the appropriate regulator prior to payment. AHL does not currently plan on having the U.S. subsidiaries pay any dividends to their parents.

Dividends from AHL's subsidiaries are projected to be the primary source of AHL's liquidity. Under the Bermuda Insurance Act, each of Athene's Bermuda insurance subsidiaries is prohibited from paying a dividend in an amount exceeding 25% of the prior year's statutory capital and surplus, unless at least two members of the board of directors of the Bermuda insurance subsidiary and its principal representative in Bermuda sign and submit to the Bermuda Monetary Authority ("BMA") an affidavit attesting that a dividend in excess of this amount would not cause the Bermuda insurance subsidiary to fail to meet its relevant margins. In certain instances, the Bermuda insurance subsidiary would also be required to provide prior notice to the BMA in advance of the payment of dividends. In the event that such an affidavit is submitted to the BMA in accordance with the Bermuda Insurance Act, and further subject to the Bermuda insurance subsidiary meeting its relevant margins, the Bermuda insurance subsidiary is permitted to distribute up to the sum of 100% of statutory surplus and an amount less than 15% of its total statutory capital. Distributions in excess of this amount require the approval of the BMA.

The maximum distribution permitted by law or contract is not necessarily indicative of the insurance subsidiaries' actual ability to pay such distributions, which may be further restricted by business and other considerations, such as the impact of such distributions on surplus, which could affect our ratings or competitive position and the amount of premiums that can be written. Specifically, the level of capital needed to maintain desired financial strength ratings from rating agencies, including S&P, A.M. Best, Fitch and Moody's, is of particular concern when determining the amount of capital available for distributions. AHL believes its insurance subsidiaries have sufficient statutory capital and surplus, combined with additional capital available to be provided by AHL, to meet their financial strength ratings objectives. Finally, state insurance laws and regulations require that the statutory surplus of Athene's insurance subsidiaries following any dividend or distribution must be reasonable in relation to their outstanding liabilities and adequate for the insurance subsidiaries' financial needs.

Other Sources of Funding

Athene may seek to secure additional funding at the AHL level by means other than dividends from subsidiaries, such as by drawing on its undrawn $1.25 billion credit facility, drawing on its undrawn $2.5 billion revolving liquidity facility or by pursuing future issuances of debt or preference shares to third-party investors. The AHL credit facility contains various standard covenants with which Athene must comply, including maintaining a Consolidated Debt to Capitalization Ratio (as such term is defined in the AHL credit facility) of not greater than 35% at the end of any quarter, maintaining a minimum Consolidated Net Worth (as such term is defined in the credit facility) of no less than $7.3 billion, and restrictions on the ability to incur debt and liens, in each case with certain exceptions. The AHL liquidity facility also contains various standard covenants with which Athene must comply, including maintaining an ALRe minimum Consolidated Net Worth (as such term is defined in the AHL liquidity facility) of no less than $9.3 billion and restrictions on the ability to incur debt and liens, in each case with certain exceptions.

Future Debt Obligations

Athene had long-term debt of $3.3 billion as of June 30, 2022, which includes notes with maturities in 2028, 2030, 2031, 2051, and 2052. See note 12 to the condensed consolidated financial statements for further information regarding Athene's debt arrangements.

Capital

Athene believes it has a strong capital position and that it is well positioned to meet policyholder and other obligations. Athene measures capital sufficiency using an internal capital model which reflects management's view on the various risks inherent to its business, the amount of capital required to support its core operating strategies and the amount of capital necessary to maintain its current ratings in a recessionary environment. The amount of capital required to support Athene's core operating strategies is determined based upon internal modeling and analysis of economic risk, as well as inputs from rating agency capital models and consideration of NAIC RBC and Bermuda capital requirements. Capital in excess of this required amount is considered excess equity capital, which is available to deploy.

ACRA

ACRA provides Athene with access to on-demand capital to support its growth strategies and capital deployment opportunities. ACRA provides a capital source to fund both Athene's inorganic and organic channels, including pension group annuity, funding agreement and retail channels. This strategic capital solution allows Athene the flexibility to simultaneously deploy capital across multiple accretive avenues, while maintaining a strong financial position.

Critical Accounting Estimates and Policies

Other than as described in this Item 2, there have been no material changes to the Company's critical accounting estimates and judgments from those previously disclosed in Apollo and Athene's 2021 Annual Reports. The following updates and supplements the critical accounting estimates and judgments in Athene's 2021 Annual Report.

Investments

Valuation of Mortgage Loans

Athene has elected the fair value option on its mortgage loan portfolio. Athene uses independent commercial pricing services to value its mortgage loans portfolio. Discounted cash flow analysis is performed through which the loans' contractual cash flows are modeled and an appropriate discount rate is determined to discount the cash flows to arrive at a present value. Financial factors, credit factors, collateral characteristics and current market conditions are all taken into consideration when performing the discounted cash flow analysis. Athene performs vendor due diligence exercises annually to review vendor processes, models and assumptions. Additionally, Athene reviews price movements on a quarterly basis to ensure reasonableness.

Future Policy Benefits

The future policy benefit liabilities associated with long duration contracts include term and whole-life products, accident and health, disability, and deferred and immediate annuities with life contingencies. Liabilities for non-participating long duration contracts are established using accepted actuarial valuation methods which require Athene to make certain assumptions regarding expenses, investment yields, mortality, morbidity, and persistency, with a provision for adverse deviation, at the date of issue or acquisition. As of June 30, 2022, the reserve investment yield assumptions for non-participating contracts range from 2.3% to 5.4% and are specific to Athene's expected earned rate on the asset portfolio supporting the reserves. Athene bases other key assumptions, such as mortality and morbidity, on industry standard data adjusted to align with actual company experience, if necessary. Premium deficiency tests are performed periodically using current assumptions, without provisions for adverse deviation, in order to test the appropriateness of the established reserves. If the reserves using current assumptions are greater than the existing reserves, the excess is recorded and the initial assumptions are revised.

Liabilities for Guaranteed Living Withdrawal Benefits and Guaranteed Minimum Death Benefits

Athene issues and reinsures deferred annuity contracts which contain GLWB and GMDB riders. Athene establishes future policy benefits for GLWB and GMDB by estimating the expected value of withdrawal and death benefits in excess of the projected account balance. Athene recognizes the excess proportionally over the accumulation period based on total actual and expected assessments. The methods used to estimate the liabilities have assumptions about policyholder behavior, which includes lapses, withdrawals and utilization of the benefit riders; mortality; and market conditions affecting the account balance.

Projected policyholder lapse and withdrawal behavior assumptions are set in one of two ways. For certain blocks of business, this behavior is a function of our predictive analytics model which considers various observable inputs. For the remaining blocks of business, these assumptions are set at the product level by grouping individual policies sharing similar features and guarantees and reviewed periodically against experience. Base lapse rates consider the level of surrender charges and are dynamically adjusted based on the level of current interest rates relative to the guaranteed rates and the amount by which any rider guarantees are in a net positive position. Rider utilization assumptions consider the number and timing of policyholders electing the riders. Athene tracks and updates this assumption as experience emerges. Mortality assumptions are set at the product level and generally based on standard industry tables, adjusted for historical experience and a provision for mortality improvement. Projected guaranteed benefit amounts in excess of the underlying account balances are considered over a range of scenarios in order to capture Athene's exposure to the guaranteed withdrawal and death benefits.

The assessments used to accrue liabilities are based on interest margins, rider charges, surrender charges and realized gains (losses). As such, future reserve changes can be sensitive to changes in investment results and the impacts of shadow adjustments, which represent the impact of assuming unrealized gains (losses) are realized in future periods. As of June 30, 2022, the GLWB and GMDB liability balance, including the impacts of shadow adjustments, totaled $5.3 billion. The relative sensitivity of the GLWB and GMDB liability balance from changes to these assumptions, including the impacts of shadow adjustments from hypothetical changes in projected assessments, changes in the discount rate and annual equity growth, has decreased following the business combination and purchase accounting described in note 3. Using factors consistent with those

previously disclosed in Athene's 2021 Annual Report, changes to the GLWB and GMDB liability balance from these hypothetical changes in assumptions are not significant.

Derivatives

Valuation of Embedded Derivatives on indexed annuities

Athene issues and reinsures products, primarily indexed annuity products, or purchases investments that contain embedded derivatives. If Athene determines the embedded derivative has economic characteristics not clearly and closely related to the economic characteristics of the host contract, and a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host contract and accounted for separately, unless the fair value option is elected on the host contract.

Indexed annuities and indexed universal life insurance contracts allow the policyholder to elect a fixed interest rate return or an equity market component for which interest credited is based on the performance of certain equity market indices. The equity market option is an embedded derivative, similar to a call option. The benefit reserve is equal to the sum of the fair value of the embedded derivative and the host (or guaranteed) component of the contracts. The fair value of the embedded derivatives represents the present value of cash flows attributable to the indexed strategies. The embedded derivative cash flows are based on assumptions for future policy growth, which include assumptions for expected index credits on the next policy anniversary date, future equity option costs, volatility, interest rates, and policyholder behavior. The embedded derivative cash flows are discounted using a rate that reflects Athene's credit rating. The host contract is established at contract inception as the initial account value less the initial fair value of the embedded derivative and accreted over the policy's life. Contracts acquired through a business combination which contain an embedded derivative are re-bifurcated as of the acquisition date.

In general, the change in the fair value of the embedded derivatives will not directly correspond to the change in fair value of the hedging derivative assets. The derivatives are intended to hedge the index credits expected to be granted at the end of the current term. The options valued in the embedded derivatives represent the rights of the policyholder to receive index credits over the period indexed strategies are made available to the policyholder, which is typically longer than the current term of the options. From an economic basis, Athene believes it is suitable to hedge with options that align with index terms of our indexed annuity products because policyholder accounts are credited with index performance at the end of each index term. However, because the value of an embedded derivative in an indexed annuity contract is longer-dated, there is a duration mismatch which may lead to differences in the recognition of income and expense for accounting purposes.

A significant assumption in determining policy liabilities for indexed annuities is the vector of rates used to discount indexed strategy cash flows. The change in risk free rates is expected to drive most of the movement in the discount rates between periods. Changes to credit spreads for a given credit rating as well as any change to Athene's credit rating requiring a revised level of nonperformance risk would also be factors in the changes to the discount rate. If the discount rates used to discount the indexed strategy cash flows were to fluctuate, there would be a resulting change in reserves for indexed annuities recorded through the condensed consolidated statements of operations.

As of June 30, 2022, Athene had embedded derivative liabilities classified as Level 3 in the fair value hierarchy of $5.5 billion. The increase (decrease) to the embedded derivatives on FIA products from hypothetical changes in discount rates is summarized as follows:

(In millions)	**June 30, 2022**
+100 bps discount rate	$ (300)
–100 bps discount rate	335

However, these estimated effects do not take into account potential changes in other variables, such as equity price levels and market volatility, which can also contribute significantly to changes in carrying values. Therefore, the quantitative impact presented in the table above does not necessarily correspond to the ultimate impact on the condensed consolidated financial statements. In determining the ranges, Athene has considered current market conditions, as well as the market level of discount rates that can reasonably be anticipated over the near-term. For additional information regarding sensitivities to interest rate risk and public equity risk, see *Item 3. Quantitative and Qualitative Disclosures About Market Risk* .

Deferred Acquisition Costs, Deferred Sales Inducements, and Value of Business Acquired

Costs related directly to the successful acquisition of new or renewal insurance or investment contracts are deferred to the extent they are recoverable from future premiums or gross profits. These costs consist of commissions and policy issuance costs, as well as sales inducements credited to policyholder account balances. Athene performs periodic tests, including at issuance, to determine if the deferred costs are recoverable. If it is determined that the deferred costs are not recoverable, Athene records a cumulative charge to the current period.

Deferred costs related to universal life-type policies and investment contracts with significant revenue streams from sources other than investment of the policyholder funds are amortized over the lives of the policies, based upon the proportion of the present value of actual and expected deferred costs to the present value of actual and expected gross profits to be earned over the life of the policies. Gross profits include investment spread margins, surrender charge income, policy administration, changes in the GLWB and GMDB reserves, and realized gains (losses) on investments. Current period gross profits for indexed annuities also include the change in fair value of both freestanding and embedded derivatives.

The estimates of expected gross profits and margins are based on assumptions using accepted actuarial methods related to policyholder behavior, including lapses and the utilization of benefit riders, mortality, yields on investments supporting the liabilities, future interest credited amounts (including indexed related credited amounts on fixed indexed annuity products), and other policy changes as applicable, and the level of expenses necessary to maintain the policies over their expected lives. Each reporting period, Athene updates estimated gross profits with actual gross profits as part of the amortization process. Athene also periodically revises the key assumptions used in the amortization calculation which results in revisions to the estimated future gross profits. The effects of changes in assumptions are recorded as unlocking in the period in which the changes are made.

Athene establishes VOBA for blocks of insurance contracts acquired through the acquisition of insurance entities. The fair value of the liabilities purchased is determined using market participant assumptions at the time of acquisition and represents the amount an acquirer would expect to be compensated to assume the contracts. Athene records the fair value of the liabilities assumed in two components: reserves and VOBA. Reserves are established using best estimate assumptions, plus a provision for adverse deviation where applicable, as of the business combination date. VOBA is the difference between the fair value of the liabilities and the reserves. VOBA can be either positive or negative. Any negative VOBA is recorded to the same financial statement line on the condensed consolidated statements of financial condition as the associated reserves. Positive VOBA is recorded in DAC, DSI and VOBA on the condensed consolidated statements of financial condition.

VOBA and negative VOBA are amortized in relation to applicable policyholder liabilities. Significant assumptions which impact VOBA and negative VOBA amortization are consistent with those which impact the measurement of policyholder liabilities.

Estimated future gross profits vary based on a number of factors but are typically most sensitive to changes in investment spread margins, which are the most significant component of gross profits. If estimated gross profits for all future years on business in force were to change, including the impacts of shadow adjustments, there would be a resulting increase or decrease to the balances of DAC and DSI recorded as an increase or decrease to amortization of DAC and DSI on the condensed consolidated statements of operations or AOCI.

Actual gross profits will depend on actual margins, including the changes in the value of embedded derivatives. The most sensitive assumption in determining the value of the embedded derivative is the vector of rates used to discount the embedded derivative cash flows. If the discount rates used to discount the embedded derivative cash flows were to change, there would be a resulting increase or decrease to the balances of DAC and DSI recorded as an increase or decrease in amortization of DAC and DSI on the condensed consolidated statements of operations.

Following the business combination and application of purchase accounting described in note 3, DAC and DSI balances exhibit less sensitivity to hypothetical changes in estimated future gross profits and changes in the embedded derivative discount rate as they are relatively less material following the business combination. VOBA balances no longer amortize based on estimated gross profits, and accordingly, are not sensitive to changes to actual or estimated gross profits.

Recent Accounting Pronouncements

A list of recent accounting pronouncements that are relevant to Apollo and its industry is included in note 2 to our condensed consolidated financial statements.

Contractual Obligations, Commitments and Contingencies

Fixed and determinable payments due in connection with the Company's material contractual obligations are as follows as of June 30, 2022:

	Remaining 2022	2023 - 2024	2025 - 2026	2027 and Thereafter	Total
			(In millions)		
Asset Management					
Operating lease obligations[1]	$ 32	$ 139	$ 135	$ 545	$ 851
Other long-term obligations[2]	20	5	—	—	25
AMH credit facility[3]	—	1	1	—	2
Debt obligations[3]	59	743	701	2,571	4,074
AOG Unit payment[4]	88	350	—	—	438
	199	1,238	837	3,116	5,390
Retirement Services					
Interest sensitive contract liabilities	9,040	40,578	32,763	82,190	164,571
Future policy benefits	866	3,866	3,798	43,948	52,478
Debt[3]	63	253	253	4,162	4,731
Securities to repurchase[5]	1,715	314	1,173	1,143	4,345
	11,684	45,011	37,987	131,443	226,125
Obligations	$ 11,883	$ 46,249	$ 38,824	$ 134,559	$ 231,515

(1) Operating lease obligations excludes $198 million of other operating expenses associated with operating leases.

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

(3) The obligations for debt payments include contractual maturities of principal and estimated future interest payments based on the terms of the debt agreements. See note 12 of the condensed consolidated financial statements for further discussion of these debt obligations.

(4) On December 31, 2021, each holder of AOG Units (other than those held by the Company and Athene) sold a portion of their limited partnership interests to the Company in exchange for the AOG Unit Payment. See note 16 to the condensed consolidated financial statements for more information.

(5) The obligations for securities for repurchase payments include contractual maturities of principal and estimated future interest payments based on the terms of the agreements. Future interest payments on floating rate repurchase agreements were calculated using the June 30, 2022 interest rate.

Note: Due to the fact that the timing of certain amounts to be paid cannot be determined or for other reasons discussed below, the following contractual commitments have not been presented in the table above.

(i) As noted previously, the tax receivable agreement requires us to pay to our Former Managing Partners and Contributing Partners 85% of any tax savings received by AGM and its subsidiaries from our step-up in tax basis. The tax savings achieved may not ensure that we have sufficient cash available to pay this liability and we might be required to incur additional debt to satisfy this liability.

(ii) Debt amounts related to the consolidated VIEs are not presented in the table above as the Company is not a guarantor of these non-recourse liabilities.

(iii) In connection with the Stone Tower acquisition, the Company agreed to pay the former owners of Stone Tower a specified percentage of any future performance fees earned from certain of the Stone Tower funds, CLOs and strategic investment accounts. This contingent consideration liability is remeasured to fair value at each reporting period until the obligations are satisfied. See note 17 to the condensed consolidated financial statements for further information regarding the contingent consideration liability.

(iv) Commitments from certain of our subsidiaries to contribute to the funds we manage and certain related parties.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the risk of incurring losses due to adverse changes in market rates and prices. Included in market risk are potential losses in value due to credit and counterparty risk, interest rate risk, currency risk, commodity price risk, equity price risk and inflation risk.

In our asset management business, our predominant exposure to market risk is related to our role as investment manager and general partner for the funds we manage, and the sensitivity to movements in the fair value of their investments and resulting impact on performance fees and management fee revenues. Our direct investments in the funds also expose us to market risk whereby movements in the fair values of the underlying investments will increase or decrease both net gains (losses) from investment activities and income (loss) from equity method investments.

Our retirement services business is exposed to market risk through its investment portfolio, its counterparty exposures, as well as its hedging and reinsurance activities. Athene's primary market risk exposures are to credit risk, interest rate risk, equity price risk and inflation risk.

For a discussion of our market risk exposures in general, please see "Item 3. Quantitative and Qualitative Disclosures About Market Risk" in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022, which is accessible on the Securities and Exchange Commission's website at www.sec.gov and is incorporated by reference into this report.

There have been no material changes to market risk exposures from those previously disclosed in Apollo and Athene's 2021 Annual Reports other than those disclosed below.

Retirement Services

Interest Rate Risk

Athene assesses interest rate exposure for financial assets and financial liabilities using hypothetical stress tests and exposure analyses. Assuming all other factors are constant, if there was an immediate parallel increase in interest rates of 25 basis points from levels as of June 30, 2022, Athene estimates a net decrease to its point-in-time pre-tax income from changes in the fair value of these financial instruments of $975 million. The net change in fair value for these financial instruments would directly impact the current period gross profits and assessments used in the calculations of DAC and DSI amortization and changes in rider reserves, resulting in an offsetting increase to Athene's pre-tax income of $41 million. If there were a similar parallel increase in interest rates from levels as of December 31, 2021, Athene estimates a net decrease to its point-in-time pre-tax income from changes in the fair value of these financial instruments of $511 million with an offsetting increase to pre-tax income of $17 million from DAC, DSI and VOBA amortization and changes in rider reserves. The increase in sensitivity was primarily due to (i) the election of the fair value accounting option for Athene's mortgage loan portfolio, and (ii) materially different offsets stemming from DAC, DSI, and VOBA balances as a result of purchase accounting. The financial instruments included in the sensitivity analysis are carried at fair value and changes in fair value are recognized in earnings. These financial instruments include derivative instruments, embedded derivatives and certain fixed maturity securities. The sensitivity analysis excludes those financial instruments carried at fair value for which changes in fair value are recognized in equity, such as AFS fixed maturity securities.

Assuming a 25 basis point increase in interest rates that persists for a 12-month period, the estimated impact to spread related earnings would be an increase of approximately $30 to $40 million, and a 25 basis point decrease would generally result in a similar decrease. This is driven by a change in investment income from floating rate assets and liabilities, offset by DAC and DSI amortization and rider reserve change, all calculated without regard to future changes to assumptions. Athene is unable to make forward-looking estimates regarding the impact on net income (loss) of changes in interest rates that persist for a period of time as a result of an inability to determine how such changes will affect certain of the items that Athene characterizes as "adjustments to income (loss) before income taxes." See *Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Summary of Non-U.S. GAAP Measures* for the reconciliation of net income (loss) attributable to AGM common stockholders to adjusted net income, of which spread related earnings is a component. The impact of changing rates on these adjustments is likely to be significant. See above for a discussion regarding the estimated impact on net income of an immediate, parallel increase in interest rates of 25 basis points from levels as of June 30, 2022, which discussion encompasses the impact of such an increase on certain of the adjustment items.

The models used to estimate the impact of a 25 basis point change in market interest rates incorporate numerous assumptions, require significant estimates and assume an immediate change in interest rates without any discretionary management action to counteract such a change. Consequently, potential changes in Athene's valuations indicated by these simulations will likely be different from the actual changes experienced under any given interest rate scenarios and these differences may be material. Because Athene actively manages its assets and liabilities, the net exposure to interest rates can vary over time. However, any such decreases in the fair value of fixed maturity securities, unless related to credit concerns of the issuer requiring recognition of credit losses, would generally be realized only if Athene were required to sell such securities at losses to meet liquidity needs.

Public Equity Risk

Athene assesses public equity market risk for financial assets and financial liabilities using hypothetical stress tests and exposure analyses. Assuming all other factors are constant, if there were a decline in public equity market prices of 10% as of June 30, 2022, Athene estimates a net decrease to its pre-tax income from changes in the fair value of these financial instruments of $241 million. The net change in fair value for these financial instruments would directly impact the current period gross profits and assessments used in the calculations of DAC and DSI amortization and changes in rider reserves, resulting in an offsetting increase to Athene's pre-tax income of $16 million. As of December 31, 2021, Athene estimates that a decline in public equity market prices of 10% would cause a net decrease to Athene's pre-tax income from changes in the fair value of these financial instruments of $392 million with an offsetting increase to Athene's pre-tax income of $131 million from DAC, DSI, and VOBA amortization and changes in rider reserves. The decline in the DAC, DSI, and VOBA amortization as of June 30, 2022 when compared to that as of December 31, 2021 is driven by (i) the decline in the market value of the equity options and (ii) materially different offsets stemming from DAC, DSI, and VOBA balances as a result of purchase accounting. The financial instruments included in the sensitivity analysis are carried at fair value and changes in fair value are recognized in earnings. These financial instruments include public equity investments, derivative instruments and the FIA embedded derivative.

ITEM 4. CONTROLS AND PROCEDURES

We maintain "disclosure controls and procedures", as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing disclosure controls and procedures, our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible disclosure controls and procedures. The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired objectives.

Our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) are effective at the reasonable assurance level to accomplish their objectives of ensuring that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

No changes in our internal control over financial reporting (as such term is defined in Rules 13a–15(f) and 15d–15(f) under the Exchange Act) occurred during our most recent quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

See note 17 to our condensed consolidated financial statements for a summary of the Company’s legal proceedings.

ITEM 1A. RISK FACTORS

For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our Quarterly Report for the quarter ended March 31, 2022, which is accessible on the Securities and Exchange Commission's website at www.sec.gov and is incorporated by reference into this report.

The risks described in our Quarterly Report for the quarter ended March 31, 2022 are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results. There have been no material changes to the risk factors disclosed in our Quarterly Report for the quarter ended March 31, 2022, except for the following:

Many of the funds we manage invest in illiquid assets and many of the investments of our retirement services business are relatively illiquid and we may fail to realize profits from these assets for a considerable period of time, or lose some or all of the principal amount we invest in these assets if we are required to sell our invested assets at a loss at inopportune times or in response to changes in applicable rules and regulations.

Many of the funds we manage invest in securities or other financial instruments that are not publicly traded or are otherwise viewed as “illiquid.” In many cases, the funds we manage may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. The ability of many funds, particularly the private equity funds, to dispose of investments is heavily dependent on the public equity markets. Accordingly, the funds we manage may be forced, under certain conditions, to sell securities at a loss.

In addition, many investments by our retirement services business are in securities that are not publicly traded or that otherwise lack liquidity, such as its privately placed fixed maturity securities, below investment grade securities, investments in mortgage loans and alternative investments. These relatively illiquid types of investments are recorded at fair value. If a material liquidity demand is triggered and we are unable to satisfy the demand with the sources of liquidity available to us, our retirement services business could be forced to sell certain of its assets and there can be no assurance that it would be able to sell them for the values at which such assets are recorded and it might be forced to sell them at significantly lower prices. In many cases, our retirement services business may also be prohibited by contract or applicable securities laws from selling such securities for a period of time. Thus, it may be impossible or costly to liquidate positions rapidly in order to meet unexpected withdrawal or recapture obligations. This potential mismatch between the liquidity of assets and liabilities could have a material and adverse effect on our retirement services business, financial condition, results of operations and cash flows.

Further, governmental and regulatory authorities periodically review legislative and regulatory initiatives, and may promulgate new or revised, or adopt changes in the interpretation and enforcement of existing, rules and regulations at any time that may impact our investments. For example, Rule 15c2-11 under the Exchange Act governs the submission of quotes into quotation systems by broker-dealers and has historically been applied to the over-the-counter equity markets. However, the SEC recently stated that it intends to apply the rule to fixed income markets, potentially restricting the ability of market participants to publish quotations for applicable fixed income securities after January 3, 2023. Such change in regulatory requirements could disrupt market liquidity, make it more difficult for us to source and invest in attractive private investments, and cause securities in investment portfolios of the funds we manage and Athene that are not publicly traded to lose value, any of which could have a material and adverse effect on our business, financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sale of Equity Securities

On May 2, 2022, the Company issued 3,904,952 restricted shares in connection with its previously announced transaction with Griffin Capital. On May 16, 2022, the Company issued 34,502 restricted shares under the 2019 Omnibus Equity Incentive Plan for Estate Planning Vehicles and 1,280 restricted shares under the 2019 Omnibus Equity Incentive Plan to certain holders of vested performance fee rights. The Company also issued 200,000 restricted shares to the Apollo Opportunity Foundation on May 3, 2022. The shares were issued in private placements in reliance on Regulation D or Section 4(a)(2) of the Securities Act.

Issuer Purchases of Equity Securities

The following table sets forth information regarding repurchases of shares of common stock during the fiscal quarter ended June 30, 2022.

Period	Total number of shares of common stock purchased[1]	Average price paid per share	Total number of shares of common stock purchased as part of publicly announced plans or programs[3]	Approximate dollar value of common stock that may yet be purchased under the plans or programs
April 1, 2022 through April 30, 2022				
Opportunistic repurchases	—		—	
Equity award-related repurchases[2]	—		—	
Total	—	$ —	—	$ 2,174,586,271
May 1, 2022 through May 31, 2022				
Opportunistic repurchases	3,643,000		3,643,000	
Equity award-related repurchases[2]	708,878		639,795	
Total	4,351,878	$ 52.95	4,282,795	$ 1,947,832,334
June 1, 2022 through June 30, 2022				
Opportunistic repurchases	—		—	
Equity award-related repurchases[2]	—		—	
Total	—	$ —	—	$ 1,947,832,334
Total				
Opportunistic repurchases	3,643,000		3,643,000	
Equity award-related repurchases[2]	708,878		639,795	
Total	4,351,878		4,282,795	

[1] Certain Apollo employees receive a portion of the profit sharing proceeds of certain funds in the form of (a) restricted shares of common stock that they are required to purchase with such proceeds or (b) RSUs, in each case which equity-based awards generally vest over three years. These equity-based awards are granted under the Company's Equity Plan. To prevent dilution on account of these awards, Apollo may, in its discretion, repurchase shares of common stock on the open market and retire them. During the three months ended June 30, 2022, we repurchased 69,083 shares of common stock at an average price paid per share of $52.93 in open-market transactions not pursuant to a publicly-announced repurchase plan or program on account of these awards.

[2] Represents repurchases of shares of common stock in order to offset the dilutive impact of share issuances under the Equity Plan including reductions of shares of common stock that otherwise would have been issued to participants under the Company's Equity Plan in order to satisfy associated tax obligations.

[3] Pursuant to a share repurchase program that was publicly announced on January 3, 2022, the Company is authorized to repurchase (i) up to an aggregate of $1.5 billion of shares of its common stock in order to opportunistically reduce its share count and (ii) up to an aggregate of $1.0 billion of shares of its common stock in order to offset the dilutive impact of share issuances under the its equity incentive plans, in each case with the timing and amount of repurchases to depend on a variety of factors including price, economic and market conditions as well as expected capital needs, evolution in Company's capital structure, legal requirements and other factors. Under the share repurchase program, repurchases may be of outstanding shares of common stock occurring from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, as well as through reductions of shares that otherwise would have been issued to participants under the Company's Equity Plan in order to satisfy associated tax obligations. The share repurchase program does not obligate the Company to make any repurchases at any specific time. The program is effective until the aggregate repurchase amount that has been approved by the AGM board of directors has been expended. The program may be suspended, extended, modified or discontinued at any time.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
	Agreement and Plan of Merger, dated as of March 8, 2021, by and among Apollo Global Management, Inc., Athene Holding Ltd., Tango Holdings, Inc., Blue Merger Sub, Ltd., and Green Merger Sub, Inc. (incorporated by reference to Exhibit 2.1 to Apollo Asset Management, Inc.'s Form 8-K filed on March 8, 2021 (File No. 001-35107)).
	Amended and Restated Certificate of Incorporation of Tango Holdings, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K12B filed on January 3, 2022 (File No. 001-41197)).
	Amendment to the Amended and Restated Certificate of Incorporation of Apollo Global Management, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K12B filed on January 3, 2022 (File No. 001-41197)).
	Amended and Restated Bylaws of Apollo Global Management, Inc. (incorporated by reference to Exhibit 3.3 to the Registrant's Form 8-K12B filed on January 3, 2022 (File No. 001-41197)).
	Revolving Credit Facility, among ACMP Holdings, LLC, Apollo Capital Markets Management, L.P., Sumitomo Mitsui Banking Corporation, Mizuho Bank Ltd. and the lenders from time to time party thereto, dated as of April 1, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K filed with the Securities and Exchange Commission on April 7, 2022 (File No. 001-35107)).
	Second Amended and Restated Agreement of Exempted Limited Partnership of AISG Holdings LP, dated June 16, 2022 and effective as of January 1, 2019.
	Amended and Restated Employment Agreement, dated as of June 16, 2022, between Athene Holding Ltd. and James R. Belardi (material terms of which as previously described in the Form 8-K filed by Athene Holding Ltd. on June 17, 2022).
	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a).
	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a).
	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).

XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document

XBRL Taxonomy Extension Schema Document

XBRL Taxonomy Extension Calculation Linkbase Document

XBRL Taxonomy Extension Definition Linkbase Document

XBRL Taxonomy Extension Label Linkbase Document

XBRL Taxonomy Extension Presentation Linkbase Document

Cover Page Interactive Data File (embedded within the Inline XBRL document).

erewith.
ement contract or compensatory plan or arrangement.
information contained in this exhibit has been omitted because it is not material and is the type that the registrant treats as private or confidential.

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Apollo Global Management, Inc.	
		(Registrant)	
Date: August 9, 2022	By:	/s/ Martin Kelly	
		Name:	Martin Kelly
		Title:	Chief Financial Officer (principal financial officer and authorized signatory)

Exhibit 10.2

SECOND AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP

of

AISG HOLDINGS LP

dated June 16, 2022 and effective as of January 1, 2019

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SCHEDULE I – Partners and Capital Contributions EXHIBIT A – Restrictive

Covenants Certification

SECOND AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP

of AISG Holdings LP

a Cayman Islands Exempted Limited Partnership

THIS SECOND AMENDED AND RESTATED AGREEMENT OF EXEMPTED LIMITED PARTNERSHIP (this "Agreement") dated June 16, 2022 and effective as of January 1, 2019, of AISG Holdings LP (f/k/a AAM Holdings, L.P.) (the "Partnership"), is entered into by AISG GP Ltd. (f/k/a AAM GP Ltd.), a Cayman Islands exempted company, as general partner of the Partnership (together with any permitted successor or assign thereof, the "General Partner"), and each of the Persons set forth on Schedule I under the caption "Limited Partners" and any other Person who shall hereafter execute this Agreement as a Limited Partner of the Partnership (collectively, the "Limited Partners" and together with the General Partner, the "Partners").

PRELIMINARY STATEMENTS

WHEREAS, the Partnership was formed on March 15, 2018 as an exempted limited partnership under the Act (as defined below) by the filing of a statement of registration of the Partnership pursuant to Section 9 of the Act (as it may be amended, restated or otherwise modified from time to time pursuant to a Section 10 Statement) (the "Statement of Registration") filed with the Registrar of Exempted Limited Partnerships in the Cayman Islands (the "Registrar") and an Initial Exempted Limited Partnership Agreement dated March 15, 2018 (the "Initial Agreement") entered into by and between the General Partner and Walkers Nominees Limited, as the initial limited partner (and which limited partner has since withdrawn from the Partnership);

WHEREAS, the Partnership was formed to be a holding company of Apollo Insurance Solutions Group (as defined below);

WHEREAS, in connection therewith, the Initial Agreement was amended and restated pursuant to the Amended and Restated Agreement of Exempted Limited Partnership of AAM Holdings, L.P., dated as of March 29, 2018 (the "First A&R Partnership Agreement"), by and among the General Partner and the Limited Partners then party thereto;

WHEREAS, the Partnership was renamed AISG Holdings LP, effective as of February 21, 2020;

WHEREAS, the parties hereto now wish to amend and restate the First A&R Partnership Agreement as set forth herein, to make certain changes to the Partners' respective rights to share in distributions of the Partnership and to provide for certain other related matters set out in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I

GENERAL DEFINITIONS

1.1 Definitions. As used in this Agreement, the following terms shall each have the meanings set forth in this Article I (unless the context otherwise requires).

"ACRA Base Management Fee" means the "Base Management Fee" as defined and calculated in the ACRA Fee Agreement, including after adjustment for applicable rebates and discounts applied to amounts calculated under the ACRA Fee Agreement and/or the AHL Fee Agreement that have the effect of reducing fees to members of the Apollo Group (other than Athene Holdings and its Subsidiaries), including, without limitation, the FA Rebate Amount, Core Ratio adjustment and the 2016 Liability Fee Discount.

"ACRA Fee Agreement" means the Fee Agreement, dated as of September 11, 2019 and entered into by and between Athene Asset Management LLC (now known as Apollo Insurance Solutions Group) and Athene Co-Investment Reinsurance Affiliate 1A Ltd., as from time to time amended in accordance with its terms, and any successor to such agreement.

"Act" means the Exempted Limited Partnership Law of the Cayman Islands, as it may be amended from time to time, and any successor to such Act.

"Adjusted Capital Account" means, with respect to any Partner, the balance, if any, in such Partner's Capital Account as of the end of the relevant taxable year, after:
(i) crediting to such Capital Account any amounts that such Partner is obligated to restore pursuant to Section 1.704-1(b)(2)(ii)(c) of the Treasury Regulations (or is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and 1.704-2(i)(5) of the Treasury Regulations) and (ii) debiting to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

"Adjusted Property" means any property the Carrying Value of which has been adjusted pursuant to Section 4.4(e).

"AEOI" means (a) legislation known as the U.S. Foreign Account Tax Compliance Act, sections 1471 through 1474 of the Code and any associated legislation, regulations (whether proposed, temporary or final) or guidance, any applicable intergovernmental agreement and related statutes, regulations or rules, and other guidance thereunder, (b) any other similar legislation, regulations, or guidance enacted in any other jurisdiction which seeks to implement similar financial account information reporting and/or withholding tax regimes, including the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters– the Common Reporting Standard and any associated guidance, (c) any other intergovernmental agreement, treaty, regulation, guidance, standard or other agreement entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in clauses (a) and (b) of this definition, and (d) any legislation, regulations or guidance in any jurisdiction that give effect to the matters outlined in the preceding clauses of this definition.

"Affiliate" means, when used with reference to a specific Person (or when not referring to a specific Person shall mean an Affiliate of a Partner), any Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specific Person.

"AGM" means Apollo Global Management, Inc. or its predecessor, Apollo Global Management, LLC, and any successor thereto.

"Agreed Value" means the fair market value of Contributed Property, as determined by the General Partner in good faith.

"Agreement" has the meaning specified in the preamble.

"AHL/ACRA Subadvisory Fee Distribution Amount" means an amount equal to 4.5% of all AHL/ACRA Subadvisory Fees earned during a Distribution Period.

"AHL/ACRA Subadvisory Fees" means, without duplication, the amount equal to:

(a) AHL Subadvisory Fees, plus

(b) the ACRA Subadvisory Top-Up Amount, plus

(c) ACRA Subadvisory Fees

(in each case as such terms are defined in the AHL Fee Agreement), after adjustment for applicable rebates and discounts applied to amounts calculated under the ACRA Fee Agreement and/or the AHL Fee Agreement that have the effect of reducing fees to members of the Apollo Group (other than Athene Holdings and its Subsidiaries).

"AHL Base Management Fee" means (a) the "Base Management Fee" plus (b) the portion of the ACRA IM Fee Top-Up Amount attributable solely to the ACRA Base Management Fee (as such terms are defined and calculated in the AHL Fee Agreement, including after adjustment for applicable rebates and discounts applied to amounts calculated under the ACRA Fee Agreement and/or the AHL Fee Agreement that have the effect of reducing fees to members of the Apollo Group (other than Athene Holdings and its Subsidiaries), including, without limitation, the FA Rebate Amount, Core Ratio adjustment and the 2016 Liability Fee Discount).

"AHL Fee Agreement" means the Eighth Amended and Restated Fee Agreement between Apollo Insurance Solutions Group and Athene Holding dated as of March 31, 2022, as from time to time amended in accordance with its terms (including as of June 16, 2022), and any successor to such agreement.

"Apollo Director" means a member of the GP Board who is not an Athene Director.

"Apollo Group" means, (a) AGM, (b) Apollo Life Asset, L.P. (f/k/a Apollo Life Asset Ltd.), (c) AISG GP Ltd. (f/k/a AAM GP Ltd.), (d) any investment fund or other collective investment vehicle whose general partner or managing member is owned, directly or indirectly, by AGM or by one or more of AGM's Subsidiaries. (e) Athene Holding and its Subsidiaries, and
(e) any Affiliate of a Person described in clauses (a), (b), (c) or (d) above. For avoidance of doubt, any Person managed by AGM or by one or more of AGM's Subsidiaries pursuant to a managed account agreement (or similar arrangement), without AGM or one or more of AGM's Subsidiaries controlling such Person as a general partner or managing member, shall not be part of the Apollo Group.

"Apollo Interests" means all Interests held at any time during the term of this Agreement by any Apollo Partner.

"Apollo Insurance Solutions Group" means Apollo Insurance Solutions Group LP, a Delaware limited partnership (which was formerly Apollo Insurance Solutions Group LLC, a Delaware limited liability company) that had previously been known as Athene Asset Management LLC (which was originally organized as Athene Asset Management, LLC, a Delaware limited liability company, and subsequently converted to a Delaware limited partnership and then re-registered as a Cayman Islands exempted limited partnership under the name of Athene Asset Management, L.P., before being redomesticated as a limited liability company in the State of Delaware under the name of Athene Asset Management LLC), and any entity into which it may, on or after January 1, 2019, redomicile, convert, re-register or be renamed under any law.

"Apollo Partners" means Apollo Life Asset, L.P. (f/k/a Apollo Life Asset Ltd.), a Cayman Islands exempted limited partnership, and any transferee thereof; provided, that such transferee is a member of the Apollo Group.

"Apollo Person" has the meaning specified inSection 8.8(b).

"Applicable Tax Representative" means, with respect to a tax matter, the General Partner or the Partnership Representative (each in its capacity as such), as applicable.

"Approved Reorganization" has the meaning specified inSection 6.6(a). "Approved Sale" has the

meaning specified in Section 6.6(a).

"Athene Director" means a member of the GP Board who is a member of the management team of Athene Holding or its subsidiaries.

"Athene Holding" means Athene Holding Ltd., a Bermuda exempted company.

"Bankruptcy" means, with respect to any Partner, the happening of any one or more of the following events: (a) a Partner: (i) makes an assignment for the benefit of creditors; (ii) files a voluntary petition in bankruptcy; (iii) is adjudged bankrupt or insolvent, or there has been entered against such Partner an order for relief, in any bankruptcy or insolvency proceeding; (iv) files a petition or answer seeking in respect of such Partner any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any

statute, law or regulation; (v) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Partner in any proceeding of a nature described above; or (vi) seeks, consents or acquiesces in the appointment of a trustee, receiver or liquidator of such Partner or of all or any substantial part of such Partner's properties; or (b) 120 days after the commencement of any proceeding against any Partner seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, if such proceeding has not been dismissed, or within 90 days after the appointment without such Partner's consent or acquiescence of a trustee, receiver or liquidator of the Partner or of all or any substantial part of such Partner's properties, if such appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, if such appointment is not vacated.

"BBA Audit Rules" means Subchapter C of Chapter 63 of the Code (sections 6221 through 6241 of the Code), as enacted by the United States Bipartisan Budget Act of 2015, Pub. L. No. 114-74, as amended from time to time, and the Treasury Regulations (whether proposed, temporary or final), including any subsequent amendments and administrative guidance, promulgated thereunder (or which may be promulgated in the future), together with any similar United States state, local or non-U.S. law.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of Delaware are required or authorized by law to be closed.

"Capital Account" means the Capital Account maintained for each Partner pursuant to Section 4.4 of this Agreement.

"Capital Contribution" means the total amount of cash and property, if any, contributed to the Partnership by all the Partners or any one Partner, as the case may be (including, without limitation, the assignment of such Partner's interests in the Company pursuant to the Transfer Deed).

"Carrying Value" means (a) with respect to a Contributed Property, the Agreed Value of such property reduced (but not below zero) by all depreciation, cost recovery and amortization deductions charged to the Capital Accounts pursuant to Section 4.4(d) with respect to such property, as well as any other reductions as a result of sales, retirements and other dispositions of assets included in a Contributed Property, as of the time of determination, (b) with respect to an Adjusted Property, the value of such property immediately following the adjustment provided in Section 4.4(e) reduced (but not below zero) by all depreciation, cost recovery and amortization deductions charged to the Capital Accounts pursuant to Section 4.4(d) with respect to such property, as well as any other reductions as a result of sales, retirements or dispositions of assets included in Adjusted Property, as of the time of determination, and (c) with respect to any other property, the adjusted basis of such property for U.S. federal income tax purposes as of the time of determination.

"Cause" with respect to any Partner, shall have the meaning given to such term in such Partner's employment agreement (if any) with the Partnership, the Company or any of their Affiliates; provided, that for James R. Belardi, Cause shall have the meaning given to such term in the Employment Agreement.

"Class A Interests" means limited partnership interests in the Partnership having the powers, preferences, rights, qualifications, limitations and restrictions of a Class A Interest set forth in this Agreement.

"Class A Partner" means a Partner that holds Class A Interests.

"Class B Interests" means limited partnership interests in the Partnership having the powers, preferences, rights, qualifications, limitations and restrictions of a Class B Interest set forth in this Agreement. As used in this Agreement, a successor to a Class B Interest shall include, without limitation, any security received as a result of an exchange pursuant to Article VI.

"Class B Partner" means a Partner that holds Class B Interests and, until such date that neither he nor his Personal Representative maintains voting control over an Interest (or a successor thereto), James R. Belardi.

"Code" means the U.S. Internal Revenue Code of 1986, as now in effect or as hereafter amended.

"Commission" means the U.S. Securities and Exchange Commission. "Company" means

Apollo Insurance Solutions Group.

"Competing Business" has the meaning specified in Section 8.8(g).

"Contributed Property" means property or other consideration (other than cash) contributed to the Partnership in exchange for Interests.

"Control Transaction" means any transaction, or series of related transactions which result in the sale of more than 50% of the value of the Interests. For clarity, a Control Transaction may also be a Sale of the Partnership, and vice versa (depending on the transaction).

"Co-Sale Notice" has the meaning specified in Section 6.4(a). "Co-Sale Offeree" has the

meaning specified in Section 6.4(a). "Co-Sale Offeror" has the meaning specified in

Section 6.4(a).

"Disability" with respect to any Partner, shall have the meaning given such term in such Partner's employment agreement (if any) with the Partnership, the Company or any of their Affiliates; provided, that for James R. Belardi, Disability shall have the meaning given to such term in the Employment Agreement.

"Distributable Funds" means all proceeds received (or released from reserves) by the Partnership during any period (including all interest income from temporary investments made by the Partnership pending distribution of the foregoing proceeds), as reduced by funds used during such period (a) to pay all costs and expenses incurred or (if not previously applied against Partnership proceeds) paid during such period, including all expenses incurred in any sale

or disposition transaction, (b) to discharge during such period any indebtedness or liabilities of the Partnership for which such proceeds are to be used and (c) to create or increase during such period such reserves as the General Partner may determine for the discharge of known or existing liabilities or obligations of the Partnership or otherwise for the Partnership's present or future obligations, needs or business opportunities.

"Distribution Period" means a calendar quarter.

"Employment Agreement" means that certain Amended and Restated Employment Agreement effective as of June 16, 2022 by and between Athene Holding and James R. Belardi (as the same may be amended, modified, supplemented or restated from time to time in accordance with its terms).

"Entitled Partners" has the meaning specified in Section 6.4(a). "FINRA" means the U.S.

Financial Industry Regulatory Authority.

"First A&R Partnership Agreement" has the meaning specified in the preamble. "Fiscal Year" has the

meaning specified in Section 10.6.

"General Partner" has the meaning specified in the preamble.

"Good Reason" with respect to any Partner, shall have the meaning given such term in such Partner's employment agreement (if any) with the Partnership, the Company or any of their Affiliates; provided, that for James R. Belardi, Good Reason shall have the meaning given to such term in the Employment Agreement.

"Governmental Authority" means any U.S. federal, state, county, city, local or foreign governmental, administrative or regulatory authority, commission, committee, agency or body (including any court, tribunal or arbitral body and any self-regulating authority such as FINRA).

"GP Board" means the board of directors of the General Partner. "Group" means:

(a) in the case of any Partner who is an individual, (i) such Partner, (ii) the spouse, parent, sibling or descendants of such Partner, (iii) all trusts for the benefit of such Partner or any spouse, parent, sibling or descendants of such Partner, and (iv) all Persons principally owned by and/or organized or operating for the benefit of any of the foregoing;

(b) in the case of any Partner which is a partnership, (i) such Partner, and (ii) its limited, special and general partners;

(c) in the case of any Partner which is a corporation, a company or a limited liability company, (i) such Partner, and (ii) its shareholders or members as the case may be; and

(d) in the case of any Apollo Partner, the Apollo Group. "Indemnified Persons" has the

meaning specified in Section11.1(m).

"Initial Agreement" has the meaning specified in the preamble.

"Interest Percentage" means, with respect to any Partner at any time, the ratio of (i) the aggregate number of Interests held by such Partner at such time and (ii) the aggregate number of Interests held by all Partners at such time.

"Interests" means, collectively, the Class A Interests and the Class B Interests, or, individually, the Class A Interests or the Class B Interests, as applicable, and any other classes of interests representing a limited partnership interest in the Partnership that are created and issued in accordance with this Agreement.

"Limited Partner" has the meaning specified in the preamble.

"Liquidation" means: (a) any Bankruptcy of the Partnership; (b) any Sale of the Partnership or (c) any winding up and dissolution of the Partnership, other than any winding up and dissolution in connection with any conversion, domestication or reorganization of the Partnership pursuant to Section 6.8.

"Liquidator" has the meaning specified inSection 12.2(a). "Lookback Period" has the

meaning specified in Section 5.8(a).

"Management Interests" means all Interests of the Partnership held at any time during the term of this Agreement by the Management Partners.

"Management Partner" means James R. Belardi and any Person acquiring any Class B Interest from a Management Partner pursuant to clause (b)(i) of the definition of "Permitted Transfer"; provided, that to the extent that James R. Belardi (and his Personal Representative) cease to directly own or have the power to vote or to exercise any consent rights, or other rights, in respect of any Interests of the Partnership (and any successor thereto) in accordance with Section 3.4 of this Agreement (or James R. Belardi is no longer an employee of the Company), James R. Belardi shall concurrently cease to be a "Management Partner" and any Person owning "Management Interests" Transferred by him shall also concurrently cease to (a) be a Management Partner and (b) own "Management Interests."

"Notice Date" has the meaning specified inSection 5.8(b).

"Notice Date Lookback Amount" has the meaning specified inSection 5.8(b)(i).

"Notification" means all notices permitted or required to be given to any Person hereunder. Such Notifications must be given in writing and will be deemed to be duly given on the date of delivery if delivered in person or sent by facsimile transmission or on the earlier of actual receipt or three (3) Business Days after the date of mailing if mailed by registered or

certified mail, first class postage prepaid, return receipt requested, to such Person, at the last known address of such Person on the Partnership records.

"One-Time Payment" has the meaning specified in Section 5.8(a).

"Other Partner" means any party to this Agreement other than an Apollo Partner, the General Partner or the Partnership.

"Other Partner Interests" means all Interests of the Partnership held at any time during the term of this Agreement by any Other Partner.

"Partner" has the meaning specified in the preamble.

"Partner Cessation Date" means the date that, for purposes of Section 8.8(g)-(k) (and Sections 6.1 through 6.5 of the Employment Agreement), James R. Belardi ceases to be a partner in the Partnership, it being understood that James R. Belardi shall be treated as continuing to be a partner in the Partnership for purposes of Section 8.8(g)-(k) (and Sections 6.1 through 6.5 of the Employment Agreement) at all times that he retains (a) voting control over a Class B Interest (including any successor to a Class B Interest) or (b) power to exercise any consent rights, or other rights, in respect of all Class B Interests (and any successor thereto) as provided in Section 3.4, and that he shall cease to be a partner in the Partnership for such purposes only on the date that he and his Personal Representative have lost all such control and power (which date, for purposes of clarity, shall be the date as of which the Class B Interests (and any successor thereto) have been redeemed pursuant to Section 5.8 or repurchased pursuant to Section 6.7).

"Partnership" has the meaning specified in the preamble.

"Partnership Property" means all interests, properties, whether real or personal, and rights of any type owned or held by the Partnership, whether owned or held by the Partnership at the date of the formation of the Partnership or thereafter acquired.

"Partnership Representative" means, for any taxable year of the Partnership, the General Partner acting in the capacity of the "partnership representative" (as such term is defined under the BBA Audit Rules) or such other Person as may be appointed to be the "partnership representative" or "designated individual" by the General Partner from time to time.

"Permitted Transfer" means:

(a) any Transfer made in compliance with: Section 6.4 of this Agreement; or Section 6.6 of this Agreement; or

(b) any Transfer of Interests by an Other Partner that is an individual (i) for estate planning purposes, directly or indirectly (*e.g.,* by way of a second transfer) to any corporation, limited liability company, company, limited partnership or trust created for the benefit of such individual or one or more of such individual's parents, spouse, siblings or

descendants; provided, that James R. Belardi, his Personal Representative, or (solely to the extent provided in Section 3.4) such Other Partner retains exclusive voting control over the transferred Interests or (ii) to such individual's Personal Representative.

"Permitted Transferee" means any Person acquiring Interests from a Partner in accordance with the terms of this Agreement.

"Person" shall be construed in its broadest sense and means and includes a natural person, general partnership, limited partnership, corporation, limited liability company, company, limited liability partnership, joint venture, trust, business trust, governmental agency, cooperative, association, individual or other entity, and the heirs, executors, administrations, legal representatives, successors and assigns of such person, as the context may require.

"Personal Representative" means the successor or legal representative (including, without limitation, a guardian, executor, administrator or conservator, or Person acting under a valid power of attorney) of a Partner due to death or (during such period as it is in effect) mental incapacity, or a successor thereto or designee thereof approved in writing by the General Partner.

"Predecessor Interests" has the meaning specified in Section 6.7(c)(i).

"Pro Rata Amount" means, as of the date of determination, with respect to any Partner, the product, expressed as a number of Class A Interests or Class B interests, as applicable, obtained by multiplying (a) the aggregate number of outstanding Class A Interests and Class B Interests held by such Partner, respectively, as of such date of determination, by
(b) the percentage of the aggregate number of Class A Interests held by the Co-Sale Offeror being offered for transfer to a Co-Sale Offeree under Section 6.4.

"Pro Rata Share" means, as of the date of determination, with respect to any Partner, the quotient obtained by dividing (a) the aggregate number of outstanding Class A Interests and Class B Interests held by such Partner as of such date of determination by (b) the aggregate number of outstanding Class A Interests and Class B Interests held by all Partners or class of Partners (as applicable) as of such date of determination.

"Protected Companies" has the meaning specified in Section 8.8(g).

"Public Offering" means an initial public offering of the Partnership (or any entity established pursuant to Section 6.8) registered under the Securities Act.

"Registrar" has the meaning specified in the preamble. "Reorganization" has the meaning specified in Section 6.8(a). "Repurchase Notice" has the meaning specified in Section 6.7(b). "Repurchase Price" has the meaning specified in Section 6.7(d). "Restricted Area" has the meaning specified in Section 8.8(g).

"Restricted Period" has the meaning specified inSection 8.8(g). "Restrictive Covenants" has

the meaning specified in Section 8.8(h). "Safe Harbor Election" has the meaning specified in

Section 10.9.

"Sale of the Partnership" means: (a) the Transfer of all or substantially all of the Partnership's assets to a Third Party; (b) the Transfer of outstanding Interests to a Third Party; or
(c) a business combination involving the Partnership and one or more additional Persons by means of merger, consolidation, scheme of arrangement, amalgamation, share exchange or similar transaction, in each case in clauses (b) and (c) above under circumstances in which a Third Party, immediately after such transaction, holds more than 50% of the voting power of the outstanding Interests of the Partnership or securities of the surviving or resulting Person, as the case may be, immediately following such transaction and in which the holders of the voting power of the outstanding Interests, immediately prior to such transaction, hold less than 50% of the voting power of the outstanding Interests of the Partnership or securities of the surviving or resulting Person, as the case may be, immediately following such transaction. A sale (or multiple sales) of the Company (whether by way of merger, consolidation, reorganization or sale of all or substantially all of the assets or securities or otherwise), or of one or more other Subsidiaries, if any, of the Partnership (whether by way of merger, consolidation, reorganization or sale of all or substantially all of the assets or securities or otherwise) which constitutes all or substantially all of the consolidated assets or revenues of the Partnership shall be deemed a Sale of the Partnership.

"Section 705(a)(2)(B) Expenditure" means any expenditure of the Partnership described in Section 705(a)(2)(B) of the Code and any expenditure considered to be an expenditure described in Section 705(a)(2)(B) of the Code pursuant to Section 704(b) of the Code and the Treasury Regulations thereunder.

"Securities Act" means the U.S. Securities Act of 1933, as amended. "Severance Date" has the

meaning specified in the Employment Agreement. "Share" means a share of common stock of AGM.

"Shareholder Affiliates" has the meaning specified inSection 11.1(o). "Statement of

Registration" has the meaning specified in the preamble.

"Subsidiary" means, with respect to any Person, any other Person the majority of whose equity securities or voting securities are directly or indirectly owned or controlled by such Person.

"Tag-Along Notice" has the meaning specified inSection 6.4(b). "Term" means the "Term," as

defined in the Employment Agreement.

“Third Party” means, with respect to any Partner, any Person that is not (a) the Partnership or any of its Affiliates or (b) a member of the Group of such Partner.

“Transfer” means any direct or indirect change in the record or beneficial ownership of an Interest, whether made voluntarily or involuntarily by operation of law.

“Transfer Deed” means the deed of assignment and assumption of limited partnership interests between the General Partner, the Partnership and the former limited partners of Apollo Insurance Solutions Group dated March 29, 2018, pursuant to which such limited partners transferred their respective partnership interests in Apollo Insurance Solutions Group to the Partnership in exchange for Interests in the Partnership.

“Treasury Regulations” means the regulations promulgated by the U.S. Treasury Department pursuant to the Code.

“Unrealized Gain” means the excess, if any, of the fair market value of a Partnership Property as of the date of determination (as reasonably determined by the General Partner) over the Carrying Value of such property as of the date of determination (prior to any adjustment to be made pursuant to Section 4.4(e) as of such date).

“Unrealized Loss” means the excess, if any, of the Carrying Value of a Partnership Property as of the date of determination (prior to any adjustment to be made pursuant to Section 4.4(e) as of such date) over its fair market value as of such date of determination (as reasonably determined by the General Partner).

“Unrecovered Capital” at any time means the aggregate actual Capital Contributions made by the General Partner or a Partner or by his predecessor in interest in respect of Class A Interests.

“Winding Up Event” has the meaning specified in Section 12.1.

1.2 Interpretation. Each definition in this Agreement includes the singular and the plural, and reference to the neuter gender includes the masculine and feminine where appropriate. References to any statute or Treasury Regulations means such statute or regulations as amended at the time and include any successor legislation or regulations. The headings to the Articles and Sections are for convenience of reference and shall not affect the meaning or interpretation of this Agreement. Except as otherwise stated, reference to Articles, Sections and Schedules mean the Articles, Sections and Schedules of this Agreement. The Schedules are hereby incorporated by reference into and shall be deemed a part of this Agreement.

ARTICLE II

ORGANIZATION

2.1 Formation. The parties hereto continue the Partnership as an exempted limited partnership formed and registered as a Cayman Islands exempted limited partnership by the filing of the Statement of Registration with the Registrar. The Partners hereby agree that the Partnership shall be governed by the terms of this Agreement and the Act.

2.2 Name. The name of the Partnership is AISG Holdings LP To the extent permitted by the Act, the Partnership may conduct its business under one or more assumed names deemed advisable by the General Partner.

2.3 Purposes. The purposes of the Partnership are to engage in any activity and/or business for which exempted limited partnerships may be formed under the Act. The Partnership shall possess and, subject to the limitations herein expressed, may exercise, all powers necessary, convenient or incidental to the conduct, promotion or attainment of its business, purposes or activities to the fullest extent provided by the Act.

2.4 Duration. The Partnership commenced upon the filing of the Statement of Registration and the Partnership shall continue in existence until it is wound up and dissolved in accordance with the Act or this Agreement.

2.5 Registered Office and Registered Agent; Principal Office.

(a) The registered office of the Partnership required by the Act to be maintained in the Cayman Islands shall be Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands or such other office (which need not be a place of business of the Partnership) as the General Partner may designate from time to time.

(b) The registered agent of the Partnership in the Cayman Islands shall be Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands or such other Person or Persons as the General Partner may designate.

(c) The principal office of the Partnership shall be at 2121 Rosecrans Ave., Ste 5300, El Segundo, Los Angeles County, California 90245 or at such place as the General Partner may designate from time to time, which need not be in the Cayman Islands, and the Partnership shall maintain records there for inspection unless the records are required to be maintained at the registered office by the Act. The Partnership may have such other offices as the General Partner may designate from time to time.

ARTICLE III

PARTNERS

3.1 Partners. The Partners of the Partnership are listed onSchedule I of this Agreement and the addresses of such Partners are as set forth on such Schedule I. As of January 1, 2019 and the date of this Agreement, there are no other Partners of the Partnership and no other Person has any right to take part in the ownership of the Partnership.

3.2 Admission of Additional Partners. Additional Partners of the Partnership may only be admitted if the admission of any such proposed additional Partner is approved in writing, prior to such admission, by the General Partner, and such proposed additional Partner satisfies the requirements of Section 6.3. Schedule I shall be amended from time to time without the consent of any Limited Partner by the General Partner to include the name and address of any

additional Limited Partner acquiring Class A Interests or Class B Interests as permitted by this Agreement.

3.3 Partnership Interests.

(a) The Partnership may issue one or more classes or series of limited partnership interests in the Partnership. As of January 1, 2019, the Partnership has two classes of limited partnership interests: Class A Interests and Class B Interests. Each Class A Interest shall have the powers, preferences, rights, qualifications, limitations and restrictions set forth in this Agreement, and each Class B Interest shall have the powers, preferences, rights, qualifications, limitations and restrictions set forth in this Agreement. Except as set forth in Section 3.3(b), if any Class B Interests (or other similar interests) are issued to a Person other than James R. Belardi or his direct or indirect Permitted Transferees, such newly issued Class B Interests (and other similar interests) will not dilute or reduce the rights (economic or otherwise) of James R. Belardi or his direct or indirect Permitted Transferees under this Agreement, including under Sections 5.8 and 5.9 of this Agreement.

(b) The Partnership may issue, from time to time at the General Partner's sole discretion, additional limited partnership interests for any consideration the General Partner deems appropriate, provided that, at any time that Class B Interests are outstanding, such issuance shall be for not less than fair market value as determined by the General Partner in good faith (except as expressly otherwise agreed by James R. Belardi and the General Partner). Such issuance may be in the form of Class A Interests, Class B Interests or other classes or series of interests in accordance with Section 3.3(c) (or other forms of interests convertible into Class A Interests or Class B Interests or other classes or series of interests in accordance with Section 3.3(c)), in each case, subject to this Agreement.

(c) The Limited Partners agree that the General Partner shall have the power and authority to (i) issue limited partnership interests of the Partnership of whatever class or series it designates on such terms and conditions as it may determine consistent with Section 3.3(b) and Section 3.4, and any such limited partnership interests or class of limited partnership interests of the Partnership may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to distributions, income allocations, voting, return of capital, or otherwise as the General Partner may by unilateral amendment to this Agreement prescribe, and (ii) fix or alter the number of limited partnership interests comprising any such class or series without the consent of the Limited Partners, and the Limited Partners shall not thereafter object to any such issuance or the resulting effect on such Limited Partners' issued and outstanding limited partnership interests of the Partnership.

(d) All distributions with respect to Interests shall be made in accordance with the provisions of Article V or Section 12.4 (assuming for such purposes that any applicable Section 6.7 repurchase or exchange rights with respect to such Interests are exercised immediately prior to application of the provisions of Section 12.4).

3.4 Voting Control over Class B Interests. Notwithstanding anything to the contrary in this Agreement or otherwise, at all events, James R. Belardi (or his Personal Representative) shall retain exclusive (i) voting control over all Class B Interests (and any successor thereto), and

(ii) power to exercise all consent rights, and other rights, in respect of all Class B Interests (and any successor thereto) as long as (A) such Class B Interests (or any successor thereto) are outstanding and not held by an Apollo Partner and (B) the Severance Date has not occurred; provided, however, that such exclusive voting control and power will no longer be required with respect to a Class B Interest (and any successor thereto) subsequently transferred (w) in a Permitted Transfer pursuant to a Tag-Along Notice under Section 6.4 or in an Approved Sale under Section 6.6, (x) pursuant to the exercise of a call right by the Partnership under Section 6.7 in respect of the repurchase of such Interests (but not in respect of a security received in exchange for such Interests pursuant to Article VI), which in the cases of (w) and (x) such voting control and power shall automatically transfer to the transferee, (y) to an Apollo Partner, in which event such Apollo Partner shall maintain such voting control and power, or (z) where the successor owner is a member of the Apollo Group approved by the General Partner or the direct or indirect transferee of such member of the Apollo Group, in which event such successor owner shall maintain such voting control and power.

3.5 Intentionally Omitted.

3.6 Withdrawal and Winding Up of the General Partner.

(a) Upon the Bankruptcy of the General Partner or in the event of the dissolution of the General Partner or the occurrence of any other circumstance constituting an event of withdrawal of the General Partner, the Partnership's affairs shall be wound up pursuant to Section 12.2; provided, however, that, notwithstanding any provision to the contrary, the Partnership shall not be required to be wound up by reason of the General Partner's Bankruptcy, dissolution or other withdrawal if, within ninety (90) days after the date of any such occurrence, more than 50% in interest of the Limited Partners agree in writing to continue the business of the Partnership and to the appointment, effective as of the date of withdrawal of the General Partner, of one or more new general partners.

(b) If the General Partner withdraws from the Partnership, such general partner nonetheless shall remain liable for obligations and liabilities incurred by it as a general partner prior to the time of such withdrawal, but, from and after the time of such withdrawal, it shall be free of any obligation or liability incurred on account of the activities of the Partnership. The General Partner shall make any filings required under the Act to effect the replacement of the general partner of the Partnership.

(c) On or prior to the Sale of the Partnership, the Apollo Partner, in its capacity as the sole shareholder of the General Partner, shall not wind up the affairs of the General Partner unless the written consent of all Class A Partners and Class B Partners exercising voting control over at least two-thirds (2/3) of the Class B Interests is obtained.

ARTICLE IV

CAPITAL CONTRIBUTIONS

4.1 Capital Contributions. The General Partner and each Limited Partner as of January 1, 2019 is deemed admitted, or continues (as applicable) as a Partner of the Partnership

and to have contributed to the Partnership the cash and Contributed Property as specified in Schedule I as of January 1, 2019. Each additional Limited Partner admitted pursuant to Section 3.2 shall be deemed admitted as a Limited Partner of the Partnership upon its execution and delivery of this Agreement, and, as of the date of such execution and delivery, shall be deemed to have contributed to the Partnership the cash and Contributed Property as specified in Schedule I.

4.2 Initial Interests. Each Partner as of January 1, 2019 is entitled to the number and class of Interests set forth opposite such Partner's name on Schedule I.

4.3 No Further Required Capital Contributions. No Partner as of January 1, 2019 shall be obligated to make any additional Capital Contributions to the Partnership, unless approved by the General Partner, provided, however, any such approved additional Capital Contributions shall be made pro-rata by such Partners in proportion to their Pro Rata Share.

4.4 Capital Accounts.

(a) A Capital Account shall be established and maintained for each Partner. Each Partner's Capital Account (i) shall be increased by (a) the amount of money contributed or deemed to be contributed by that Partner to the Partnership, (b) the Agreed Value of Contributed Property contributed by that Partner to the Partnership (net of liabilities secured by the Contributed Property that the Partnership is considered to assume or take subject to Section 752 of the Code), and (c) allocations to that Partner of Partnership income and gain (or items thereof), including income and gain exempt from tax and income and gain described in Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations, but excluding income and gain described in Section 1.704-1(b)(4)(i) of the Treasury Regulations, and (ii) shall be decreased by (A) the amount of money distributed to that Partner by the Partnership, (B) the fair market value of property distributed to that Partner by the Partnership (net of liabilities secured by the distributed property that the Partner is considered to assume or take subject to Section 752 of the Code), (C) allocations to that Partner of Section 705(a)(2)(B) Expenditures, and (D) allocations of Partnership loss and deduction (or items thereof), including loss and deduction described in Section 1.704-1(b)(2)(iv)(g) of the Treasury Regulations, but excluding loss and deduction described in Section 1.704-1(b)(4)(i) or Section 1.704-1(b)(4)(iii) of the Treasury Regulations.

(b) Except as otherwise provided herein, whenever it is necessary to determine the Capital Account of any Partner for purposes of this Agreement, the Capital Account of such Partner shall be determined after giving effect to (i) all Capital Contributions made or deemed to have been made to the Partnership on or after the date of the Agreement, (ii) all allocations of income, gain, deduction and loss pursuant to Article V for operations and transactions effected on or after the date of the Agreement and prior to the date such determination is required to be made under the Agreement and (iii) all distributions made on or after the date of the Agreement.

(c) Upon the Transfer of all Interests held by a Partner after the date of this Agreement, the Capital Account of the transferor Partner that is attributable to the transferred Interests will be carried over to the transferee Partner but, if the Partnership has an election in effect under Section 754 of the Code, the Capital Account will be adjusted to reflect any

adjustment required as a result thereof by the Treasury Regulations promulgated pursuant to Section 704(b) of the Code.

(d) The realization, recognition and classification of any item of income, gain, loss or deduction for Capital Account purposes shall be the same as its realization, recognition and classification for U.S. federal income tax purposes; provided, however, that:

(i) Any deductions for depreciation, cost recovery or amortization attributable to a Contributed Property shall be determined as if the adjusted tax basis of such property on the date it was acquired by the Partnership was equal to the Agreed Value of such property. Upon adjustment pursuant to Section 4.4(e) of the Carrying Value of the Partnership Property subject to depreciation, cost recovery or amortization, any further deductions for such depreciation, cost recovery or amortization shall be determined as if the adjusted tax basis of such property was equal to its Carrying Value immediately following such adjustment. Any deductions for depreciation, cost recovery or amortization under this Section 4.4(d) shall be computed in accordance with Section 1.704-1(b)(2)(iv)(g)(3) of the Treasury Regulations.

(ii) Any income, gain or loss attributable to the taxable disposition of any property shall be determined by the Partnership as if the adjusted tax basis of such property as of such date of disposition was equal in amount to the Carrying Value of such property as of such date.

(iii) All items incurred by the Partnership that can neither be deducted nor amortized under Section 709 of the Code shall, for purposes of Capital Accounts, be treated as an item of deduction and shall be allocated among the Partners pursuant to Article V.

(e) Upon the issuance of additional Interests for cash or Contributed Property or in exchange for services, immediately prior to the actual or deemed distribution of any Partnership Property (other than cash) or the distribution of cash in redemption of any Interests, and immediately prior to any conversion under Section 6.8, the Capital Accounts of all Partners and the Carrying Values of all Partnership Properties immediately prior to such event shall be adjusted (consistent with the provisions hereof and with the Treasury Regulations under Section 704 of the Code) upward or downward to reflect any Unrealized Gain or Unrealized Loss attributable to each Partnership Property, as if such Unrealized Gain or Unrealized Loss had been recognized upon an actual sale of each such Partnership Property immediately prior to such event and had been allocated to such Partners pursuant to Article V. In determining such Unrealized Gain or Unrealized Loss, the fair market value of Partnership Property as of any date of determination shall be reasonably determined by the General Partner. In addition to the adjustments required by the foregoing provisions of this Section 4.4, the Capital Accounts of the Partners shall be adjusted in accordance with the capital account maintenance rules of Section 1.704-1(b)(2)(iv) of the Treasury Regulations.

(f) The foregoing provisions of this Section 4.4 are intended to comply with Section 1.704-1(b)(2)(iv) of the Treasury Regulations and shall be interpreted and applied in a manner consistent with such Treasury Regulations. If the General Partner shall determine that it

is prudent to modify the manner in which the Capital Accounts are computed in order to comply with Section 1.704-1(b)(2)(iv) of the Treasury Regulations, the General Partner may make such modification; provided, that such modification is not likely to have a material effect on the amounts distributable to any Limited Partner pursuant to Article V and the General Partner notifies the Limited Partners in writing of such modification prior to its effective date, and; provided, further, that the General Partner shall have no liability to any Limited Partner for any failure to exercise any such discretion to make any modifications permitted under this Section 4.4(f).

(g) The Capital Account balance of any Partner who receives a "guaranteed payment" (as determined under Section 707(c) of the Code) from the Partnership shall be adjusted only to the extent of such Partner's allocable share of any Partnership deduction or loss resulting from such guaranteed payment.

4.5 Return of Capital Contributions. Except as otherwise provided herein or in the Act, no Partner shall have the right to withdraw, or receive any return of, all or any portion of such Partner's Capital Contribution.

4.6 Interest. No interest shall be paid by the Partnership on Capital Contributions or on balances in Partners' Capital Accounts.

4.7 AEOI.

(a) Each Limited Partner:

(i) shall provide, in a timely manner, such information regarding the Limited Partner and its beneficial owners and/or controlling persons and such forms or documentation as may be requested from time to time by the General Partner or the Partnership to enable the Partnership to comply with the requirements and obligations imposed on it pursuant to AEOI and shall update such information as necessary;

(ii) acknowledges that any such forms or documentation provided to the Partnership or its agents pursuant to clause (i), or any financial or account information with respect to the Limited Partner's investment in the Partnership, may be disclosed to any Governmental Authority which collects information in accordance with AEOI and to any withholding agent where the provision of that information is required by such agent to avoid the application of any withholding tax on any payments to the Partnership;

(iii) shall waive, and/or shall cooperate with the Partnership to obtain a waiver of, the provisions of any law which prohibits the disclosure by the Partnership, or by any of its agents, of the information or documentation requested from the Limited Partner pursuant to clause (i), prohibits the reporting of financial or account information by the Partnership or its agents required pursuant to AEOI or otherwise prevents compliance by the Partnership with its obligations under AEOI;

(iv) acknowledges that, if it provides information and documentation that is in anyway misleading, or it fails to provide and/or update the Partnership or its agents with the requested information and documentation necessary, in either case, to

satisfy the Partnership's obligations under AEOI, the Partnership may (whether or not such action or inaction leads to compliance failures by the Partnership, or a risk of the Partnership or its investors being subject to withholding tax or other penalties under AEOI) take any action and/or pursue all remedies at its disposal, including compulsory withdrawal of the Limited Partner, and may hold back from any withdrawal proceeds, or deduct from the Limited Partner's Capital Account, any liabilities, costs, expenses or taxes caused (directly or indirectly) by the Limited Partner's action or inaction; and

(v) shall have no claim against the Partnership, or its agents, for any form of damages or liability as a result of actions taken or remedies pursued by or on behalf of the Partnership in order to comply with AEOI.

(b) The Limited Partner hereby indemnifies the General Partner and the Partnership and each of their respective partners, members, managers, officers, directors, employees and agents and holds them harmless from and against any AEOI-related liability, action, proceeding, claim, demand, costs, damages, expenses (including legal expenses), penalties or taxes whatsoever which such Person may incur as a result of any action or inaction (directly or indirectly) of such Limited Partner (or any member of the Group of such Limited Partner) described in Section 4.7(a)(i) through (v). This indemnification shall survive the Limited Partner's death or dissolution or disposition of its interests in the Partnership.

4.8 Tax Matters.

(a) Partnership Representation in Tax Matters.

(i) The Partnership Representative shall be permitted to take any and all actions under the BBA Audit Rules (including making or revoking the election referred to in Section 6226 of the Code under the BBA Audit Rules and all other applicable tax elections) and shall have any powers necessary to perform fully in such capacity, in consultation with the General Partner if the General Partner is not the Partnership Representative.

(ii) Any Partner or former Partner that is in dispute with any tax authority in relation to a matter relating to the Partnership shall notify the General Partner within 30 days and, if the Applicable Tax Representative reasonably determines that the matter is of material relevance to the tax position of the Partnership and notifies such Partner of such determination, such Partner shall consult with the Applicable Tax Representative (or any advisor appointed by the Applicable Tax Representative for the purpose) as to how that dispute is to be handled. Any Partner or former Partner that enters into a settlement agreement with respect to any Partnership item shall notify the General Partner of such settlement agreement and its terms within 30 days after the date of settlement. Each Limited Partner shall reasonably cooperate with the Applicable Tax Representative in connection with any tax audit of the Partnership or any existing or former investment of the Partnership.

(iii) Each Applicable Tax Representative shall be entitled to be reimbursed by the Partnership for all costs and expenses incurred by it in connection with

any administrative or judicial proceeding affecting tax matters of the Partnership and the Partners in their capacity as such and, in accordance with Section 11.1, to be indemnified by the Partnership with respect to any proceeding brought against it in connection with any judgment in or settlement of any such proceeding.

(b) Tax Information. Each Partner shall provide the Partnership with any information that may be reasonably requested by the General Partner required for the compliance by the Partnership and its subsidiaries (including the Company) with applicable tax laws, the filing of any tax return with respect to the Partnership and its subsidiaries (including the Company), or any tax election with respect to the Partnership and its subsidiaries, including in connection with any election under Section 754 of the Code or to facilitate compliance with Section 743 of the Code. Each Partner shall upon request supply the information or take any other action necessary to properly give effect to any elections described in Section 4.8(a)(i) or to otherwise enable an Applicable Tax Representative to implement the provisions of this Section 4.8 (including filing tax returns, defending tax audits or other similar proceedings and conducting tax planning).

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Income, Gain, Loss, Deduction and Credit. Except as otherwise provided in Sections 5.2, 5.3, 5.4 and 5.5, net income and gain or net losses and credits (and, to the extent necessary, individual items of income, gain or loss or deduction of the Partnership) shall be allocated (proportionately), after giving effect to the special allocations set forth in Article V, in a manner that as closely as possible gives economic effect to the provisions of Section 5.9, Section 12.4 and the other relevant provisions of this Agreement. Notwithstanding the foregoing, the General Partner shall make such adjustments to Capital Accounts as it determines in its sole discretion to be appropriate to ensure allocations are made in accordance with a Partner’s interest in the Partnership.

5.2 Book/Tax Disparities; Section 754 Elections; Etc.

(a) In the case of Contributed Property, items of income, gain, loss, deduction and credit, as determined for U.S. federal income tax purposes, shall be allocated first in a manner consistent with the requirements of Section 704(c) of the Code to take into account the difference between the Agreed Value of such property and its adjusted tax basis at the time of contribution.

(b) In the case of Adjusted Property, such items shall be allocated in a manner consistent with the principles of Section 704(c) of the Code to take into account the difference between the Carrying Value of such property and its adjusted tax basis. In the event that the Adjusted Property was originally a Contributed Property, the allocation required by this Section 5.2(b) also shall take into account the requirements of Section 5.2(a).

(c) All items of income, gain, loss, deduction and credit recognized by the Partnership for U.S. federal income tax purposes and allocated to the Partners in accordance with the provisions hereof shall be determined without regard to any election under Section 754 of the Code which may be made by the Partnership; provided, however, that such allocations, once made, shall be adjusted as necessary or appropriate to take into account those adjustments permitted by Sections 734 and 743 of the Code and to provide only Partners recognizing gain on Partnership distributions covered by Section 734 of the Code with the U.S. federal income tax benefits attributable to the increased basis in Partnership Property resulting from any election under Section 754 of the Code.

(d) Whenever the income, gain and loss of the Partnership allocable hereunder consists of items of different character for tax purposes (*e.g.*, ordinary income, long-term capital gain, interest expense), the income, gain and loss for tax purposes allocable to each Partner shall be deemed to include its *pro rata* share of each such item. Notwithstanding the foregoing, if the Partnership realizes depreciation recapture income pursuant to Section 1245 or Section 1250 (or other comparable provision) of the Code as the result of the sale or other disposition of any asset, the allocations to each Partner hereunder shall be deemed to include the same proportion of such depreciation recapture as the total amount of deductions for tax depreciation of such asset previously allocated to such Partner bears to the total amount of deductions for tax depreciation of such asset previously allocated to all Partners. This Section 5.2(d) shall be construed to affect only the character, rather than the amount, of any items of income, gain and loss.

5.3 Regulatory Allocations. This Article V is intended to comply with Section 704(b) of the Code and the Treasury Regulations thereunder, including the "alternative test for economic effect" under Treasury Regulations Section 1.704-1(b)(ii)(d). Notwithstanding Section 5.1, the Partnership shall make any allocations required by such Treasury Regulations, including "qualified income offset" and "minimum gain chargeback" allocations and allocations relating to any nonrecourse debt of the Partnership, prior to making the allocations set forth in Section 5.1.

5.4 Limitations on Loss Allocation. Notwithstanding any other provision of this Agreement to the contrary, no item of loss or deduction of the Partnership shall be allocated to a Partner if such allocation would result in a negative balance in such Partner's Adjusted Capital Account. Such loss or deduction shall be allocated first among the Partners with positive balances in their Capital Accounts in proportion to (and to the extent of) such positive balances and thereafter in accordance with their interests in the Partnership as determined under Section 1.704-1(b)(3) of the Treasury Regulations.

5.5 Curative Allocations. If any items of income and gain (including gross income) or loss, deduction and Section 705(a)(2)(B) Expenditures are allocated to a Partner pursuant to Sections 5.3 or 5.4 then, prior to any allocation pursuant to Section 5.1 and subject to Sections 5.3 and 5.4, items of income and gain (including gross income) and items of loss, deduction and Section 705(a)(2)(B) Expenditures for subsequent periods shall be allocated to the Partners in a manner designed to result in each Partner's Capital Account having a balance equal to what it would have been had such allocation of items of income and gain (including gross income) or loss, deduction and Section 705(a)(2)(B) Expenditures not been made under Sections 5.3 or 5.4.

5.6 Distributions in Kind. If any assets of the Partnership are distributed in kind pursuant to Section 12.4, such assets shall be distributed to the Partners entitled thereto in the same proportions as if the distribution were in cash. Such assets shall be valued at their then fair market value as reasonably determined by the General Partner. The amount of Unrealized Gain or Unrealized Loss attributable to any asset to be distributed in kind to the Partners shall, to the extent not otherwise recognized by the Partnership, be taken into account in computing gain or loss of the Partnership for purposes of allocation of gain or loss under Sections 5.1 and 5.2, and distributions of proceeds to the Partners under Sections 5.9 and 12.4. If the assets of the Partnership are sold in a transaction in which, by reason of the provisions of Section 453 of the Code or any successor thereto, gain is realized but not recognized, such gain shall be taken into account in computing gain or loss of the Partnership for purposes of allocations and distributions to the Partners pursuant to this Article V (including Section 12.4, to the extent applicable), notwithstanding that the Partners may elect to continue the Partnership pending collection of deferred purchase money obligations received in connection with such sale.

5.7 Allocations and Distributions to Transferred Interests.

(a) If any interest in the Partnership is transferred, increased or decreased during the year, all items of income, gain, loss, deduction and credit recognized by the Partnership for such year shall be allocated among the Partners to take into account their varying interests during the year in any manner the General Partner shall approve, in its sole discretion, as then permitted by the Code.

(b) Except for any accrued but undistributed (x) AHL/ACRA Subadvisory Fee Distribution Amount, (y) ACRA Base Management Fee distribution or (z) AHL Base Management Fee distribution, in each case allocable to a completed calendar quarter ended during the Term (or, solely in the case of the AHL/ACRA Subadvisory Fee Distribution Amount, the final calendar quarter included in the Term, if the Severance Date is earlier than the last day of such calendar quarter) and distributed under Section 5.9(a) in accordance with its terms by not later than the calendar quarter that begins immediately after the Severance Date (with any such amounts paid after the Severance Date distributed to the holders of Class B Interests as of immediately prior to the Severance Date, based on the proportion of the outstanding Class B Interests each held as of immediately prior to the Severance Date), distributions under Sections 5.9 and 12.4 shall be made only to Partners and assignees who, according to the books and records of the Partnership, are Partners or assignees on the actual date of distribution.
Neither the Partnership nor the General Partner shall incur any liability for making distributions in accordance with this Section 5.7(b).

5.8 One-Time Payment to Partners holding Class B Interests.

(a) If James R. Belardi's employment under the Employment Agreement terminates in an Involuntary Termination (as defined in the Employment Agreement) at any time, then the holders of Class B Interests (or any successor thereto) as of immediately prior to the Severance Date shall be redeemed or exchanged by the Partnership as of the Severance Date for an amount equal to their proportionate share (based on the proportion of the outstanding Class B Interests (or any successor thereto) that they held as of immediately prior to the Severance Date) of an amount, the form of which is payable at AGM's discretion in cash, fully-

vested and, except as otherwise required under applicable law, non-forfeitable Shares or any combination thereof (such aggregate amount, in whatever such form paid, the "One-Time Payment"), equal to five times the product obtained by multiplying (x) one half of the sum of the amounts allocated to the Class B Interests (or any successor thereto) held by James R. Belardi or his Permitted Transferees under this Agreement, or due to be so allocated or paid, in each case, in respect of the most recent eight (8) completed calendar quarters that precede (or end on) the Severance Date (such eight calendar quarter period, the "Lookback Period"), times (y) a fraction (not greater than one) whose numerator is the number of days between January 1, 2021 and the Severance Date (inclusive) and whose denominator is the number of days between January 1, 2021 and December 31, 2023 (also inclusive).

(b) If (x) in December of 2022 or a subsequent December, James R. Belardi provides, notice that is effective on or after December 31, 2022 (which effective date for such notice (the "Notice Date") shall not be earlier than the date on which such notice is delivered in accordance with Section 21 of the Employment Agreement), at least 12 months' prior written notice to the Company that he is terminating his employment under the Employment Agreement effective December 31, 2023 or such later December 31 specified in such notice, and (y) the Severance Date occurs on December 31 of the calendar year immediately following the Notice Date, then the holders of the Class B Interests (or any successor thereto) as of immediately prior to the Severance Date shall be redeemed or exchanged by the Partnership as of the Severance Date for an amount equal to their proportionate share (based on their holdings of Class B Interests (or any successor thereto) as of immediately prior to the Severance Date) of the One-Time Payment described below in this Section 5.8(b); provided that, if the Severance Date actually falls on a date later than December 31 of the calendar year following the Notice Date (due to action by James R. Belardi or mutual agreement by James R. Belardi and the General Partner), for purposes of this Agreement the Severance Date shall be treated as having occurred on such December 31. The One-Time Payment pursuant to this Section 5.8(b) shall be equal to:

(i) five times the sum of the amounts allocated to the Class B Interests (or any successor thereto) held by James R. Belardi or his direct or indirect Permitted Transferee under this Agreement, or due to be so allocated or paid, in each case in respect of the most recent four (4) completed calendar quarters (which shall necessarily begin January 1, 2022 or later) that precede (or end on) the Notice Date (such amount, the "Notice Date Lookback Amount"),

(ii) except that following the Severance Date, but prior to payment, the One-Time Payment (which, prior to the Severance Date, shall be accrued on the books of the Partnership as the Notice Date Lookback Amount) shall be adjusted such that it is equal to five times one half of the sum of the amounts allocated to the Class B Interests (or any successor thereto) held by James R. Belardi or his direct or indirect Permitted Transferees under this Agreement, or due to be so allocated or paid, in each case in respect of the Lookback Period (which shall necessarily begin January 1, 2022 or later).

(c) The One-Time Payment under Section 5.8(a) or Section 5.8(b) is subject
(i) to Sections 5.3(d) (breaches of restrictive covenants), except in respect of any such covenants that have become null and void in accordance with Section 6.8 of the Employment Agreement (or Section 8.8(k) of this Agreement), 5.4(a) (release of claims), 5.6 (limitation on benefits) and

5.7 (409A delay) of the Employment Agreement and (ii) in the case of the One-Time Payment under Section 5.8(b), to (x) James R. Belardi not having committed a material breach of the covenants applicable to him under Sections 6.1 through 6.5 of the Employment Agreement or Section 8.8(g) of this Agreement (except in respect of any such covenants that have become null and void in accordance with Section 8.8(k) or Section 6.8 of the Employment Agreement), which breach has not been cured within fifteen (15) days after he receives notice from the Partnership or the Company describing the breach in reasonable detail and requesting cure in accordance with Section 5.3(d) of the Employment Agreement, on or before the first day of the eleventh (11th) month that follows the Severance Date and (y) James R. Belardi's (or his Personal Representative's) written certification, in the form attached hereto as Exhibit A, of his continued material compliance with Sections 6.1 through 6.5 of the Employment Agreement and Section 8.8(g) on or within 14 days after the first day of such eleventh (11th) month. Subject to such terms and conditions, the applicable One-Time Payment shall be paid on the thirtieth (30th) day following the first anniversary of the last day of the month in which the Severance Date occurs, to the holders of Class B Interests (or any successor thereto) as of immediately prior to the Severance Date, prorated in accordance with their holdings of Class B Interests (or any successor thereto) as of immediately prior to the Severance Date, and shall include payment of any amounts that (i) would have been due to be distributed on Class B Interests (or any successor thereto) in respect of calendar quarters beginning prior to the Severance Date, or, without duplication, the AHL/ACRA Subadvisory Fee Distribution Amount for the calendar quarter that includes the Severance Date, if sufficient Distributable Funds had at all times been available but
(ii) were not in fact so distributed.

(d) In no event shall holders of Class B Interests (or any successor thereto) be entitled to a payment under both Section 5.8(a) and Section 5.8(b). For purposes of this Section 5.8, Interests held by James R. Belardi or his direct or indirect Permitted Transferees refers to Interests actually held by such Persons as of the Severance Date.

(e) Unless otherwise required by the Code or Treasury Regulations, including, without limitation, Section 736(b)(2)(A) of the Code, the Partnership and the Partners agree to treat 100% of the One-Time Payment, and 100% of any other payment or distribution (or deemed distribution pursuant to Section 752(b) of the Code) that is governed by Section 736 of the Code, in each case, as a payment in exchange for such Partner's interest in Partnership Property, including such Partner's interest in goodwill, to which Section 736(b)(1) of the Code applies.

(f) The Partnership or an Affiliate may also purchase a death benefit insurance policy which may (in the Partnership's sole discretion) be used to fund the Partnership's obligation to pay the One-Time Payment in the event of James R. Belardi's death.

5.9 Distributions of Distributable Funds. Distributable Funds of the Partnership shall be distributed in such amounts and at such times as the General Partner may determine, in its sole discretion (provided that, with respect to the amounts described in Section 5.9(a) below, such distributions shall be made at least quarterly and in cash, for each calendar quarter that

precedes or includes the Severance Date), in the following order of priority, to the extent that Distributable Funds are then available:

(a) First, to the Partners holding Class B Interests as of the last day of any applicable Distribution Period, prorated in accordance with the number of Class B Interests they held as of that last day (or, solely in respect of the AHL/ACRA Subadvisory Fee Distribution Amount for the final calendar quarter in the Term, to the Partners who held Class B Interests as of the Severance Date, if the Severance Date occurs earlier than the last day of such final calendar quarter), in accordance with Section 5.9(c), (x) the AHL/ACRA Subadvisory Fee Distribution Amount, and (y) an amount equal to 3.35% of the ACRA Base Management Fee and (without duplication) 3.35% of the AHL Base Management Fee, in each case with respect to
(i) the immediately preceding Distribution Period and (ii) any earlier Distribution Period in respect of which such amounts have not yet been distributed to the Partners pursuant to this provision (in each case with the Class B Interests held during such immediately preceding or other Distribution Period measured as of the last day of such Distribution Period (or, solely in respect of the AHL/ACRA Subadvisory Fee Distribution Amount for the final calendar quarter in the Term, if the Severance Date occurs earlier than the last day of such final calendar quarter, as of the Severance Date). Notwithstanding anything to the contrary in this Agreement or elsewhere, in no event shall any distribution (x) in respect of the ACRA Base Management Fee, the AHL Base Management Fee, or otherwise, be made to a Partner who held Class B Interests during any part of the final calendar quarter that begins during the Term, in respect of that final calendar quarter (except in respect of the AHL/ACRA Subadvisory Fee Distribution Amount), unless the Severance Date occurs on the last day of such calendar quarter, or (y) exceed such Partner's properly computed Capital Account (after taking into account all required or permitted adjustments under this Agreement).

(b) Second, to the Partners holding Class A Interests.

(c) (i) Any such distributions (excluding distributions under Section 5.9(a)) shall be made only to the extent approved by the General Partner. To the extent that the General Partner approves any distribution pursuant to this Section 5.9 (other than distributions under Section 5.9(a)) that consists of a consideration of a type or in a form other than cash, the types and forms of such consideration shall be allocated in an equitable manner among the Partners entitled thereto, in the proportions and amounts determined by the General Partner, such that each Partner shall, except for immaterial variances, receive the same type or form of consideration. The Partnership shall not make any distribution to the Partners if, immediately after giving effect to the distribution, all liabilities of the Partnership, other than liabilities to Partners with respect to their Interests and liabilities for which the recourse of creditors is limited to specified property of the Partnership, exceed the fair value of Partnership Property, except that the fair value of Partnership Property that is subject to a liability for which recourse of creditors is limited shall be included in the Partnership assets only to the extent that the fair value of that Partnership Property exceeds that liability.

(ii) Notwithstanding anything to the contrary in this Section 5.9, the General Partner may make estimated intra-Distribution Period distributions to the Partners as of the date of such distributions, provided that with respect to each Distribution Period, the Partners receive no more or less than the amounts to which they are entitled pursuant to Section 5.9(a)

and Section 5.9(b), and if any Partner receives an amount in excess of the amount to which such Partner is so entitled, such excess amount shall reduce, dollar-for-dollar, amounts otherwise paid or payable to the Partner pursuant to this Agreement or otherwise, until such excess is reduced to zero. Without reducing the size of any such repayment obligation or adjustment, amounts received pursuant to Section 5.9(a) by Permitted Transferees acquiring Class B Interests (other than an Apollo Partner) during a calendar quarter shall be reduced by any amounts previously distributed with respect to the same calendar quarter (pursuant to this Section 5.9(c)(ii)) to a different Partner holding Class B Interests.

(iii) Allocations and distributions made by reference to the ACRA Fee Agreement or the AHL Fee Agreement under Section 5.9 shall be subject to equitable adjustment to the extent that the Partnership takes any action that a reasonable person would describe as having been made with the principal purpose of circumventing the amount of, or timing of the receipt of, the fees and other payments paid or payable under the ACRA Fee Agreement or the AHL Fee Agreement to the Partnership or its Subsidiaries, as in effect on the date hereof, including by creating new income streams not addressed by such fee agreements but that would have reasonably been expected to be so addressed, or by reducing, unreasonably delaying or unreasonably deferring payments under such fee agreements where AGM and its Subsidiaries obtain a benefit that is not addressed by such fee agreements, provided that notice of any request for such equitable adjustment is made to the General Partner not later than the last day of the calendar quarter following the Distribution Period to which the distributions relate.

5.10 True-Up. Notwithstanding anything to the contrary in this Agreement or elsewhere, although this Agreement is being executed and entered into on June 16, 2022 (the date hereof), the Partners acknowledge that all distributions and allocations relating to each of 3.35% of the AHL Base Management Fees and ACRA Base Management Fees, and the AHL/ACRA Subadvisory Fee Distribution Amounts that were intended to have effect as of January 1, 2019, have been fully allocated, distributed and paid to the Class B Interest holders for all periods or portions thereof ending on or before March 31, 2022, and the Partners covenant not to seek any additional distributions or allocations for any such period or portion thereof. For the avoidance of doubt, none of the provisions in Section 5.9(c) are intended to have, and none of them shall have, with respect to any payments made after March 31, 2022, any retroactive effect of any kind.

ARTICLE VI

RIGHTS, POWERS AND OBLIGATIONS OF PARTNERS

6.1 Authority; Liability to Third Parties. No Partner (in its capacity as such), other than the General Partner, has the authority or power to act for or on behalf of the Partnership, to do any act that would be binding on the Partnership, or to incur any expenditures on behalf of the Partnership. The liability of the Limited Partners shall be limited as provided in the Act and as set forth in this Agreement. The exercise by any Limited Partner of any right conferred herein shall not be construed to constitute participation by such Limited Partner in the control or conduct of the business of the Partnership so as to make such Limited Partner liable as a general partner for the debts, obligations or liabilities of the Partnership for the purposes of the Act.

6.2 Transfer of Interests. This Section 6.2 governs only the Transfer of a Limited Partner's Interests. With respect to the admission of a transferee as a Partner, the provisions of Section 6.3 shall govern.

(a) No Limited Partner may Transfer all or any portion of its Interests except to the extent expressly permitted by, and in compliance with, the terms of this Agreement. In the event a Limited Partner desires to Transfer all or a portion of such Limited Partner's Interests or any interest therein, such Limited Partner will be responsible for compliance with all conditions of transfer imposed by this Agreement and under applicable law and for any expenses incurred by the Partnership for legal and/or accounting services in connection with reviewing any proposed Transfer or issuing opinions in connection therewith. Until the transferee is admitted as a Limited Partner pursuant to Section 6.3, the transferor Limited Partner shall continue to be a Limited Partner and to be entitled to exercise any rights or powers of a Limited Partner with respect to the Interests transferred.

(b) Any Apollo Partner may Transfer Interests, in whole or in part, in its sole discretion.

(c) Subject to Section 6.2(d), other than Permitted Transfers, no Other Partner shall be permitted to Transfer any Interests held by such Partner. Any purported Transfer in violation of the provisions of this Section 6.2(c) shall be null and void and shall have no force or effect. The General Partner and its Affiliates make no representations as to the tax consequences of any Permitted Transfer by an Other Partner.

(d) Notwithstanding anything herein to the contrary, (i) no Transfer of any Interests by any Limited Partner shall become effective unless and until the transferee (unless already subject to this Agreement) executes and delivers to the Partnership a counterpart to this Agreement in form and substance reasonably satisfactory to the General Partner to adhere to and be bound by this Agreement, (ii) no Limited Partner may Transfer any Interests in violation of any provision of this Agreement or in violation of the Securities Act and any applicable state securities laws, and (iii) no Transfer of any Interests may be effected if in the opinion of counsel to the Partnership such transfer would cause the Partnership to cease to be classified as a partnership for U.S. federal income tax purposes, unless the General Partner approves such Transfer. Any Transfer of Interests by any such Limited Partner not in accordance with this paragraph shall be void, shall not be recorded on the books of the Partnership and shall not be recognized by the Partnership.

(e) Each Other Partner that is an entity that was formed for the sole purpose of directly or indirectly acquiring Interests or that has no substantial assets other than Interests or direct or indirect interests in Interests agrees that (i) certificates for its common shares or other instruments reflecting equity interests in such entity (and the certificates for common shares or other equity interests in any similar entities controlling such entity) will note the restrictions contained in this Agreement on the restrictions on Transfer of shares as if such common shares or other equity interests were Interests, (ii) no shares of such common shares or other equity interests may be Transferred (including any Transfer or issuance by the Partnership) to any Person other than in accordance with the terms and provisions of this Agreement as if such common shares or other equity interests were Interests and (iii) any Transfer of such common

shares or other equity interests shall be deemed to be a transfer of a pro rata number of Interests hereunder.

6.3 Admission of Transferee as Partner. No Transfer of Interests shall be effective unless, as a condition to any such Transfer, each transferee that is not a Partner shall, prior to such Transfer, execute a counterpart to this Agreement agreeing to adhere to and be bound by this Agreement and to be treated as (a) an Apollo Partner, if such Person acquires such Interests from an Apollo Partner and is a member of the Apollo Group, (b) a Management Partner, if such person acquires Interests from a Management Partner pursuant to clause (b)(i) of the definition of Permitted Transfer, or (c) an Other Partner, if (i) such Person acquires such Interests from an Apollo Partner and is not a member of the Apollo Group or (ii) such Person acquires such Interests from the Partnership or an Other Partner, and in each case, such Person shall be bound by, and entitled to their pro rata share of the benefits of, the provisions of this Agreement relating to such class of Partners, as applicable. In the event that (a) any Apollo Partner acquires Interests from either the Partnership, a Management Partner, and/or any Other Partner, in each case, such Interests shall be deemed Apollo Interests and shall be bound by, and entitled to their pro rata share of the benefits of, the provisions of this Agreement applicable to Apollo Partners,
(b) any Management Partner acquires Interests from either the Partnership, an Apollo Partner, and/or any Other Partner, in each case, such Interests shall be deemed Management Interests and shall be bound by, and entitled to their pro rata share of the benefits of, the provisions of this Agreement applicable to Management Partners, in accordance with and subject to the terms of this Agreement and excluding, unless such Management Partner acquiring such Interests is James R. Belardi, any non-financial rights or benefits under this Agreement that are specific to James R. Belardi or his Personal Representative, and (c) any Other Partner acquires Interests from either the Partnership, an Apollo Partner, and/or any Other Partner, in each case, such Interests shall be deemed Other Partner Interests and shall be bound by, and entitled to their pro rata share of the benefits of, the provisions of this Agreement applicable to Other Partners, in accordance with and subject to the terms of this Agreement and excluding any rights or benefits under this Agreement that are specific to James R. Belardi or his Personal Representative.

6.4 Co-Sale Rights.

(a) If any Apollo Partner (the "Co-Sale Offeror") proposes to Transfer any Interests to any Third Party (the "Co-Sale Offeree"), the Co-Sale Offeror shall, at least fifteen (15) days before such Transfer deliver a notice (the "Co-Sale Notice") to the Partnership and the Other Partners that are officers of the Partnership or consultants to the Partnership or their transferees pursuant to clause (b)(i) of the definition of "Permitted Transfer" (such Other Partners, the "Entitled Partners") setting forth the material terms in connection with such proposed Transfer, including (i) the number of Interests to which the Co-Sale Notice relates and the name and address of the Co-Sale Offeree, (ii) the name and address of the Co-Sale Offeror, (iii) the proposed amount and type of consideration and the terms and conditions of payment offered by the Co-Sale Offeree, (iv) a description of the anticipated required representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements and (v) an indication that the Co-Sale Offeree has been informed of the co-sale rights provided for in this Section 6.4 and has agreed to purchase Interests in accordance with the terms hereof.

(b) Within fifteen (15) days after delivery of the Co-Sale Notice, each Entitled Partner may elect to participate in the proposed Transfer by delivering to such Co-Sale Offeree a notice (the "Tag-Along Notice") specifying the number of Class A Interests and Class B Interests (up to his, her or its Pro Rata Amount of such Interests) with respect to which such Entitled Partner shall exercise his, her or its rights under this Section 6.4. The number of Class B Interests for which the Entitled Partners may exercise their rights under this Section 6.4 shall not exceed the number of Class B Interests outstanding prior to the Transfer. If none of the Entitled Partners gives the Co-Sale Offeror a timely Tag-Along Notice with respect to the sale proposed in the Co-Sale Notice, the Co-Sale Offeror may thereafter sell the Interests specified in the Co- Sale Notice on terms and conditions no more favorable, in all material respects, in the aggregate, than the terms and conditions set forth in the Co-Sale Notice. If one or more of the Entitled Partners gives the Co-Sale Offeror a timely Tag-Along Notice, then the Co-Sale Offeror shall use commercially reasonable efforts to cause the Co-Sale Offeree to agree to acquire all Interests identified in all Tag-Along Notices that are timely given to the Co-Sale Offeror, upon terms and conditions no less favorable, in all material respects, in the aggregate, than the terms and conditions set forth in the Co-Sale Notice applicable to the Co-Sale Offeror's Interests; provided, however, that the price for each Interest to be Transferred by an Entitled Partner (who elects to participate in an offer to sell a class or series of Interests to a Co-Sale Offeree) under this Section 6.4 that is different from that class or series of Interests proposed to be Transferred by the Co-Sale Offeror shall be determined by the General Partner assuming the consummation at such time of a liquidation for cash and the distribution of the proceeds thereof in accordance with the provisions of Section 12.4 (assuming for such purposes that any applicable Section 6.7 repurchase or exchange rights with respect to such Interests are exercised immediately prior to such liquidation). If the Co-Sale Offeree(s) are unwilling or unable to acquire all Interests proposed to be included in such sale upon such terms, then the Co-Sale Offeror may elect either to cancel such proposed sale or to allocate the maximum number of Interests that the Co-Sale Offeree is willing to purchase among the Co-Sale Offeror and the Entitled Partners giving timely Tag-Along Notices in proportion to such Partner's Pro Rata Amount in relation to the Pro Rata Amount of the Co-Sale Offeror and all participating Entitled Partners holding Class A Interests or Class B Interests, respectively by class of interest; provided, that, in such circumstances, the amount of Interests set forth in such Entitled Partner's Tag-Along Notice (and which shall be allocated to the prospective purchase as set forth above) shall be allocated proportionately between the Class A Interests and the Class B Interests of such Entitled Partner to the extent possible. For purposes of clarity, in accordance with Section 3.3(a), each Entitled Partner hereby agrees to exercise its rights under thisSection 6.4 in the same proportion as the other Entitled Partners, as determined by James R. Belardi or his Personal Representative.

(c) The Co-Sale Offeror shall not Transfer any Interests to the Co-Sale Offeree unless such Transfer complies with this Section 6.4 or is otherwise Transferred in accordance with this Agreement.

(d) In the event that the Transfer between the Co-Sale Offeror and the Co-Sale Offeree is not completed by the earlier of: (i) 120 days following the delivery of the Co-Sale Notice; and (ii) 30 days following the satisfaction or waiver by the parties of (a) all of the conditions set forth in the definitive documentation related to such Transfer (if applicable) and
(b) if (a) does not apply, then all of the conditions identified in the Co-Sale Notice, the Co-Sale Offeror shall serve a new Co-Sale Notice to the Partnership and the Entitled Partners under

Section 6.4(a) and permit the Entitled Partners to deliver a new Tag-Along Notice under Section 6.4(b) before completing the Transfer.

(e) Notwithstanding the foregoing, the Co-Sale Offeror shall not be required to comply with the provisions of this Section 6.4 to the extent such compliance (i.e., such Transfer pursuant to this Section 6.4), would require registration of such Transferred Interests where the Partnership or the Co-Sale Offeror would not otherwise be required to do so but for this Section 6.4, or would otherwise subject the Partnership or the Co-Sale Offeror to general taxation in a jurisdiction in which the Partnership or the Co-Sale Offeror was not previously subject to taxation or consent to general service of process in any jurisdiction where it is not currently subject to such requirements.

(f) For purposes of this Section 6.4, "Third Party" shall not be deemed to include any limited partner of such Apollo Partner which has directly or indirectly invested, or otherwise has ownership interests in one or more affiliated investment funds managed or advised by AGM or its Subsidiaries.

(g) For the avoidance of doubt, if the General Partner requests that any Apollo Partner transfer a portion of its Interests to a third party following a determination by the General Partner to permit an investment in the Partnership by such third party, any such transfer by such Apollo Partner shall not be subject to the terms of this Section 6.4 (to the extent it otherwise would) if such Transfer would not result in a net profit for such Apollo Partner.

6.5 Intentionally Omitted.

6.6 Approved Sale; Sale of the Partnership; Approved Reorganization

(a) At any time that the holders of a majority of the then outstanding Apollo Interests propose (i) a Sale of the Partnership to any Third Party the holders of such majority of the then outstanding Apollo Interests shall be entitled to deliver notice to the Partnership that such Partners desire the Partnership and/or the Partners to enter into agreements with one or more Persons that would result in a Sale of the Partnership (an "Approved Sale") or (ii) a Reorganization of the Partnership (an "Approved Reorganization"), all Partners and the Partnership shall consent to and raise no objections against the Approved Sale or the Approved Reorganization, and if the Approved Sale or Approved Reorganization is structured as a sale, contribution and/or exchange or issuance of the equity interests of the Partnership (whether by merger, recapitalization, consolidation, Transfer of Interests, or otherwise, as applicable), and each Partner shall waive, and hereby waives, any dissenter's rights, appraisal rights or similar rights in connection with such Approved Sale or Approved Reorganization and (x) in the case of an Approved Sale, each Partner shall agree, and hereby agrees, to Transfer his, her or its Interests on the terms and conditions approved by such Apollo Partners, and hereby waives preemptive or other similar rights with respect to any share issuance to be effected in connection herewith, and (y) in the case of an Approved Reorganization, each Partner shall agree, and hereby agrees, to contribute, exchange and/or otherwise Transfer his, her or its Interests on the terms and conditions approved by such Apollo Partners and/or consent to any other transaction constituting a Reorganization of the Partnership, and hereby waives preemptive or other similar rights with respect to any share issuance to be effected in connection herewith. The number of Class B

Interests that the Other Partners shall Transfer in connection with the Approved Sale under this Section 6.6 shall equal the number of Class B Interests outstanding prior to the Approved Sale. All Partners and the Partnership shall take all necessary and desirable actions in connection with the consummation of the Approved Sale or Approved Reorganization, including the execution of such agreements and such instruments and other actions reasonably necessary to (1) provide the representations, warranties, indemnities, covenants, conditions, escrow agreements and other provisions and agreements relating to such Approved Sale or Approved Reorganization and (2) if applicable, to effectuate the allocation and distribution of the aggregate consideration upon any Approved Sale as set forth below; provided, that the Other Partners shall only be required to provide representations as to their ownership of the Interests, the absence of liens and encumbrances with respect to the Interests and their authority to enter into the Approved Sale and have it enforced, unless the acquiror requires such additional representations and warranties, in which case, such additional representations and warranties shall be limited in scope to the additional representations that Apollo agrees to provide to the acquiror. The Partners shall not be required to comply with, and shall have no rights under, Section 8.4 and Sections 6.2, 6.3 and 6.4 in connection with an Approved Sale or Approved Reorganization.

(b) The Apollo Partners shall provide the General Partner and the Limited Partners with written notice of any Approved Sale or Approved Reorganization at least five (5) Business Days prior to the consummation thereof. Upon the consummation of the Approved Sale, each Partner shall receive the same portion of the aggregate consideration from such Approved Sale that such Partner would have received if such aggregate consideration (in the case of an asset sale, after payment or provision for all liabilities) had been distributed by the Partnership in a liquidation pursuant to Section 12.4 (assuming for such purpose that any applicable Section 6.7 repurchase or exchange rights with respect to such Interests are exercised immediately prior to such liquidation) or, if so elected by the General Partner, each such Partner shall instead be obligated to exchange the Partner's Interests for a security of another entity that provides the same rights as those of the Interests under Section 5.8 and 5.9.

(c) The obligations of the Partners to participate in any Approved Sale pursuant to this Section 6.6 are subject to the satisfaction of the following conditions:

(i) if any Partners holding Interests of a particular class are given an option as to the form and amount of consideration to be received with respect to Interests of such class, all Partners holding Interests of such class will be given the same option; and

(ii) no Partner shall be obligated to pay more than his, her or its pro rata amount of reasonable expenses incurred (based on the proportion of the aggregate transaction consideration received) in connection with a consummated Approved Sale, to the extent such expenses are incurred for the benefit of all Partners and are not otherwise paid by the Partnership or the acquiring party (with expenses incurred by or on behalf of a Partner for his, her or its sole benefit not being considered expenses incurred for the benefit of all Partners).

(d) Each Limited Partner hereby grants an irrevocable power of attorney to the General Partner to take all necessary actions and execute and deliver all documents on behalf

of the relevant Limited Partner deemed necessary and appropriate by such Person to effectuate the consummation of any Approved Sale and/or any Approved Reorganization. The Limited Partners hereby agree to indemnify, defend and hold the General Partner harmless (severally in accordance with their pro rata share of the consideration received in any such Approved Sale (and not jointly and severally)) against all liability, loss or damage, together with all reasonable costs and expenses (including reasonable legal fees and expenses), relating to or arising from its exercise of the power of attorney granted hereby. The power of attorney granted hereby is intended to secure an interest in property and, in addition, the obligations of each relevant Limited Partner under this Agreement, and shall be irrevocable.

6.7 Call Rights Over Interests.

(a) Either (i) if a redemption pursuant to Section 5.8(a) does not otherwise apply, within 270 days following the death, Disability, resignation from employment with (or engagement by) the Partnership, the Company and Athene Holding or another Affiliate or termination of employment with (or engagement by) the Partnership, the Company and Athene Holding or another Affiliate (whether for Cause or without Cause and with or without Good Reason) of any Other Partner (or any employee or consultant which beneficially owns, holds or has voting control over Interests indirectly through such Other Partner) or (ii) unless such Interest is redeemed or exchanged pursuant to Section 5.8, immediately prior to any liquidation pursuant to Section 12.4 or an Approved Sale, the Partnership shall have the right (but not the obligation) to repurchase all or any portion of the Interests of such Other Partner and the Other Partner shall be obligated to sell any such Interests subject to the repurchase in accordance with this Section 6.7 (or, if so elected by the General Partner, each Other Partner shall instead exchange such Other Partner's Interests for a security of another entity that provides the same rights as those of the Interests under Sections 5.8, 5.9, 6.7 and 7.6). Any Permitted Transferee that received Interests pursuant to clause (b) of the definition of Permitted Transfer shall be subject to this Section 6.7 as if such Permitted Transferee and such Other Partner (through which such Permitted Transferee received such Interests) are one and the same.

(b) Unless otherwise provided in an Other Partner's employment agreement with the Partnership, the Company or any Affiliate, in the event that the General Partner wishes to exercise the rights of the Partnership pursuant to this Section 6.7, the General Partner, on behalf of the Partnership, shall deliver to such Other Partner whose Interests are being repurchased or exchanged (or his, her or its heirs or representatives), a timely written notice (the "Repurchase Notice") that sets forth (i) the number of Interests the Partnership is repurchasing or exchanging, (ii) an indication of the price to be paid for each such Interests; provided, that the final determination of fair market value, if applicable, shall be made as of the date of the Repurchase Notice and (iii) the anticipated closing date of such transaction. The Partnership shall have the right to revoke the Repurchase Notice at any time prior to the consummation of such repurchase or exchange.

(c) Any repurchase or exchange of Interests by the Partnership pursuant to the terms of this Section 6.7 shall be consummated within thirty (30) days following delivery of a Repurchase Notice. Except as otherwise provided in an Other Partner's employment agreement

with the Partnership, the Company or any Affiliate, any repurchase or exchange of Interests by the Partnership pursuant to the terms of this Section 6.7 shall be made:

(i) in respect of any Other Partner whose employment with or services to the Partnership, the Company and Athene Holding or another Affiliate has been terminated (A) for Cause or (B) through a resignation by such Other Partner without Good Reason (excluding, for clarity, a resignation by such Other Partner without Good Reason under Section 5.8(b)), in cash at a price per Interest equal to the lesser of (x) such Other Partner's cost of such Interest (or in the case of an Other Partner having transferred Predecessor Interests to the Partnership on the date of this Agreement, such Predecessor Interests) on the date such Interest (or Predecessor Interests, if applicable) were purchased or issued to such Other Partner, and (y) the fair market value of the Interests as of the date of the Repurchase Notice (as determined by the General Partner in good faith) (for purposes of this provision, "Predecessor Interests" means the original limited liability company units of the Company that were originally issued to such Other Partner, converted to limited partnership interests of the Company and subsequently assigned to the Partnership in exchange for the Interests pursuant to the Transfer Deed);

(ii) in respect of any Other Partner whose employment with or services to the Partnership, the Company and Athene Holding or another Affiliate has been terminated for any reason other than (A) by the Partnership for Cause or (B) through a resignation by such Other Partner without Good Reason, in cash at a price per Interest equal to the lesser of (x) the fair market value of the Interests as of the date of the Repurchase Notice (as determined by the General Partner in good faith) and (y) the amount to which the Partner holding such Interest would be entitled if such Interest was repurchased by the Partnership pursuant to Section 5.8(a) or 5.8(b), as applicable; and

(iii) in respect of any Other Partner in connection with a liquidation pursuant to Section 12.4 or an Approved Sale, in cash at a price per interest equal to the amount to which the Partner holding such Interest would be entitled if such Interest were repurchased by the Partnership pursuant to Section 5.8(a) (or, if so elected by the General Partner, each such Other Partner shall instead be obligated to exchange such Other Partner's Interests for a security of another entity that provides the same rights as those of the Interests under Sections 5.8, 5.9, 6.7 and 7.6).

(d) The Repurchase Price (defined below) shall be paid in a lump sum cash payment on the consummation date referred to in the Repurchase Notice. Each Other Partner hereby agrees that upon such Other Partner's receipt of such Repurchase Price, any outstanding Interests then owned by such Other Partner that are sold pursuant to Section 6.7, shall automatically be repurchased or exchanged by the Partnership and the General Partner, on behalf of the Partnership, and the repurchase or exchange of such Interests shall be reflected on the books of the Partnership. For purposes of this Section 6.7, the "Repurchase Price" means the price referred to in Sections 6.7(c)(i), 6.7(c)(ii) or 6.7(c)(iii), as applicable.

(e) Such Other Partner agrees to provide representations and warranties regarding (i) its power, authority and legal capacity to enter into such sale and to transfer valid right, title and interest in such Interests; (ii) its ownership of such Interests and the absence of

any liens, pledges, charges and other encumbrances on such Interests; and (iii) the absence of any violation, default, or acceleration of any agreement or instrument pursuant to which such Other Partner or the assets of such Other Partner are bound as the result of such sale.

(f) The Other Partner shall no longer be entitled to participation in the Partnership or enjoy other rights as a member with respect to the Interests (or any successor thereto) that have been repurchased or exchanged pursuant to this Section 6.7. To the maximum extent permitted by law, the Other Partners' rights following the Repurchase Notice, with respect to the repurchase or exchange of Interests covered thereby, shall be solely the rights that he or she has as a general creditor of the Partnership to receive the amount set forth in Section 6.7(c).

(g) The fair market value of an Interest (or successor thereto) shall be determined by the General Partner as of the date of the Repurchase Notice in such manner as the General Partner deems appropriate; provided, such determination is made in good faith and assumes the consummation at such time of a liquidation for cash and the distribution of the proceeds thereof in accordance with Section 12.4 (assuming for such purposes that any applicable Section 6.7 repurchase or exchange rights with respect to such Interests (or successor thereto) are exercised immediately prior to such liquidation). In connection with such determination, the General Partner may use valuation models as the General Partner deems appropriate and customary for valuing the Partnership and its Subsidiaries as a whole and on a going concern basis. The General Partner may, but is not required to, base its determination of fair market value on the advice of an independent investment banker or appraiser recognized to be an expert in making such valuation.

6.8 Conversion to Corporate Form; Domestication and Reorganization.

(a) Without limiting the powers vested in the General Partner, (i) the General Partner shall have the authority for and on behalf of the Partners to enter into and cause the consummation of a Control Transaction, Public Offering or to cause a sale of any or all of the Interests without the consent of any other Partner, and (ii) in the event that the General Partner shall determine in its sole discretion that the business of the Partnership (or a portion thereof) should be conducted in the form of a corporation rather than as a partnership, the General Partner shall have the power and authority to effect such merger, consolidation, reorganization or asset transfer or to take such other action as the General Partner may deem advisable in order to effect such a change. For the avoidance of doubt, and without limitation of generality of foregoing, the General Partner shall be authorized: (x) to compel, as part of any such Control Transaction, Public Offering, sale or change, the transfer of Interests or (y) to engage in other reorganization transactions (including the re-domestication to another jurisdiction) (a "Reorganization"), and in each case all of the parties hereto expressly agree to such transactions. No Limited Partner nor any direct or indirect member, partner, shareholder or other owner of any Limited Partner shall have or be entitled to exercise any dissenters' rights, appraisal rights or other similar rights in connection with any of the foregoing transactions, but such Limited Partner will have the rights and obligations set forth in the other applicable Sections of this Article VI.

(b) Upon conversion of the Partnership's business (or a portion thereof) to corporate form as contemplated by this Section 6.8, (i) the Interests held by each holder thereof shall thereupon be converted into, or exchanged for, a number of shares of capital stock of such

corporation or other entity in proportion to such holder's Capital Account after taking into account all adjustments to such holder's Capital Account pursuant to Section 4.4(e) and all allocations and distribution preferences pursuant to Article V (and, other than in connection with a Public Offering, repurchase and exchange rights and obligations thereunder and under Section 6.7), and (ii) the business and affairs of such corporation shall be managed under the direction of a board of directors, and the Partners shall take all necessary action to establish such board of directors and cause such board of directors to include such members as designated by the General Partner (subject to any limitations set forth in Section 8.3). The number of such shares (and the terms thereof and the rights associated therewith) shall be determined by the General Partner, which determination shall be final and binding absent manifest arithmetic error. If the conversion of the Partnership's business (or a portion thereof) into corporate form is effected in connection with a Control Transaction or a Public Offering, the General Partner shall be authorized to require each Limited Partner to enter into such related agreements and arrangements (including, without limitation, agreements and arrangements concerning voting, stock ownership and transfer, underwriting agreements, registration rights, employment, non- competition, non-solicitation and similar matters) as the General Partner may determine to be appropriate or necessary.

(c) Each Limited Partner hereby covenants and agrees to take any and all such action and execute and deliver any and all such instruments and other documents as the General Partner may request in order to effect and maximize the value from any Control Transaction, Public Offering and any other transaction contemplated by this Section 6.8. In the event that any Limited Partner fails for any reason to take any of the foregoing actions after reasonable notice thereof, such Limited Partner hereby grants an irrevocable power of attorney to the General Partner to take all necessary actions and execute and deliver all documents deemed by such Person to be reasonably necessary to effectuate the terms of this Section 6.8. The power of attorney granted hereby is intended to secure an interest in property and, in addition, the obligations of each relevant Limited Partner under this Agreement, and shall be irrevocable.

(d) In the event that the General Partner determines that it is in the best interest of the Partnership to domesticate the Partnership to any foreign jurisdictions, or otherwise reorganize the Partnership, alone, or with and into another entity, each Limited Partner agrees to consent to and raise no objections against or impediments to such domestication or reorganization, and each Limited Partner shall use its reasonable efforts to take all such actions as the General Partner may request that are necessary or appropriate to give effect to such domestication or reorganization; provided, that any such domestication or reorganization does not disproportionately and adversely affect the economic rights of the holders of Class B Interests.

6.9 Class A Interests Preference. In the event of a Liquidation, each Partner shall use his, her or its best efforts to ensure that the Class A Interests receive (out of the proceeds of such Liquidation distributable to the Partnership's equityholders) the full amount that they are entitled to receive pursuant to Section 12.4 in connection with such Liquidation (assuming for such purposes that any applicable Section 6.7 repurchase or exchange rights with respect to such Interests are exercised immediately prior to such Liquidation). For the avoidance of doubt, any amounts reallocated from the Class B Interests to the Class A Interests shall be included in determining the funds distributed to the Class A Interests in accordance with Section 5.9.

ARTICLE VII

MEETINGS OF PARTNERS

7.1 Place of Meetings. All meetings of Partners shall be held at the principal office of the Partnership as provided in Section 2.5, or at such other place as may be designated by the General Partner or by the Partners calling the meeting.

7.2 Meetings.

(a) Annual meetings of Partners, if any, for the transaction of such business as may properly come before the meeting may be held at such place, on such date and at such time as the General Partner shall determine, as necessary.

(b) Special meetings of Partners for any proper purpose or purposes may be called at any time by the General Partner or by the holders of at least 50% of the Interests then outstanding.

7.3 Notice. A Notification of all meetings, stating the place, day and hour of the meeting and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than two (2) nor more than sixty (60) days before the meeting to each Partner entitled to vote.

7.4 Waiver of Notice. Attendance of a Partner at a meeting shall constitute a waiver of Notification of the meeting, except where such Partner attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Notification of a meeting may also be waived in writing. Attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the Notification of the meeting but not so included, if the objection is expressly made at the meeting.

7.5 Quorum. The presence, either in person or by proxy, of Partners holding at least 50% of the Interests entitled to vote thereat is required to constitute a quorum at any meeting of the Partners. For any meeting where action is required to be taken by the Partners holding Class B Interests (or any successor thereto), the presence, either in person or by proxy, of Partners holding at least 50% of the Class B Interests (or any successor thereto) is required to constitute a quorum at such meeting.

7.6 Voting.

(a) Each Partner shall be entitled to one (1) vote for each Class A Interest and, except as provided in Section 3.4, Class B Interest held of record by such Partner on the books of the Partnership for all matters submitted to a vote of Partners of the Partnership.

(b) Except as provided in Section 3.4, all Partners holding Interests of a particular class shall be entitled to vote on any matter submitted to a vote of the Partners holding Interests of such class.

(c) Except as provided in Section 3.4, with respect to any matter other than a matter for which the affirmative vote of Partners owning a specified percentage of the Interests is required by this Agreement, the affirmative vote of the holders of at least a majority of the Interests entitled to vote at a meeting at which a quorum is present shall be the act of the Partners.

(d) Each of the following actions shall require (A) the approval of (i) Partners holding a majority of the Class A Interests and (ii) Partners (including, for the avoidance of doubt, James R. Belardi (or his Personal Representative) holding the right to vote a majority of the Class B Interests (or security received in exchange therefor pursuant to Article VI), each voting separately as a class, or (B) with respect to clauses (i) and (ii) below only, following the Severance Date, the consent of James R. Belardi or his Personal Representative:

(i) any amendment that has adversely affects the rights or entitlements, under Section 5.8 or Section 5.9, of a Partner who holds, or as of the Severance Date held, Class B Interests (or a security received in exchange therefor pursuant to Article VI); and

(ii) any other amendment or restatement of this Agreement, excluding amendments or restatements that do not have a material, adverse and disproportionate effect on the rights of any Partner holding Class B Interests (or a security received in exchange therefor pursuant to Article VI).

(e) No provision of this Agreement requiring that any action be taken only upon approval of Partners holding a specified percentage of the Interests may be modified, amended or repealed unless such modification, amendment or repeal is approved by Partners holding at least such percentage of such Interests.

7.7 Conduct of Meetings. The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Partners, including, without limitation, the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of this Article VII, the conduct of voting, the validity and effectiveness of any proxies, and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairperson of any meeting and shall further designate a Person to take minutes of any meeting. The chairperson of the meeting shall have the power to adjourn the meeting from time to time, without notice, other than announcement of the time and place of the adjourned meeting. Upon the resumption of such adjourned meeting, any business may be transacted that might have been transacted at the meeting as originally called.

7.8 Action by Written Consent. Any action that may be taken at a meeting of the Partners may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed and dated by Partners holding the percentage of Interests required to approve such action under this Agreement. Such consent shall have the same force and effect as a vote of the signing Partners at a meeting duly called and held pursuant to this Article VII. No prior notice from the signing Partners to the Partnership or other Partners shall be required in connection with the use of a written consent pursuant to this Section 7.8. Notification of any

action taken by means of a written consent of Partners shall, however, be sent within a reasonable time after the date of the consent by the Partnership to all Partners who did not sign the written consent.

7.9 Proxies. A Partner may vote either in person or by proxy executed in writing by the Partner. Any Partner may appoint any Person, whether or not a Partner, to be the proxy of that Partner to (i) attend and vote on his behalf, in accordance with instructions given by that Partner, or in the absence of such instructions at the discretion of the proxy, at a meeting or meetings of the Partners; or (ii) sign written consents on behalf of the Partner. An instrument appointing a proxy may be in any usual or common form or such other form as the General Partner may approve. A facsimile or similar transmission by the Partner or a photographic, photostatic, facsimile or similar reproduction of an instrument appointing a proxy executed by the Partner shall be treated as an execution in writing for purposes of this Section 7.9. Proxies for use at any meeting of Partners or in connection with the taking of any action by written consent shall be filed with the Partnership before or at the time of the meeting or execution of the written consent, as the case may be. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the General Partner who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairperson of the meeting, in which event such inspector or inspectors shall decide all such questions. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. A proxy shall be revocable unless the instrument appointing a proxy conspicuously states that the proxy is irrevocable. Should a Partner designate two or more Persons to act as proxies, unless such instrument shall provide to the contrary, a majority of such Persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, the Partnership shall not be required to recognize such proxy with respect to such issue if such proxy does not specify how the Interests that are the subject of such proxy are to be voted with respect to such issue.

7.10 Conference Telephone Meetings. Meetings of the Partners may be held by means of conference telephone or similar communications equipment so long as all Persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business thereat on the ground that the meeting is not lawfully called or convened.

ARTICLE VIII

MANAGEMENT OF THE PARTNERSHIP

8.1 Management of Business. Except as otherwise expressly provided in this Agreement, the powers of the Partnership shall be exercised by or under the authority of, and the business and affairs of the Partnership shall be managed under the direction of, the General Partner.

8.2 Committee Composition. The General Partner may delegate any or all of its responsibilities hereunder to one or more committees.

8.3 General Powers of the General Partner. Except as may otherwise be expressly provided in this Agreement, the General Partner, acting in accordance with the Memorandum and Articles of Association of the General Partner and as directed by the GP Board, shall have complete and exclusive discretion in the management and control of the business and affairs of the Partnership; provided, that each of the General Partner and the Apollo Partners, in its capacity as shareholder of the General Partner, hereby agrees that for so long as James R. Belardi is the Chief Executive Officer of Athene Holding, James R. Belardi shall serve as an Athene Director; provided, however, that, once James R. Belardi ceases to be the Chief Executive Officer of Athene Holding, James R. Belardi shall automatically be deemed to have resigned as an Athene Director, and the General Partner and the other members of the GP Board shall be entitled to take any actions to effect such resignation and appoint any replacement member. The General Partner shall, subject to the immediately preceding sentence and Section 8.4, possess all power, on behalf of the Partnership, to do or authorize the Partnership or to direct the executive officers of the Partnership, on behalf of the Partnership, to do all things necessary or convenient to carry out the business and affairs of the Partnership.

8.4 Limitations on Powers of the General Partner. The enumeration of powers in this Agreement shall not limit the general or implied powers of the General Partner or any additional powers provided by law.

8.5 Compensation; Expenses. The Partnership shall pay or reimburse the General Partner for the remuneration (if any) of the members of the GP Board and the officers of the General Partner as determined by the General Partner and approved by the Chief Executive Officer of the Partnership. The Partnership shall pay or reimburse the General Partner for amounts required to be paid to members of the GP Board or officers of the General Partner pursuant to the Memorandum and Articles of Association of the General Partner, including, without limitation, for reasonable out-of-pocket expenses (including travel and related expenses) incurred in connection with (a) attending the meetings of the GP Board and (b) to the extent such member of the GP Board is not an employee of the Partnership, conducting any other Partnership business requested by the Partnership. The Partnership shall pay or reimburse the General Partner for any amounts paid by the General Partner pursuant to Section 136 of the Memorandum and Articles of Association of the General Partner.

8.6 Other Business. Subject to the provisions of Section 6.4, the General Partner, any member of the GP Board or any member of the Apollo Group may engage in or possess an interest in other business ventures (unconnected with the Partnership) of every kind and description, independently or with others. Neither the Partnership nor the Limited Partners shall have any rights in or to such independent ventures of the General Partner or member of the GP Board or the income or profits therefrom by virtue of this Agreement.

8.7 Power of Attorney. Without limitation of the powers and duties of the General Partner, each Limited Partner hereby appoints the General Partner (and any Liquidator pursuant to Section 12.2), as that Limited Partner's attorney-in-fact for the purpose of executing, swearing to, acknowledging, and delivering all certificates, documents, and other instruments as may be

necessary, appropriate, or advisable in the judgment of the General Partner (or the Liquidator) in furtherance of the business of the Partnership or complying with applicable law, which will include, without limitation, any amendments to this Agreement that are approved in accordance with Section 7.6(d) and Section 13.4, and entry into all documents in connection with any amendment to this Agreement that is approved in accordance with Section 7.6(d) and Section 13.4. This power of attorney is irrevocable and is intended to secure an interest in property and the obligations of the relevant Limited Partner under this Agreement. On request by the General Partner (or the Liquidator), a Limited Partner shall confirm its grant of this power of attorney or any use thereof by the General Partner (or the Liquidator) and shall execute, swear to, acknowledge, and deliver any such certificate, document, or other instrument.

8.8 Waiver of Fiduciary Duties; Waiver of Partnership Opportunity.

(a) To the fullest extent permitted by law, the General Partner, including the members of the GP Board or any committees formed by the General Partner or GP Board, shall not be liable to the Partnership or its Partners for breach of fiduciary duty (including any duty of care and duty of loyalty) as general partner of the Partnership. To the fullest extent permitted by law, in no event shall the General Partner or any member of the GP Board, in the performance of his or her duties as general partner or member of the GP Board, owe to the Partners any fiduciary duties (including any duty of care and duty of loyalty).

(b) Except as any Apollo Director, Apollo Partner or any of their respective Affiliates (collectively, "Apollo Persons") may otherwise agree in writing, the Apollo Persons shall have the right to (i) engage, directly or indirectly, in the same or similar business activities or lines of business as the Partnership and (ii) do business with any client, competitor or customer of the Partnership, with the result that the Partnership shall have no right in or to such activities or any proceeds or benefits therefrom, and no Apollo Person shall be liable to the Partnership or its members for breach of any fiduciary duty by reason of any such activities of any Apollo Person's participation therein. In the event that any Apollo Person acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both such Apollo Person and the Partnership, such Apollo Person shall have no duty to communicate or present such corporate opportunity to the Partnership and the Partnership hereby renounces any interest or expectancy it may have in such corporate opportunity, with the result that such Apollo Person shall not be liable to the Partnership or its members for breach of any fiduciary duty, including for breach of any fiduciary duty as a member of the Partnership by reason of the fact that such Apollo Person pursues or acquires such corporate opportunity for itself, directs such corporate opportunity to another person or entity, or does not present such corporate opportunity to the Partnership.

(c) In the event that an Apollo Director or officer of the Partnership who is an Apollo Person acquires knowledge of a potential transaction or matter that may be a corporate opportunity for both the Partnership and any Apollo Person, such corporate opportunity shall belong to such Apollo Person, and the Partnership hereby renounces any interest or expectancy it may have in such corporate opportunity, unless such corporate opportunity is expressly offered to such Apollo Director or officer in writing solely in his capacity as an Apollo Director or officer of the Partnership, in which case such corporate opportunity shall belong to the Partnership.

(d) For the purposes of this Section 8.8, "corporate opportunities" shall not include any business opportunities that the Partnership is not financially or contractually able to undertake, or that are, from their nature, not in the line of the Partnership's business or are of no practical advantage to it or that are ones in which the Partnership has no interest or reasonable expectancy.

(e) Any person or entity purchasing or otherwise acquiring any interest in any Interests of the Partnership shall be deemed to have notice of and consented to the provisions of this Section 8.8.

(f) For purposes of this Section 8.8 only, the "Partnership" shall mean the Partnership and all companies, partnerships, joint ventures, associations and other entities in which the Partnership beneficially owns (directly or indirectly) fifty percent or more of the outstanding voting stock, voting power or similar voting interests.

(g) James R. Belardi acknowledges that he has become familiar, or will become familiar, with the trade secrets and with other confidential and proprietary information concerning the Company, Athene Holding, AGM, their respective subsidiaries and/or their predecessors (collectively, the "Protected Companies") and that his services have been and will be of special, unique and extraordinary value to the Protected Companies. James R. Belardi agrees that if he were to become employed by, or substantially involved in, the business of a competitor of the Protected Companies during the Restricted Period, it would be very difficult for James R. Belardi not to rely on or use the Protected Companies' trade secrets and confidential information. Thus, to avoid the inevitable disclosure of the Protected Companies' trade secrets and confidential information, and to protect such trade secrets and confidential information and the Protected Companies' relationships and goodwill with customers, during the Restricted Period, James R. Belardi will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, or participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer or licensor of technology. For purposes of this Agreement, "Restricted Area" means anywhere in the United States, Bermuda and elsewhere in the world where the Partnership or any of its Affiliates engages in business, including, without limitation, jurisdictions where any of the Partnership or any of its Affiliates reasonably anticipate engaging in business, on the Partner Cessation Date (provided that as of the Partner Cessation Date, to the knowledge of James R. Belardi, such area has been discussed as a market that the Partnership or any of its Affiliates reasonably contemplate engaging in within the twelve (12) month period following the Partner Cessation Date). For purposes of this Agreement, "Competing Business" means a Person that within 36 months before the Partner Cessation Date, to the knowledge of James R. Belardi has competed, or any time during the twelve (12) month period following the Partner Cessation Date begins competing with, the Protected Companies anywhere in the Restricted Area and in the business of (i) annuity reinsurance, focusing on contracts reinsuring a quota share of future premiums of various fixed annuity product lines, (ii) reinsuring closed blocks of existing fixed annuity business, (iii) managing investments held by

ceding companies pursuant to funds withheld coinsurance contracts with its affiliates, (iv) managing investments in the life insurance industry, or (v) any significant business conducted by the Protected Companies as of the Partner Cessation Date and any significant business the Protected Companies conduct in the twelve (12) month period after the Partner Cessation Date (provided that as of Partner Cessation Date, to the knowledge of James R. Belardi, such business has been discussed as a business that the Protected Companies reasonably contemplate engaging in within such twelve (12) month period). For purposes of this Agreement, "Restricted Period" means the period during which James R. Belardi is employed by the Company (or a successor) through and including the date twelve (12) months after the Partner Cessation Date. Nothing herein shall prohibit a Class B Partner from (i) being a passive owner of not more than 1% of the outstanding stock of any class of a corporation which is publicly traded, so long as James R. Belardi has no active participation in the business of such corporation, or (ii) providing services to a subsidiary, division or affiliate of a Competing Business if such subsidiary, division or affiliate is not itself engaged in a Competing Business and James R. Belardi does not provide services to, or have any responsibilities regarding, the Competing Business. As used in this Agreement, "Protected Companies" shall exclude (a) portfolio companies of investment funds or accounts managed by subsidiaries of AGM that are not also subsidiaries of the Partnership, the Company or Athene Holding and (b) any Affiliate of AGM (other than a subsidiary of the Partnership, the Company or Athene Holding) that does not conduct, support or own a business related to investment management or insurance. For purposes of Section 8.8(g)-(k), with respect to the Partnership or the Company, the term "Affiliate" shall not include any portfolio companies of the Apollo Group.

(h) Each Class B Partner represents and agrees that he (i) is familiar with and carefully considered the covenants set forth in Section 8.8(g) (together, the "Restrictive Covenants"), (ii) is fully aware of his obligations thereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Restrictive Covenants are necessary to protect the Protected Companies' confidential and proprietary information, good will, stable workforce and customer relations, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in Section 8.8(g) regardless of whether James R. Belardi is then entitled to receive severance pay or benefits from any of the Protected Companies. Each Class B Partner understands that the Restrictive Covenants may limit James R. Belardi's ability to earn a livelihood in a business similar to the business of the Protected Companies or its Affiliates, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits from his association with the Partnership and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), James R. Belardi does not believe would prevent him from otherwise earning a living. Each Class B Partner agrees that the Restrictive Covenants do not confer a benefit upon the Protected Companies disproportionate to the detriment of the Class B Partners. No Class B Partner shall be subject to restrictions on his activities after the Partner Cessation Date that are more onerous than the covenants set forth in this Agreement and/or the Employment Agreement.

(i) James R. Belardi agrees that his services are unique and that he has, and each other Class B Partner agrees that such Class B Partner has (or may have), access to Confidential Information and work product. Accordingly, each Class B Partner agrees that a

breach by James R. Belardi of any of the covenants inSection 8.8(g) would cause immediate and irreparable harm to the Partnership and its Affiliates that would be difficult or impossible to measure, and that damages to the Partnership and its Affiliates for any such injury would therefore be an inadequate remedy for any such breach. Therefore, each Class B Partner agrees that in the event of any breach or threatened breach of any provision of Section 8.8(g), the Partnership shall be entitled, in addition to and without limitation upon all other remedies the Partnership may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in the State or federal courts located in the Borough of Manhattan, in order to enforce or prevent any violations of the provisions of Section 8.8(g), as the case may be, or require such Class B Partner to account for and pay over to Athene Holding or the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a breach of Section 8.8(g), if and when final judgment of a court of competent jurisdiction is so entered against James R. Belardi.

(j) Each Class B Partner further agrees that the applicable period of time the restrictive covenants set forth in Section 8.8(g) are in effect following the Partner Cessation Date, shall be extended by the same amount of time that James R. Belardi is in breach (with such period of breach being treated as concluded for this purpose at such time as the applicable breach has been cured) of such restrictive covenants.

(k) In the event that (i) Athene Holding or any of its Affiliates (excluding members of the Apollo Group) is in material breach of any of its material obligations to James R. Belardi under the Employment Agreement on or after the Partner Cessation Date, or the grantor of any equity award that is part of an annual bonus, or the Partnership (as issuer of the Class B Interests), is in material breach of its material obligations in respect of such bonus or the Class B Interests after the Partner Cessation Date, and (ii) such breach has not been fully cured within thirty (30) days after the date James R. Belardi gives written notice to AGM (and, if applicable, the issuer of the Class B Interests and the grantor of such annual bonus equity award), with a copy to the Company, describing such breach in reasonable detail and requesting cure, then James R. Belardi's obligations under Section 8.8(g) shall immediately become null and void.

8.9 Appointment of Officers; Chief Executive Officer. The General Partner shall have the right to appoint the Chief Executive Officer of the Partnership, and on behalf of the Partnership as sole member of the Company, of the Company. The Chief Executive Officer of the Partnership or the General Partner shall have the right to appoint (or cause to be appointed) the other officers of the Partnership, and on behalf of the Partnership, as sole member of the Company, of the Company, and any Subsidiary of the Company, to the extent applicable, including a Chief Investment Officer, one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, a Secretary, a Treasurer and one or more Assistant Secretaries and Assistant Treasurers. Any officers so elected shall be authorized to control the day-to-day management of the business affairs of the Partnership, the Company or any Subsidiary of the Company, as applicable and will have such additional authority and perform such duties as the General Partner or such Chief Executive Officer, as applicable, may, from time to time, delegate (or cause to be delegated) to them. The General Partner or such Chief Executive Officer shall have the right to remove (or cause to be removed) any officer of the Partnership, the Company or any of such subsidiaries, as applicable, either for or without cause, at any time; provided,

however, that nothing contained herein shall limit any rights of any officer under any employment agreement which such officer may have entered into with the Partnership, the Company or any such subsidiaries. Any vacancy occurring in any office of the Partnership, the Company or any of such subsidiaries may be filled by the General Partner or such Chief Executive Officer. Any appointment or removal of officers by the General Partner pursuant to this Section 8.9 shall be made by the General Partner by way of resolutions passed by the GP Board.

ARTICLE IX

OWNERSHIP OF PARTNERSHIP PROPERTY

Pursuant to the Act, Partnership Property shall be held in trust by the General Partner for the Partnership, and no Limited Partner, individually or collectively, shall have any ownership interest in such Partnership Property or any portion thereof. Title to any or all Partnership Property may be held in the name of the Partnership or one or more nominees, as the General Partner may determine. All Partnership Property shall be recorded as the property of the Partnership on its books and records, irrespective of the name in which legal title to such Partnership Property is held.

ARTICLE X

FISCAL MATTERS; BOOKS AND RECORDS

10.1 Bank Accounts; Investments. Capital Contributions, revenues and any other Partnership funds shall be deposited by the Partnership in a bank account established in the name of the Partnership, or shall be invested by the Partnership, at the direction of the General Partner, in furtherance of the purposes of the Partnership. No other funds shall be deposited into Partnership bank accounts or commingled with Partnership investments. Funds deposited in the Partnership’s bank accounts may be withdrawn only to be invested in furtherance of the Partnership’s purposes, to pay Partnership debts or obligations or to be distributed to the Partners pursuant to this Agreement.

10.2 Records Required by Act; Right of Inspection.

(a) During the term of the Partnership’s existence and for a period of five (5) years thereafter, there shall be maintained in the Partnership’s principal office and/or the registered office specified pursuant to Section 2.5 all records required to be kept pursuant to the Act, including, without limitation, a current list of the names, addresses and Interests held by each of the Partners (including the dates on which each of the Partners became a Partner), copies of U.S. federal, state and local information or income tax returns for each of the Partnership’s tax years, copies of this Agreement, including all amendments or restatements, and correct and complete books and records of account of the Partnership.

(b) On written request stating the purpose, any Limited Partner may examine and copy in person, at any reasonable time, for any proper purpose reasonably related to such Limited Partner’s interest as a Limited Partner of the Partnership, and at such Limited Partner’s

expense, records required to be maintained under the Act and such other information regarding the business, affairs and financial condition of the Partnership as is just and reasonable for the Limited Partner to examine and copy. Upon written request by any Limited Partner made to the Partnership at the address of the Partnership's principal office specified in Section 2.5, the Partnership shall provide to the Limited Partner without charge true copies of (i) this Agreement and all amendments or restatements, and (ii) any of the tax returns of the Partnership described above.

10.3 Books and Records of Account. The Partnership shall maintain adequate books and records of account that shall be maintained on the accrual method of accounting and on a basis consistent with appropriate provisions of the Code, containing, among other entries, a Capital Account for each class of Interests held by each Partner.

10.4 Tax Returns and Information. The Partners intend for the Partnership to be treated as a partnership for tax purposes and for the Partnership to be treated as a continuation of Apollo Insurance Solutions Group for tax purposes. The General Partner shall prepare or cause there to be prepared all U.S. federal, state and local income and other tax returns that the Partnership is required to file. Within one-hundred and twenty (120) days after the end of each calendar year, the General Partner shall send or deliver to each Person who was a Partner at any time during such year such tax information as shall be reasonably necessary for the preparation by such Person of such Person's U.S. federal income tax return and state income and other tax returns.

10.5 Information Rights. The Apollo Partners shall be entitled to receive regular and suitable business (e.g. sales, marketing and technology), financial and other information reasonably appropriate to monitor and manage their ownership interests and such other information as they may reasonably request, from time to time. Such information will include, without limitation, the following:

(a) Access to Records. The General Partner shall afford to each Apollo Partner and its officers, employees, advisors, counsel and other authorized representatives, during normal business hours, reasonable access, upon reasonable advance notice, to all of the books, records and properties of the Partnership and all officers and employees of the Partnership.

(b) Budget. At least fifteen (15) Business Days following the beginning of each fiscal year of the Partnership or such later date as may be agreed by the Apollo Partners, respectively, the General Partner shall deliver to the Apollo Partners annual management projections and budgets for the Partnership for such fiscal period, in form, methodology, and level of detail reasonably satisfactory to the Apollo Partners.

(c) Miscellaneous. As promptly as practicable (but in any event within ten (10) days) upon becoming available, the General Partner shall provide to each Apollo Partner or an affiliate thereof:

(i) copies of all financial statements, reports, press releases, notices, proxy statements and other documents sent by the Partnership to its Partners generally or

released to the public and copies of all regular and periodic reports, if any, filed by the Partnership with the Commission, any securities exchange or FINRA or similar Governmental Authority;

(ii) notification in writing of any litigation or governmental proceeding in which it is involved and which might, if determined adversely, materially and adversely affect the Partnership;

(iii) notification in writing of the existence of any default under any material agreement or instrument to which the Partnership is a party or by which any of its assets are bound;

(iv) upon request, copies of all reports prepared for or delivered to the management of the Partnership by its accountants, subject to the preservation of all applicable attorney-client, attorney work product and other privileges; and

(v) upon request, any other routinely collected financial or other information available to management of the Partnership, subject to the preservation of all applicable attorney-client, attorney work product and other privileges.

10.6 Fiscal Year. The Partnership's fiscal year shall end on December 31 of each calendar year (such year, the "Fiscal Year"). Each Fiscal Year shall consist of four quarters ending on March 31, June 30, September 30 and December 31 of each Fiscal Year. Each such quarter shall be referred to as a "fiscal quarter".

10.7 Tax Elections. The General Partner shall cause the Partnership to make any election the General Partner may deem appropriate and in the best interests of the Partners. Neither the Partnership, the General Partner nor any other Partner may make an election for the Partnership to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law.

10.8 Intentionally Omitted.

10.9 Safe Harbor Election and Forfeiture Allocations. The Class B Interests are intended to qualify as "profits interests" within the meaning of IRS Revenue Procedures 93-27, and 2001-43, and IRS Notice 2005-43 or any future IRS guidance. The General Partner is hereby authorized and directed to (a) cause the Partnership to make an election to value any Class B Interests, when issued, at liquidation value (the "Safe Harbor Election"), as the same may be permitted pursuant to or in accordance with the final successor rules to Proposed Treasury Regulations Section 1.83-3(l) and IRS Notice 2005-43 and (b) file all returns, reports and other documentation as may be required to perfect and maintain the Safe Harbor Election. Any such Safe Harbor Election shall be binding on the Partnership and on all of its Partners (including, for purposes of this Section 10.9, any Person to whom a Class B Interest is transferred in connection with the performance of services). Each Partner hereby agrees to comply with all requirements of the Safe Harbor Election with respect to the Class B Interests while the Safe Harbor Election remains effective.

10.10 Withholding.

(a) Each Partner hereby authorizes the Partnership to withhold from or pay on behalf of or with respect to such Partner any amount of U.S. federal, state, local or foreign taxes that the General Partner determines that the Partnership is required to withhold or pay with respect to any amount distributable or allocable to such Partner pursuant to this Agreement, including, without limitation, any taxes required to be withheld or paid by the Partnership pursuant to AEOI or Code Sections 1441, 1442, 1445, 1446, 1471, 1472 or 6225 of the BBA Audit Rules. Any amounts withheld from a Partner pursuant to the foregoing sentence shall be treated as having been distributed to such Partner.

(b) On or prior to January 1, 2019, each Limited Partner will provide the General Partner with evidence that there should not be any withholding tax assessed for U.S. federal income tax purposes in respect of payments to such Partner, such evidence to take the form of a statement, on a duly executed and up-to-date Internal Revenue Service Form W-9, W- 8BEN (or successor form), W-8BEN-E (or successor form), W-8IMY (or successor form) or W-8ECI (or successor form), as applicable, that identifies the beneficial owner of the payment, or any other information or documentation reasonably requested by the General Partner in connection with the Partnership's compliance with applicable tax law or with an applicable agreement with a Governmental Authority. Each Limited Partner further undertakes to deliver to the General Partner a duly completed copy of such form (or successor form) on or before the date that such form expires or becomes obsolete or incorrect and any such amendment thereto or extensions or renewals thereof as may be reasonably requested by the General Partner. Each Limited Partner agrees to promptly notify the General Partner of any change in circumstances which would modify or render invalid any claimed exemption or reduction or any certification previously provided to the General Partner. In each case, the General Partner shall not be required to accept any form if it believes that such form is not accurate (but the General Partner shall not be required to make any independent investigation to determine such form's accuracy).

ARTICLE XI

INDEMNIFICATION

11.1 Indemnification and Advancement of Expenses.

(a) To the fullest extent permitted by applicable law but subject to the limitations expressly provided in this Section 11.1, the Partnership shall indemnify and hold harmless all Indemnified Persons from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which any Indemnified Person may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnified Person whether arising from acts or omissions to act occurring before or after the date of this Agreement; provided, however, that the Indemnified Person shall not be indemnified and held harmless if there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter

for which the Indemnified Person is seeking indemnification pursuant to this Section 11.1, the Indemnified Person acted in bad faith or engaged in fraud or willful misconduct.
Notwithstanding the preceding sentence, except as otherwise provided in Section 11.1(k), the Partnership shall be required to indemnify a Person described in such sentence in connection with any action, suit or proceeding (or part thereof) commenced by such Person only if the commencement of such action, suit or proceeding (or part thereof) by such Person was authorized by the General Partner in its sole discretion.

(b) To the fullest extent permitted by applicable law, expenses (including legal fees and expenses) incurred by an Indemnified Person in appearing at, participating in or defending any indemnifiable claim, demand, action, suit or proceeding pursuant to Section 11.1(a) shall, from time to time, be advanced by the Partnership prior to a final and non- appealable determination that the Indemnified Person is not entitled to be indemnified upon receipt by the Partnership of an undertaking by or on behalf of the Indemnified Person to repay such amount if it ultimately shall be determined that the Indemnified Person is not entitled to be indemnified pursuant to this Section 11.1. Notwithstanding the immediately preceding sentence, except as otherwise provided in Section 11.1(k), the Partnership shall be required to indemnify an Indemnified Person pursuant to the immediately preceding sentence in connection with any action, suit or proceeding (or part thereof) commenced by such Person only if the commencement of such action, suit or proceeding (or part thereof) by such Person was authorized by the General Partner in its sole discretion.

(c) The indemnification provided by this Section 11.1 shall be in addition to any other rights to which an Indemnified Person may be entitled under this or any other agreement, pursuant to a vote of a majority of disinterested Directors with respect to such matter, as a matter of law, in equity or otherwise, both as to actions in the Indemnified Person's capacity as an Indemnified Person and as to actions in any other capacity, and shall continue as to an Indemnified Person who has ceased to serve in such capacity.

(d) The Partnership may purchase and maintain (or reimburse its affiliates for the cost of) insurance, on behalf of the General Partner, the Partnership, the Company, any of their subsidiaries or any other Indemnified Person and such other Persons as the General Partner shall determine in its sole discretion, against any liability that may be asserted against, or expense that may be incurred by, such Person in connection with the General Partner's, the Partnership's or the Company's activities, the activities of any of their subsidiaries or any such Indemnified Person's activities on behalf of the General Partner, the Partnership, the Company or any of their subsidiaries, regardless of whether the Partnership would have the power to indemnify such Person against such liability under the provisions of this Agreement.

(e) For purposes of this Section 11.1: (i) the Partnership shall be deemed to have requested an Indemnified Person to serve as fiduciary of an employee benefit plan whenever the performance by it of its duties to the General Partner, the Partnership, the Company or any of their subsidiaries also imposes duties on, or otherwise involves services by, such Indemnified Person to the plan or participants or beneficiaries of the plan; (ii) excise taxes assessed on an Indemnified Person with respect to an employee benefit plan pursuant to applicable law shall constitute "fines" within the meaning of Section 11.1(a); and (iii) any action taken or omitted by an Indemnified Person with respect to any employee benefit plan in the

performance of its duties for a purpose reasonably believed by it to be in the best interest of the participants and beneficiaries of the plan shall be deemed to be for a purpose that is in the best interests of the General Partner, the Partnership, the Company or any of their subsidiaries, as applicable.

(f) Any indemnification pursuant to this Section 11.1 shall be made only out of the assets of the Partnership.

(g) An Indemnified Person shall not be denied indemnification in whole or in part under this Section 11.1 because the Indemnified Person had an interest in the transaction with respect to which the indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

(h) The provisions of this Article XI are for the benefit of the Indemnified Persons and their heirs, successors, assigns, executors and administrators and shall not be deemed to create any rights for the benefit of any other Persons.

(i) The General Partner, each director or officer of the General Partner, the Partnership, the Company or any of their subsidiaries shall, in the performance of his, her or its duties, be fully protected in relying in good faith upon the records of the General Partner, the Partnership, the Company or of any their affiliates and on such information, opinions, reports or statements presented to the Partnership by any of the officers, directors or employees of the General Partner, the Partnership, the Company, or its affiliates, or by any other Person (including legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it) as to matters the General Partner, the Partnership, the Company, and each such Subsidiary or such director or officer, as the case may be, reasonably believes are within such other Person's professional or expert competence.

(j) No amendment, modification or repeal of this Section 11.1 or any provision hereof shall in any manner terminate, reduce or impair the right of any past, present or future Indemnified Person to be indemnified by the Partnership, nor the obligations of the Partnership to indemnify any such Indemnified Person under and in accordance with the provisions of this Section 11.1 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or-in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted.

(k) If a claim for indemnification (following the final disposition of the action, suit or proceeding for which indemnification is being sought) or advancement of expenses under this Section 11.1 is not paid in full within thirty (30) days after a written claim therefor by any Indemnified Person has been received by the Partnership, such Indemnified Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expenses of prosecuting such claim, including reasonable attorneys' fees.

(l) This Section 11.1 shall not limit the right of the Partnership, to the extent and in the manner permitted by applicable law, to indemnify and to advance expenses to, and purchase and maintain insurance on behalf of Persons other than Indemnified Persons.

(m) For purposes of this Section 11.1, an "Indemnified Person" shall include (v) the General Partner, (w) any manager, director, officer or employee of the Company, the Partnership, the General Partner, the Applicable Tax Representative or of any Subsidiary of the Partnership or the Company, (x) a consultant of the Company, the Partnership, the General Partner, or any Subsidiary of the Partnership or the Company who participates in any equity incentive plan of the Partnership, the Company or any Subsidiary of the Partnership or Company; or (y) a Person described in clause (w) and is or was serving at the request of the Company, the Partnership, the General Partner, or any Subsidiary of the Partnership or Company as a director, officer, manager, employee, consultant, representative or agent of another corporation, limited liability company, general partnership, limited partnership, joint venture, trust, business trust or other enterprise or entity, and (z) any other Person the GP Board has, in its sole discretion, approved to be an Indemnified Person.

(n) For purposes of this Section 11.1, any reference to the "Partnership" shall include, in addition to the resulting or surviving corporation or other surviving Person in a consolidation or merger, any constituent corporation or other constituent Person (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, managers, members, employees, consultants, representatives or agents, so that any Person who is or was a director, officer, manager, member, employee, consultant, representative or agent of such constituent corporation or other constituent Person, or is or was serving at the request of such constituent corporation or other constituent Person as a director, officer, manager, employee, consultant, representative or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 11.1 with respect to the resulting or surviving corporation or other surviving Person as he or she would have with respect to such constituent corporation if its separate existence had continued.

(o) The Partnership hereby acknowledges that the Indemnified Persons may also have certain rights to indemnification and/or advancement of expenses provided by shareholders, members of the Apollo Group, or other affiliates of the Partnership or affiliates of members of the Apollo Group (collectively, the "Shareholder Affiliates") separate from the indemnification obligations of the Partnership under this Agreement. The Partnership hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to the Indemnified Persons under this Agreement are primary and any obligation of any Shareholder Affiliate to advance expenses or to provide indemnification for the same expenses or liabilities incurred by the Indemnified Persons are secondary), (ii) that the Partnership shall be required to advance the full amount of expenses incurred by the Indemnified Persons and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement to the extent legally permitted and as required by this Article XI, without regard to any rights the Indemnified Persons may have against any Shareholder Affiliate and (iii) that the Partnership irrevocably waives, relinquishes and releases the Shareholder Affiliates from any and all claims against the Shareholder Affiliates for contribution, subrogation or any other recovery of any kind in respect thereof. Notwithstanding the foregoing, the parties agree that, to the extent that any party is an insured party on any policies that have been obtained on an arm's length basis from unaffiliated insurance providers, the parties will cooperate with each other to seek insurance coverage for indemnification claims and advancement of expenses, and any insurance proceeds obtained will

be applied to cover such claims and expenses or, if applicable, to reimburse the Shareholder Affiliates and then the Partnership for any amounts already paid with respect to such claims and expenses. The Partnership further agrees that no advancement or payment by any Shareholder Affiliate on behalf of a Indemnified Person with respect to any claim for which the Indemnified Person has sought indemnification from the Partnership pursuant to this Article XI shall affect the foregoing and the Shareholder Affiliates shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of the Indemnified Person against the Partnership. The Partnership will cause each of its direct and indirect subsidiaries to include a provision substantially similar to this Section 11.1(n) in each of their respective by-laws or comparable organizational documents.

11.2 Liability of Indemnified Persons.

(a) Notwithstanding anything otherwise to the contrary herein, no Indemnified Person shall be liable to the General Partner, the Partnership, the Company or any of their subsidiaries, members, partners or shareholders, in their capacity as such, or any other Persons who have or may acquire interests in the General Partner, the Partnership, the Company or such subsidiaries, for any losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising as a result of any act or omission of an Indemnified Person, or for any breach of contract (including breach of this Agreement) or any breach of duties (including breach of fiduciary duties) whether arising hereunder, at law, in equity or otherwise, unless there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that, in respect of the matter in question, the Indemnified Person acted in bad faith or engaged in fraud or willful misconduct.

(b) Any amendment, modification or repeal of this Section 11.2 or any provision hereof shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnified Persons under this Section 11.2 as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claims may arise or be asserted, and provided such Person became an Indemnified Person hereunder prior to such amendment, modification or repeal.

11.3 Limit on Liability of Partners. The indemnification set forth in this Article XI shall in no event cause the Limited Partners to incur any personal liability beyond their total Capital Contributions, nor shall it result in any liability of the Limited Partners to any third party.

11.4 No Third Party Rights. Any Indemnified Person and Persons described in Section 11.1(h) not being party to this Agreement may enforce any rights granted to it pursuant to this Agreement in its own right as if it were a party to this Agreement. Except as expressly provided in the immediately preceding sentence, this Agreement is for the sole benefit of the Partners and no other Person shall have any rights, benefits or remedies by reason of this Agreement or the Contracts (Rights of Third Parties) Law (as amended). Notwithstanding any term of this Agreement, no termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under this Agreement at any time shall require the consent of or notice to any other person who is not a party to this Agreement.

ARTICLE XII

WINDING UP AND DISSOLUTION

12.1 Events Causing Winding Up and Dissolution. The Partnership shall be wound up upon the first of the following events to occur (the "Winding Up Events"):

(a) At any time, upon the written consent of all Class A Partners and Class B Partners holding at least two-thirds (2/3) of the Class B Interests to wind up the affairs of the Partnership; or

(b) Upon the occurrence of any other event that causes the winding up and dissolution of an exempted limited partnership under the Act; or

(c) Subject to Section 3.6, the dissolution, withdrawal or Bankruptcy of the General Partner.

No death, retirement, resignation, expulsion, Bankruptcy or dissolution of a Limited Partner, alone, shall cause the dissolution of the Partnership unless there are no remaining Partners of the Partnership.

12.2 Winding Up. If a Winding Up Event occurs pursuant to Section 12.1, the Partnership's affairs shall be wound up as soon as reasonably practicable in the manner set forth below.

(a) The winding up of the Partnership's affairs shall be supervised by a liquidator (the "Liquidator"). The Liquidator shall be the General Partner or, if the General Partner prefers, a liquidator selected by the General Partner or, if there is no General Partner, a liquidator selected by the Limited Partners holding at least a majority of the Interests then entitled to vote.

(b) In winding up the affairs of the Partnership, the Liquidator shall have full right and unlimited discretion, in the name of and for and on behalf of the Partnership to:

(i) Prosecute and defend civil, criminal or administrative suits;

(ii) Collect Partnership assets, including obligations owed to the Partnership;

(iii) Settle and close the Partnership's business;

(iv) Dispose of and convey all Partnership Property for cash, and in connection therewith to determine the time, manner and terms of any sale or sales of Partnership Property, having due regard for the activity and condition of the relevant market and general financial and economic conditions;

(v) Pay all reasonable selling costs and other expenses incurred in connection with the winding up out of the proceeds of the disposition of Partnership Property;

(vi) Discharge the Partnership's known liabilities and, if necessary, to set up, for a period not to exceed five (5) years after the date of dissolution, such cash reserves as the Liquidator may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership;

(vii) Distribute any remaining proceeds from the sale of Partnership Property to the Partners;

(viii) Prepare, execute, acknowledge and file any notice of dissolution under the Act and any other certificates, tax returns or instruments necessary or advisable under any applicable law to effect the winding up and dissolution of the Partnership; and

(ix) Exercise, without further authorization or consent of any of the parties hereto or their legal representatives or successors in interest, all of the powers conferred upon the General Partner under the terms of this Agreement to the extent necessary or desirable in the good faith judgment of the Liquidator to perform its duties and functions. The Liquidator (if not the General Partner) shall not be liable as a general partner of the Partnership and shall, while acting in such capacity on behalf of the Partnership, be entitled to the indemnification rights set forth in Article XI.

12.3 Compensation of Liquidator. The Liquidator appointed as provided herein shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by the Liquidator and the General Partner (or, if there is no General Partner, the Limited Partners holding at least a majority of the Interests then entitled to vote).

12.4 Distribution of Partnership Property and Proceeds of Sale Thereof.

(a) Upon completion of all desired sales of Partnership Property, and after payment of all selling costs and expenses, the Liquidator shall distribute the proceeds of such sales, and any Partnership Property that is to be distributed in kind, to the following groups in the following order of priority:

(i) to satisfy Partnership liabilities to creditors, including the Partners who are creditors, to the extent otherwise permitted by law (other than for past due Partnership distributions), whether by payment or establishment of reserves;

(ii) to each Partner with Unrecovered Capital in proportion to their respective Unrecovered Capital; and

(iii) to the Partners holding Class A Interests and, subject to any amount payable under Section 6.7(c)(iii), to Class B Interests (or any successor thereto), pro rata in accordance with their Pro Rata Share.

Except for any reserves set aside by the Liquidator pursuant to Section 12.2(b)(vi), all distributions required under this Section 12.4 shall be made to the Partners by the end of the taxable year in which the liquidation occurs or, if later, within 90 days after the date of such liquidation.

(b) The claims of each priority group specified above shall be satisfied in full before satisfying any claims of a lower priority group. If the assets available for disposition are insufficient to dispose of all of the claims of a priority group, the available assets shall be distributed in proportion to the amounts owed to each creditor or the respective Capital Account balances of each Partner in such group.

12.5 Final Audit. Within a reasonable time following the completion of the liquidation, the Liquidator shall supply to each of the Partners a statement that shall set forth the assets and the liabilities of the Partnership as of the date of complete liquidation of the assets of the Partnership and each Partner’s *pro rata* portion of distributions pursuant to Section 12.4.

12.6 Deficit Capital Accounts. Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the Capital Account of any Partner results from or is attributable to deductions and losses of the Partnership (including non-cash items such as depreciation), or distributions of money pursuant to this Agreement to all Partners in proportion to their respective Interest Percentages, upon winding up and dissolution of the Partnership such deficit shall not be an asset of the Partnership and such Partners shall not be obligated to contribute such amount to the Partnership to bring the balance of such Partner’s Capital Account to zero.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

13.1 Counterparts. This Agreement may be executed in several counterparts, each of which will be deemed an original but all of which will constitute one and the same.

13.2 Entire Agreement. This Agreement contains, together with the Exhibits and Annexes and the other agreements contemplated herein and therein, the entire agreement among the parties hereto and contains all of the agreements among such parties with respect to the subject matter hereof and are intended to supersede any and all other agreements, either oral or written, between such parties with respect to the subject matter hereof.

13.3 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such invalid, illegal or unenforceable provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

13.4 Amendment. Except as expressly provided in this Agreement (including Section 7.6(d), this Agreement may be amended only by written consent of Limited Partners holding a

majority of the outstanding Class A Interests; provided, however, that any amendment which materially, adversely and disproportionately affects the rights of the outstanding Class B Interests without similarly affecting the rights of the Class A Interests (determined without regard to any subjective differences between the holders of such Interests, such as legal requirements or different financial positions of the holders of such Interests) shall not be effective as to such Class B Interests without the prior written consent of the holders of a majority of the outstanding Class B Interests.

13.5 Binding Effect. Subject to the provisions of this Agreement relating to transferability, this Agreement will be binding upon and shall inure to the benefit of the parties, and their respective distributees, heirs, successors and assigns.

13.6 Governing Law.

(a) This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands, except with respect to Sections 8.8(g)-(k), to which the laws of the State of New York shall apply, except that, in the event that California law is deemed by an adjudicator of competent jurisdiction to govern such Sections, the parties agree that California Business and Professional Code section 16602 and/or 16601 shall apply to such Sections in accordance with their terms.

(b) Except for suits seeking solely injunctive relief or specific performance or as otherwise prohibited by law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement, the Executive's employment with the Company or any of its Affiliates, any termination of such employment, or the arbitrability of any controversy or claim relating to any of the foregoing, will be finally settled by binding arbitration in accordance with and subject to Sections 6.7, 13, 14 and 20 of the Employment Agreement (or any successor to such Sections), with the Partnership treated as a party to the Employment Agreement for purposes of those Sections only.

13.7 Offset. Whenever the Partnership is to pay any sum to any Partner, any amounts that such Partner owes the Partnership may be deducted from that sum before payment.

13.8 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Partnership is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Partnership. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Partnership, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

13.9 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Partner shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and such transactions.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as a deed on the date set out above, to be effective on the date first above written.

APOLLO GENERAL PARTNER: AISG GP LTD.

By: /s/ Angelo Lombardo Name: Angelo Lombardo
Its: General Counsel

In the presence of:

/s/ Laura Lombardo
Witness Name: Laura Lombardo
Witness Occupation:

LIMITED PARTNERS:

APOLLO LIFE ASSET, L.P., as Class A Partner By: Apollo Life Asset GP, LLC, its general partner
By: Apollo Capital Management, L.P., its managing member
By: Apollo Capital Management GP, LLC, its general partner

By: /s/ William B. Kuesel Name: William B. Kuesel
Its: Vice President

In the presence of:

/s/ Patricia A. McCabe

Witness Name: Patricia A. McCabe

Witness Occupation: Executive Assistant

AISG HOLDINGS, L.P.

JAMES R. BELARDI, as initial Class B Partner

By: /s/ James R. Belardi

In the presence of:

/s/ Kathryn Tubbs

Witness Name: Kathryn Tubbs
Witness Occupation: Office Manager

J&L BELARDI AAM LLC, as Class B Partner

By: /s/ James R. Belardi Name: James R. Belardi
Its: Manager

In the presence of:

/s/ Kathryn Tubbs

Witness Name: Kathryn Tubbs

Witness Occupation: Office Manager

AISG HOLDINGS, L.P.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement") is dated as of June 16, 2022, by and between Athene Holding Ltd., a Bermuda exempted company limited by shares ("AHL"), and James R. Belardi (the "Executive").

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

A. AHL and the Executive entered into an Employment Agreement (the "Athene Agreement"), dated as of July 15, 2009, as amended and restated as of February 2013, pursuant to which the Executive serves as the Chief Executive Officer of AHL.

B. Apollo Insurance Solutions Group LP, formerly known as Athene Asset Management LLC, a Delaware single member limited partnership ("AISG"), and the Executive entered into an Employment Agreement (the "AAM Agreement"), dated as of July 15, 2009, as amended and restated in that certain Amended and Restated Employment Agreement, dated as of February 2013, pursuant to which the Executive serves as the Chief Executive Officer of AISG.

C. Apollo Global Management, Inc. (the indirect parent company of AISG) and AHL completed a series of merger transactions on January 1, 2022 pursuant to an agreement and plan of merger, dated as of March 8, 2021, whereupon the name of Apollo Global Management, Inc. was changed to Apollo Asset Management, Inc. and such renamed entity and AHL became subsidiaries of Tango Holdings, Inc., which was subsequently renamed Apollo Global Management, Inc. (together with any successor, "AGM").

D. AHL, AISG (each of AHL and AISG, a "Company" and collectively, the "Companies") and the Executive (AHL and the Executive, each a "Party" and collectively, the "Parties") desire that the Executive continue to serve as the Chief Executive Officer of each Company. This Agreement supersedes and negates (except as otherwise expressly provided in this Agreement) all previous employment agreements between the Executive, AHL and AISG and any predecessors.

AGREEMENT

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the Parties agree as follows:

1. **Retention and Duties**.

1.1 **Retention.** AHL hereby employs the Executive, and AISG hereby engages the Executive as an officer, for the Term (as defined below), on the terms set forth in this Agreement. The Executive accepts and agrees to such employment by AHL and engagement by AISG, on the terms set forth in this Agreement.

1.2 **Duties.** During the Term, the Executive shall serve each Company as its Chief Executive Officer and shall have the powers, authorities, duties and obligations of management usually vested in the office of the Chief Executive Officer, and such other powers, authorities, duties and obligations commensurate with such position as the board of directors of AGM (the "AGM Board") may assign from time to time, all subject to the lawful directives of the AGM Board, and the corporate policies of AGM and its Affiliates (as defined in Exhibit A) (AGM and its Affiliates, collectively, the " Group"), as they are in effect from time to time throughout the Term (including, without limitation, the Group's

business conduct and ethics policies and each Company's operating guidelines as they may be in effect from time to time). The Parties acknowledge that the Executive was previously appointed to the board of directors of each of AHL and AISG GP Ltd., AISG's general partner (each, a "Company Board") and shall report directly and exclusively to each applicable Company Board and the Chief Executive Officer of AGM during the Term. The Executive shall be recused from any discussion by any board of directors (or committee thereof) of the Executive's terms or conditions of employment or engagement or the termination thereof.

1.3 **No Other Employment; Minimum Time Commitment**. During the Term, the Executive shall (i) devote substantially all of the Executive's business time, energy and skill to the performance of the Executive's duties for the Companies, (ii) perform such duties in a faithful, effective and efficient manner to the best of his abilities, and (iii) hold no other employment. The Executive's service on the boards of directors (or similar body) of other business entities is subject to the approval of the AGM Board; provided, however, that service on the board of directors (or similar body) of any member of the Group on which the Executive serves at the request of a member of the Group shall be deemed pre-approved. During the Term, the Executive shall be permitted to manage his personal investments and engage in charitable activities, and, notwithstanding the foregoing, engage in activities on behalf of other members of the Group, so long as such activities do not, in each case and in the aggregate, interfere with the effective discharge of the Executive's duties and responsibilities to the Companies. AGM and the Companies shall have the right to require the Executive to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) on which he may then serve (with the consent of AGM, if such service is at the request of another member of the Group other than the Companies) if the AGM Board or the applicable Company Board reasonably determines that the Executive's service on such board or body interferes with the effective discharge of the Executive's duties and responsibilities to AHL or that any business related to such service is then in competition with any business of the Group or any Protected Companies (as defined in Section 6.2), or any successors or assigns of the foregoing.

1.4 **Representations**.

(a) The Executive hereby represents to the Companies that: (i) the execution and delivery of this Agreement and the performance by the Executive of the Executive's duties hereunder do not and shall not constitute a breach of, conflict with, or otherwise contravene or cause a default under, the terms of any other agreement or policy to which the Executive is a party or otherwise bound or any judgment, order or decree to which the Executive is subject; (ii) the Executive has no information (including, without limitation, confidential information and trade secrets) relating to any other Person (as defined in Exhibit A) which would prevent, or be violated by, the Executive entering into this Agreement or carrying out his duties hereunder; (iii) other than this Agreement, the Executive is not bound by any employment, consulting, non-compete, trade secret or similar agreement with any other Person; (iv) the Executive understands the Companies will rely upon the accuracy and truth of the representations and warranties of the Executive set forth herein and the Executive consents to such reliance, and (v) upon the execution and delivery of this Agreement, this Agreement shall be his valid and binding obligation, enforceable against the Executive in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally and general principles of equity (whether considered by a court of law or a court of equity).

(b) Each of the Companies hereby represents to the Executive that (i) it is fully authorized by action of the applicable Company Board and the Compensation Committee of the AGM Board (the "Compensation Committee") to enter into this Agreement and to perform its obligations under it, (ii) the execution, delivery and performance of this Agreement by it does not violate any applicable law, regulation, order, judgment or decree or any agreement, arrangement, plan or corporate governance document to which it or any of its Affiliates is a party or by which it or any of its Affiliates is bound and (iii) upon the execution and delivery of this Agreement, this Agreement shall be its valid and binding

obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally and general principles of equity (whether considered by a court of law or a court of equity).

1.5 **Location.** The Executive's principal office location shall be in Los Angeles. Consistent with AHL's operating guidelines, the Executive agrees that during the Term he will be regularly present at this office and will undertake such travel as may be reasonably required from time to time in the course of performing his duties, including, without limitation, to West Des Moines, Iowa, and Bermuda.

2. **Term.** The "Term" shall commence on the date hereof and shall continue until December 31, 2022 (the "Termination Date"); provided, that this Agreement shall be automatically renewed, and the Term shall be automatically extended, for one (1) additional year, on the Termination Date and each anniversary of the Termination Date thereafter, unless AGM or the Executive gives written notice at least one hundred and twenty (120) days prior to the expiration of the Term (including any renewal thereof) of such party's desire to terminate the Term (such notice to be delivered in accordance with Section 21). Provision of notice by the Companies or the Executive that the Term shall not be extended or further extended, as the case may be, shall not constitute a breach of this Agreement or "Good Reason" (as defined in Exhibit A). The Term may be subject to earlier termination as set forth below.

3. **Compensation**.

3.1 **Base Salary.** During the Term, AHL shall pay the Executive an annual base salary (the "Base Salary") of $1,875,000, paid consistent with AHL's regular payroll practices in effect from time to time. The Compensation Committee will review the Base Salary on an annual basis and may, in its sole discretion, increase (but not, except as provided in the next sentence, decrease) the rate then in effect. The Executive's Base Salary shall not be reduced other than as part of an across the board reduction applicable to all members of senior management that results in a proportional reduction to the Executive's Base Salary equal to that of other members of senior management. For purposes of clarity, the Executive shall not be entitled to any payments or benefits from AISG (except as otherwise specified in Section 9 with respect to indemnification).

3.2 **Annual Incentive Bonus.** The Executive shall be eligible to receive an annual incentive bonus for each calendar year that ends during the Term ("Incentive Bonus"); provided, that, except as provided in Section 5.3, the Executive must be employed by AHL at the time AHL pays its annual bonuses generally with respect to any such calendar year in order to be eligible for an Incentive Bonus with respect to that calendar year (and, if the Executive is not so employed at such time, in no event shall he have been considered to have "earned" any portion of an Incentive Bonus with respect to the calendar year in question). The Executive's target Incentive Bonus amount for a particular calendar year shall equal one hundred percent (100%) of the Executive's Base Salary paid to the Executive for that calendar year, less $25,000; provided, that, the Executive's actual Incentive Bonus amount for a particular calendar year shall be determined by the Compensation Committee in its sole discretion, based on performance objectives (which may include corporate, business unit or division, financial, strategic, individual or other objectives) established with respect to that particular calendar year by the Compensation Committee. As determined by the Compensation Committee, any Incentive Bonus earned by the Executive for a particular calendar year shall be paid by AHL in cash, or in publicly tradeable securities (or awards that are settled in publicly tradeable securities) that vest in annual installments over the same period as applies to other senior executives of AHL generally, as soon as reasonably practicable following the date that the audited financial statements of AHL for such calendar year are issued and at the same time that incentive bonuses for such calendar year are paid to other senior executives of AHL generally, and in no event later than December 31 of the year following the close of the calendar year for which the bonus is awarded.

3.3 **Profits Units.** AHL acknowledges that J&L Belardi AAM LLC, an estate planning vehicle established and controlled by the Executive, holds 10,482 fully-vested Class B Interests of AISG Holdings LP ("AISG Holdings"; the "AISG Profits Interests"), which AISG Profits Interests are subject to the terms and conditions of the Second Amended and Restated Agreement of Exempted Limited Partnership of AISG Holdings LP (f/k/a AAM Holdings, L.P.), dated June 16, 2022, as amended from time to time (the "LP Agreement"). Pursuant to the LP Agreement (and not pursuant to this Agreement), the AISG Profits Interests entitle their holders to quarterly payments equal to 4.5% of the "AHL/ACRA Subadvisory Fees" and to 3.35% of both the "AHL Base Management Fee" and the "ACRA Base Management Fee" (each, as defined in the LP Agreement).

3.4 **ISGI Profits Payment.** The Executive shall be entitled to receive for each completed calendar year that ends during the Term a bonus payment in an amount equal to 3% of the profits of Apollo Asset Management Europe LLP, including for such purposes profits derived from advisory fees on Fund IX portfolio companies but excluding all income related to Fund VIII portfolio companies (in each case determined by AISG in accordance with the example previously provided to the Executive) (the "AAME Payment"); provided, that, except as otherwise provided in Section 5.3 below, the Executive must be employed by AHL at the time it pays its annual bonuses generally with respect to any such calendar year in order to be eligible for an AAME Payment with respect to that calendar year (and, if the Executive is not so employed at such time, in no event shall he have been considered to have "earned" any portion of an AAME Payment with respect to the calendar year in question). Any AAME Payment earned by the Executive for a particular calendar year shall be paid by AHL or an Affiliate thereof in cash as soon as reasonably practicable following the date that the audited financial statements that incorporate the results of Apollo Asset Management Europe LLP for such calendar year are issued, and in no event later than December 31 of the year following the close of the calendar year for which the AAME Payment is earned. The financial statements of Apollo Asset Management Europe LLP shall be made available to the Executive as soon as reasonably practicable, and in no event after December 31 of the year following the close of the calendar year within the Term to which the statements relate.

4. **Benefits.**

4.1 **Retirement, Welfare and Fringe Benefits.** During the Term, the Executive shall be entitled to participate in all retirement and welfare benefit plans and programs, and fringe benefit plans and programs, made available to him as determined by AHL, in accordance with the eligibility and participation provisions of such plans and as such plans or programs may be in effect from time to time.

4.2 **Reimbursement of Business Expenses.** The Executive is authorized to incur reasonable expenses in carrying out the Executive's duties under this Agreement and shall be entitled to reimbursement by the applicable Company for all reasonable business expenses the Executive incurs during the Term in connection with carrying out such duties, subject to the applicable Company's expense reimbursement policies and any pre-approval policies in effect from time to time.

4.3 **Vacation and Other Leave.** During the Term, the Executive's annual rate of vacation accrual shall be four (4) weeks per year; provided that such vacation shall accrue and be subject to AHL's vacation policies in effect from time to time. The Executive shall also be entitled to all other holiday and leave pay generally available to other executives of AHL.

5. **Termination.**

5.1 **Termination by AGM.** The Executive's employment with AHL or his engagement by AISG may be terminated by AGM at any time: (i) with Cause (as defined in Exhibit A), (ii) without Cause, or (iii) in the event that the Executive has a Disability (as defined in Exhibit A). The Term shall automatically terminate in the event the Executive's employment or engagement is terminated, and termination of the Executive's employment by AHL or his engagement with AISG shall be deemed to be a termination by the Executive of, and his resignation from, all other positions (including executive

positions and board memberships) with all members of the Group (including the other Company). The Executive's employment, and the Term, shall automatically terminate in the event of the Executive's death.

5.2 **Termination by the Executive.** The Executive's employment with AHL, and the Term, may be terminated by the Executive with no less than ninety (90) days advance written notice (such notice to be delivered in accordance with Section 21); provided, however, that in the case of a resignation by the Executive with Good Reason (as defined in Exhibit A), the Executive may provide immediate written notice of termination of employment once the applicable cure period (as contemplated by the definition of Good Reason) has lapsed if the circumstances that gave rise to the basis for the resignation with Good Reason have not been timely cured in accordance with the terms of the definition of Good Reason. No termination of the Executive's employment under this Section 5.2 shall be deemed a breach of this Agreement. Termination by the Executive of his employment with AHL or his engagement with AISG shall be deemed to be a termination by the Executive of, and his resignation from, all other positions (including executive positions and board memberships) with all members of the Group (including the other Company).

5.3 **Benefits Upon Termination from the Group.** If the Executive's employment with the Group terminates (the date of such termination being referred to as the "Severance Date"), neither AHL nor any other Group member shall have any further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from AHL or any other member of the Group, any payments or benefits except as follows:

(a) Upon any termination of the Executive's employment with the Group hereunder, AHL shall pay or provide any Accrued Obligations (as defined in Exhibit A) as they come due.

(b) If the Executive's employment with the Group terminates due to an Involuntary Termination (as defined in Exhibit A), then:

(i) AHL shall pay the Executive (A) a cash amount (the 'Pro Rata Bonus") equal to a pro rata portion (based on the number of days during which he remained employed hereunder during the calendar year in which the termination occurs) of his Bonus Severance (as defined below), and (B) an amount (payable at the Compensation Committee's discretion in cash, fully-vested shares of common stock of AGM, or any combination thereof) equal to one (1) times his annualized Adjusted Base Salary (as defined in Exhibit A) in effect on the Severance Date (the "Severance Payment"). Subject to Sections 5.4(a) and 5.7(a) below, such Pro-Rata Bonus and Severance Payment shall be payable in substantially equal installments in accordance with AHL's standard payroll practices over the period that ends at the end of the 12th calendar month that begins after the Severance Date; provided, however, that the first installment of the Pro-Rata Bonus and Severance Payment shall be paid on the 60th day following the Severance Date and shall include all installments that would have been paid from the Severance Date through the date of such first installment if the release described in Section 5.4(a) had become irrevocable, in accordance with its terms, on the Severance Date (but only if such release has, in fact, been executed and delivered by the Executive in accordance with Section 5.4(a)).

(ii) AHL will pay or reimburse the Executive for his premiums charged to continue medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), at the same or reasonably equivalent medical coverage and on the same terms and conditions for the Executive (and, if applicable, the Executive's eligible dependents) as in effect immediately prior to the Severance Date, to the extent that the Executive elects such continued coverage; provided that AHL's obligation to make any payment or reimbursement pursuant to this clause (ii) shall, subject to Section 5.7(a), commence with continuation coverage for the month following the month in which the Executive's Separation from Service (as defined in Exhibit A) occurs and shall cease after continuation coverage has been provided for the eighteenth month following the month in which the Executive's Separation from Service occurs (or, if earlier, shall cease upon the first

to occur of the Executive's death, the date the Executive becomes eligible for coverage under the health plan of a future employer, or the date AHL ceases to offer group medical coverage to its active executive employees or AHL is otherwise under no obligation to offer COBRA continuation coverage to the Executive). To the extent the Executive elects COBRA coverage, he shall notify AHL in writing of such election prior to such coverage taking effect and complete any other continuation coverage enrollment procedures AHL may then have in place.

(iii) Subject to Section 5.4(a) below, (A) any outstanding and unvested time-vesting profits units granted to the Executive by AHL or AISG that are scheduled to vest during the one (1) year period immediately following the Severance Date, shall immediately vest, and (B) any outstanding and unvested equity awards granted to the Executive as a component of an Incentive Bonus (including, without limitation, Incentive Bonuses previously awarded under the Athene Agreement or the AAM Agreement), shall immediately vest (treating any performance measures as attained at target). For the avoidance of doubt, the rights referred to in Section 5.8 of the LP Agreement shall not be deemed to be unvested time-vesting profits units or outstanding and unvested equity awards granted as a component of an Incentive Bonus.

(c) If the Executive's employment hereunder is terminated in an Involuntary Termination that is not due to his death or Disability, then AHL shall also pay the Executive an amount (the "Bonus Severance") equal to the product of (A) the Executive's annualized Adjusted Base Salary in effect on the Severance Date, less $25,000, times (B) the Bonus Percentage. Subject to Sections 5.4(a) and 5.7(a) below, the Bonus Severance shall be paid at the time that the Incentive Bonus (if any) for the calendar year in which the Severance Date occurred would have been paid under Section 3.2 above if the Executive's employment hereunder had continued.

(d) Notwithstanding the foregoing provisions of this Section 5.3 or Section 5.8 of the LP Agreement, if the Executive (i) materially breaches his obligations under Sections 6.2 through 6.4 of this Agreement, (ii) knowingly and materially breaches his obligations under Section 6.5 of this Agreement, or (iii) materially breaches his obligations under Section 6.1 of this Agreement either knowingly or as a result of his gross negligence and, in each case, fails to cure such breach(es) within fifteen (15) days following written notice from the applicable Company describing the breach(es) in reasonable detail and requesting cure, and not in any way in limitation of any right or remedy otherwise available to the applicable Company, the Executive (and his transferees or assignees) will no longer be entitled to, and neither AHL nor any member of the Group will be obligated to pay or provide, any payment or benefit under Sections 5.3(b) and (c) of this Agreement, or under Section 5.8 of the LP Agreement, with respect to which the due date for its payment or provision has not already occurred as of the date of the first such uncured breach; provided, that, if the Executive provides the release contemplated by Section 5.4, in no event shall the Executive be entitled to a Severance Payment of less than $5,000, which amount the Parties agree is good and adequate consideration, in and of itself, for the Executive's release contemplated by Section 5.4. Any termination of the Executive's employment (other than by the Executive) or engagement under this Agreement shall be effected by written notice from AGM.

(e) For purposes of clarity, the Executive shall not be eligible for any payments or benefits under a severance policy or program of any of the Companies or any other member of the Group, and this Agreement and the LP Agreement shall be the exclusive source of any amounts payable by AHL and any member of the Group in connection with the Executive's termination of employment.

5.4 **Release; Exclusive Remedy**.

(a) This Section 5.4 shall apply notwithstanding anything else contained in this Agreement, the LP Agreement or any stock option or other equity-based award agreement to the contrary. As a condition precedent to any obligation of AHL or any other member of the Group to the Executive pursuant to Sections 5.3(b) and (c) of this Agreement, Section 5.8 of the LP Agreement, or any

other obligation to accelerate vesting of any equity-based award in connection with the termination of the Executive's employment, the Executive shall have provided AHL (accepting such release on behalf of AGM and the other members of the Group), on or after the Severance Date, a valid, executed general release in substantially the form attached hereto as Exhibit B (with any such changes to such form as AHL or AISG (i) has reasonably determined to be necessary or advisable to help ensure that the release is enforceable to the fullest extent permissible under applicable law and (ii) has incorporated into such release and communicated to the Executive no later than five (5) business days following the Severance Date), and such release has become irrevocable, in accordance with its terms, no later than sixty (60) days after the Severance Date. For purposes of clarity, such release shall include Section 2.2 as it appears on Exhibit B. The Executive agrees that the payments and benefits contemplated by Section 5.3 of this Agreement and Section 5.8 (and if applicable, Section 5.9) of the LP Agreement shall constitute the exclusive and sole remedy for any termination of his employment.

(b) The Executive agrees to resign, on the Severance Date, as an officer and director of any member of the Group, and as a fiduciary of any Group benefit plan, and to promptly execute and provide to AHL any further documentation, as reasonably requested by any member of the Group, to confirm such resignation.

5.5 **Notice of Termination.** Any termination of the Executive's employment under this Agreement shall be communicated by written notice of termination from AGM or the Executive, as applicable, to the other party. This notice of termination must be delivered in accordance with Section 21 and must indicate the specific provision(s) of this Agreement relied upon in effecting the termination.

5.6 **Limitation on Benefits**.

(a) Notwithstanding anything contained in this Agreement to the contrary, except as provided in Section 5.6(c), to the extent that any payment, benefit or distribution of any type to or for the benefit of the Executive by the Group, whether paid or payable, provided or to be provided, or distributed or distributable pursuant to the terms of this Agreement or otherwise (including, without limitation, any accelerated vesting of stock options or other equity-based awards) (collectively, the "Total Payments") would be subject to the excise tax imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), then the Total Payments shall be reduced (but not below zero) so that the maximum amount of the Total Payments (after reduction) shall be one dollar ($1.00) less than the amount which would cause the Total Payments to be subject to the excise tax imposed by Section 4999 of the Code. Unless the Executive shall have given prior written notice to AHL to effectuate a reduction in the Total Payments if such a reduction is required, any such notice consistent with the requirements of Section 409A of the Code to avoid the imputation of any tax, penalty or interest thereunder, the Group shall reduce or eliminate the Total Payments by first reducing or eliminating any cash severance benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of stock options or similar awards, then by reducing or eliminating any accelerated vesting of restricted stock or similar awards, then by reducing or eliminating any other remaining Total Payments. This Section 5.6 shall take precedence over the provisions of any other Company Arrangement.

(b) Any initial determination that Total Payments to the Executive must be reduced or eliminated in accordance with Section 5.6(a) and the assumptions to be utilized in arriving at such determination, shall be made by the AGM Board or its designee in the exercise of its reasonable, good faith discretion based upon the advice of such professional advisors it may deem appropriate in the circumstances. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the AGM Board or its designee hereunder, it is possible that Total Payments to the Executive which will not have been made should have been made ("Underpayment") or that Total Payments to the Executive which were made should not have been made ("Overpayment"). If an Underpayment has occurred, the amount of any such Underpayment shall be promptly paid to or for the benefit of the Executive. In the event of an Overpayment, then the Executive shall promptly repay the

amount of any such Overpayment together with interest on such amount (at the same rate as is applied to determine the present value of payments under Section 280G of the Code or any successor thereto), from the date the reimbursable payment was received by the Executive to the date the same is repaid.

(c) Notwithstanding anything in Section 5.6(a) or elsewhere to the contrary, the Group will pay the full amount of the Total Payments to the Executive if the Executive makes the Group whole on an after-tax basis for any adverse tax consequences imposed on the Group under Section 280G of the Code as a result of paying the Total Payments to the Executive.

5.7 **Section 409A**.

(a) If the Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Executive's Separation from Service, the Executive shall not be entitled to any payment or benefit from the Group that constitutes "nonqualified deferred compensation" within the meaning of Section 409A of the Code until the earlier of (i) the date which is six (6) months after his or her Separation from Service for any reason other than death, or (ii) the date of the Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code. Any amounts otherwise payable to the Executive upon or in the six (6) month period following the Executive's Separation from Service that are not so paid by reason of this Section 5.7(a) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Executive's Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Executive's death).

(b) To the extent that any reimbursement pursuant to Section 4.2 or otherwise, or any benefit pursuant to Section 5.3(a) or 5.3(b)(ii) or otherwise, is taxable to the Executive, then such payment or benefit shall be paid or provided to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. The benefits and reimbursements described in the immediately preceding sentence are not subject to liquidation or exchange for another benefit and the amount of such benefits and reimbursement that the Executive receives in one taxable year shall not affect the amount of such benefits and reimbursement that the Executive receives in any other taxable year.

(c) It is intended that any amounts payable under this Agreement and AHL's and the Executive's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. If under this Agreement an amount is paid in two or more installments, for purposes of Section 409A of the Code, each installment shall be treated as a separate payment.

5.8 **No Mitigation; No Offset**. In the event of any termination of the Executive's employment hereunder, the Executive shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Group under this Agreement, and there shall be no offset against amounts or benefits due the Executive under this Agreement or otherwise (except as expressly set forth in Section 5.3(b)(ii)) on account of any remuneration or other benefit earned or received by the Executive after such termination. Any amounts due under this Section 5 are considered to be reasonable by AHL and are not in the nature of a penalty.

6. **Protective Covenants**.

6.1 **Confidential Information; Inventions**.

(a) The Executive shall not disclose or use at any time, either during the Term or thereafter, any Confidential Information (as defined below) of which the Executive is or becomes aware,

whether or not such information is developed by him, except to the extent that such disclosure or use is directly related to and required by the Executive's performance in good faith of duties for each of the Companies or their respective Affiliates. The Executive will take all appropriate steps to safeguard Confidential Information in his possession and to protect it against disclosure, misuse, espionage, loss and theft. The Executive shall deliver to the applicable member of the Group at the termination of the Term, or at any time any such applicable member of the Group may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the Confidential Information or the Work Product (as hereinafter defined) that the Executive may then possess or have under his control.

(b) As used in this Agreement, the term "Confidential Information" means information that is not generally known to the public and that is used, developed or obtained by the any member of the Group in connection with their businesses, including, but not limited to, information, observations and data obtained by the Executive while employed by AHL, or providing services to AISG or any other member of the Group or any predecessors thereof concerning (i) the business or affairs of the Group (or such predecessors), (ii) products or services, (iii) fees, costs and pricing structures, (iv) designs, (v) analyses, (vi) drawings, photographs and reports, (vii) computer software, including operating systems, applications and program listings, (viii) flow charts, manuals and documentation, (ix) data bases, (x) accounting and business methods, (xi) inventions, devices, new developments, methods and processes, whether patentable or unpatentable and whether or not reduced to practice, (xii) customers and clients and customer or client lists, (xiii) other copyrightable works, (xiv) all production methods, processes, technology and trade secrets, and (xv) all similar and related information in whatever form. Confidential Information will not include any information that has been published (other than a disclosure by the Executive in breach of this Agreement) in a form generally available to the public prior to the date the Executive discloses or uses such information. Confidential Information will not be deemed to have been published merely because individual portions of the information have been separately published, but only if all material features comprising such information have been published in combination.

(c) As used in this Agreement, the term "Work Product" means all inventions, innovations, improvements, technical information, systems, software developments, methods, designs, analyses, drawings, reports, service marks, trademarks, trade names, logos and all similar or related information (whether patentable or unpatentable, copyrightable, registerable as a trademark, reduced to writing, or otherwise) which relates to any member of the Group's actual or anticipated business, research and development or existing or future products or services and which are conceived, developed or made by the Executive (whether or not during usual business hours, whether or not by the use of the facilities of any member of the Group, and whether or not alone or in conjunction with any other person) while employed by AHL, or providing services to AISG or any other member of the Group (or any of their predecessors)(including those conceived, developed or made prior to the date hereof) together with all patent applications, letters patent, trademark, trade name and service mark applications or registrations, copyrights and reissues thereof that may be granted for or upon any of the foregoing. All Work Product that the Executive may have discovered, invented or originated during his employment by, or services to, any member of the Group (or any of their predecessors) prior to the date hereof, that he may discover, invent or originate during the Term or prior to the Severance Date, shall be the exclusive property of the applicable member of the Group, and Executive hereby assigns all of Executive's right, title and interest in and to such Work Product to the applicable member of the Group, including all intellectual property rights therein. Executive shall promptly disclose all Work Product to AHL or AISG, as applicable, shall execute at the request of AHL or AISG any assignments or other documents AHL or AISG may reasonably deem necessary to protect or perfect its (or any of their respective Affiliates', as applicable) rights therein, and shall assist AHL or AISG, at AHL's or AISG's expense, in obtaining, defending and enforcing AHL's or AISG's (or any of their respective Affiliates', as applicable) rights therein. The Executive hereby appoints AHL and AISG, as applicable, as his attorney-in-fact to execute on his behalf any assignments or other documents reasonably deemed necessary by AHL or AISG to protect or perfect AHL's and AISG's (and any of their respective Affiliates', as applicable) rights to any Work Product.

(d) Notwithstanding anything in this Agreement or elsewhere to the contrary, the Executive may:

(i) at any time make disclosures of documents and information (A) as reasonably appropriate in order to carry out his duties for any member of the Group, (B) when required to do so by law or by a court, governmental agency, legislative body, self-regulatory body, arbitrator or other governmental body with jurisdiction to order him by force of law to divulge, disclose or make accessible such information, (C) in the course of any proceeding under Section 6.7 or Section 14, or (D) in confidence to an attorney or other professional for the purpose of securing professional advice. In the event that the Executive is required to disclose any documents or information pursuant to clause (B) or (C) of the immediately preceding sentence but subject to Section 6.1(e), he shall (x) promptly give the applicable member of the Group notice that such disclosure is or may be made and (y) cooperate with Group member, at its reasonable request and sole expense, in seeking to protect the confidentiality of any document or information;

(ii) at all times retain, and utilize appropriately, (A) his rolodex and electronic equivalents (provided that his rolodex and electronic equivalents do not contain any Confidential Information) and (B) any document relating to his personal entitlements and obligations.

(e) Nothing in this Agreement restricts or prohibits the Executive from initiating communications directly with, responding to any inquiries from, providing testimony before, providing Confidential Information to, reporting possible violations of any law or regulation to, or filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Equal Employment Opportunity Commission ("EEOC"), Department of Labor, National Labor Relations Board, Department of Justice, Securities and Exchange Commission, Congress, and any Inspector General of any agency (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of any federal, state or local law or regulation. However, to the maximum extent permitted by law, the Executive permanently waives his right to receive any individual monetary relief, with respect to any claim filed with the EEOC or a similar agency, from any member of the Group resulting from such claims or conduct, regardless of whether the Executive or another party has filed them, and, in the event the Executive obtains such monetary relief, AHL and/or AISG will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit the Executive's right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. The Executive does not need the prior authorization of AHL or AISG to engage in conduct protected by this Section 6.1(e), and the Executive does not need to notify AHL or AISG that he engaged in such conduct. The Executive acknowledges and understands that federal law provides criminal and civil immunity to federal and state claims for trade secret misappropriation to individuals who disclose a trade secret to their attorney(s), a court, or a government official in certain, confidential circumstances that are set forth at 18 U.S.C. §§ 1833(b)(1) and 1833(b)(2), related to the reporting or investigation of a suspected violation of the law, or in connection with a lawsuit for retaliation for reporting a suspected violation of the law. As of the date hereof, the Executive is not aware of any claim relating to or arising out of his compensation, employment or the termination thereof that could be made to the EEOC or any other agency that hears discrimination claims.

6.2 **Restriction on Competition.** The Executive acknowledges that, in the course of his employment or service with any member of the Group and/or their predecessors (together with any additional entity that the Executive may agree, in a signed writing, to include, the "Protected Companies"), he has become familiar, or will become familiar, with the Protected Companies' trade secrets and with other confidential and proprietary information concerning the Protected Companies and that his services have been and will be of special, unique and extraordinary value to the Protected Companies. The Executive agrees that if the Executive were to become employed by, or substantially involved in, the business of a competitor of the Protected Companies during the Restricted Period, it would be very difficult for the Executive not to rely on or use the Protected Companies' trade secrets

and confidential information. Thus, to avoid the inevitable disclosure of the Protected Companies' trade secrets and confidential information, and to protect such trade secrets and confidential information and the Protected Companies' relationships and goodwill with customers, during the Restricted Period, the Executive will not directly or indirectly through any other Person engage in, enter the employ of, render any services to, have any ownership interest in, or participate in the financing, operation, management or control of, any Competing Business. For purposes of this Agreement, the phrase "directly or indirectly through any other Person engage in" shall include, without limitation, any direct or indirect ownership or profit participation interest in such enterprise, whether as an owner, stockholder, member, partner, joint venturer or otherwise, and shall include any direct or indirect participation in such enterprise as an employee, consultant, director, officer or licensor of technology. For purposes of this Agreement, "Restricted Area" means anywhere in the United States, Bermuda and elsewhere in the world where the Group engages in business, including, without limitation, jurisdictions where any of member of the Group reasonably anticipate engaging in business, on the Partner Cessation Date (as defined in the LP Agreement) (provided that as of the Partner Cessation Date, to the knowledge of the Executive, such area has been discussed as a market that the Group reasonably contemplate engaging in within the twelve (12) month period following the Partner Cessation Date). For purposes of this Agreement, "Competing Business" means a Person that within 36 months before the Partner Cessation Date to the knowledge of James R. Belardi has competed, or any time during the twelve (12) month period following the Partner Cessation Date begins competing with, the Protected Companies anywhere in the Restricted Area and in the business of (i) annuity reinsurance, focusing on contracts reinsuring a quota share of future premiums of various fixed annuity product lines, (ii) reinsuring closed blocks of existing fixed annuity business, (iii) managing investments held by ceding companies pursuant to funds withheld coinsurance contracts with its Affiliates, (iv) managing investments in the life insurance industry, or (v) any significant business conducted by the Protected Companies as of the Partner Cessation Date and any significant business the Protected Companies conduct in the twelve (12) month period after the Partner Cessation Date (provided that as of the Partner Cessation Date, to the knowledge of the Executive, such business has been discussed as a business that the Protected Companies reasonably contemplate engaging in within such twelve (12) month period). For purposes of this Agreement, "Restricted Period" means the Term through and including twelve (12) months after the Partner Cessation Date. Nothing herein shall prohibit the Executive from (i) being a passive owner of not more than 1% of the outstanding stock of any class of a corporation which is publicly traded, so long as the Executive has no active participation in the business of such corporation, or (ii) providing services to a subsidiary, division or Affiliate of a Competing Business if such subsidiary, division or Affiliate is not itself engaged in a Competing Business and the Executive does not provide services to, or have any responsibilities regarding, the Competing Business. As used in this Agreement, "Protected Companies" shall exclude (a) portfolio companies of investment funds or accounts managed by subsidiaries of AGM that are not also subsidiaries of AHL or AISG and (b) any Affiliate of AGM (other than a subsidiary of AHL, AISG or AISG Holdings) that does not conduct, support or own a business related to investment management or insurance.

6.3 **Non-Solicitation of Employees and Consultants**. During the Term and through and including the period of twenty-four (24) months after the Partner Cessation Date, the Executive will not directly or indirectly through any other Person (i) induce or attempt to induce any Person that he knows to be an employee or independent contractor of the Protected Companies to leave the employ or service, as applicable, of the Protected Companies, or in any way knowingly interfere with the relationship between the Protected Companies, on the one hand, and any employee or independent contractor thereof, on the other hand, or (ii) hire any person who was an employee of the Protected Companies, in each case, until six (6) months after such individual's employment relationship with the Protected Companies has been terminated.

6.4 **Non-Solicitation of Customers**. During the Restricted Period, the Executive will not directly or indirectly through any other Person influence or attempt to influence any Person that he knows to be a customer, vendor, supplier, licensors, lessor, joint venturer, ceding company, associate, consultant, agent, or partner of the Protected Companies to divert such Person's business away from the

Protected Companies, and the Executive will not otherwise interfere with, disrupt or attempt to disrupt the business relationships, contractual or otherwise, between the Protected Companies, on the one hand, and any Person that he knows to be a customer, supplier, vendor, lessor, licensor, joint venturer, associate, officer, employee, consultant, manager, partner, member or investor of any Protected Company, on the other hand.

6.5 **Non-Disparagement.** The Executive agrees that he will not at any time, during the Term or thereafter, directly or indirectly, make, encourage, or ratify any statement, public or private, oral or written, to any Person that disparages, either professionally or personally, the Protected Companies or any of Person he knows to be one of their past or present directors, officers, agents, attorneys, insurers, employees, stockholders, and successors. The Executive further agrees that he will not, at any time during the Term and for twenty-four (24) months after the Severance Date, make any statement that has the purpose or the effect of disrupting the business of any of the Protected Companies. Each Company likewise agrees to use its best efforts to instruct its officers and directors, and those of its subsidiaries, to refrain from, during the Term or thereafter, directly or indirectly, making, encouraging, or ratifying any statement, public or private, oral or written, to any Person that disparages the Executive, either professionally or personally. The provisions of this Section 6.5 apply to, but are not limited to, the direct or indirect publication of negative or disparaging statements via social media (e.g., Twitter, Facebook, Tumblr, Instagram), video sites (e.g., YouTube, Vimeo), posts to media outlets or blogs, books, professional networking sites (e.g., LinkedIn, Glassdoor, etc.), and comments to news stories, blog posts, social media postings, videos, or professional sites.

6.6 **Understanding of Covenants.** The Executive represents and agrees that he (i) is familiar with and carefully considered the foregoing covenants set forth in this Section 6 (together, the "Restrictive Covenants"), (ii) is fully aware of his obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Restrictive Covenants are necessary to protect the Protected Companies' confidential and proprietary information, good will, stable workforce and customer relations, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods set forth above in this Section 6 regardless of whether the Executive is then entitled to receive severance pay or benefits from any of the Protected Companies. The Executive understands that the Restrictive Covenants may limit his ability to earn a livelihood in a business similar to the business of the Protected Companies, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Companies, a partner in AISG Holdings and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living. The Executive agrees that the Restrictive Covenants do not confer a benefit upon the Protected Companies disproportionate to the detriment of the Executive. The Executive shall be subject to no restrictions on his activities after the Partner Cessation Date that are more onerous than the covenants set forth in this Agreement and/or the LP Agreement.

6.7 **Enforcement.** The Executive agrees that the Executive's services are unique and that he has access to Confidential Information and Work Product. Accordingly, without limiting the generality of Section 20, the Executive agrees that a breach by the Executive of any of the covenants in this Section 6 would cause immediate and irreparable harm to AHL, AISG and AISG Holdings that would be difficult or impossible to measure, and that damages to AHL and AISG Holdings for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Executive agrees that in the event of any breach or threatened breach of any provision of this Section 6, AHL (on its behalf and on behalf of any member of the Group) shall be entitled, in addition to and without limitation upon all other remedies it or they may have under this Agreement, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit), in a State or federal court located in the Borough of Manhattan, in order to enforce or prevent any violations of the provisions of this Section 6, as the case may be, or require the Executive to account for and pay over to the applicable Group member all compensation, profits, moneys, accruals, increments or other

benefits derived from or received as a result of any transactions constituting a breach of this Section 6, if and when final judgment of a court of competent jurisdiction is so entered against the Executive. The Executive further agrees that the applicable period of time the restrictive covenants set forth in Section 6.2 through Section 6.4 are in effect following the Partner Cessation Date, as determined pursuant to such Sections, shall be extended by the same amount of time that the Executive is in breach (with such period of breach being treated as concluded for this purpose at such time as the applicable breach has been cured) of such restrictive covenants.

6.8 **Breaches.** In the event that (i) the Group is in material breach of any of its material obligations to the Executive on or after the Partner Cessation Date, or the issuer of the AISG Profits Interests or the grantor of any equity award that is part of an Incentive Bonus is in material breach of its material obligations thereunder after the Partner Cessation Date, and (ii) such breach has not been fully cured within thirty (30) days after the Executive gives written notice to AGM (and, if applicable, the issuer of the AISG Profits Interests and the grantor of such Incentive Bonus equity award) describing such breach in reasonable detail and requesting cure, then the Executive's obligations under Sections 6.2 and 6.4 shall immediately become null and void.

7. **Withholding Taxes.** Notwithstanding anything else herein to the contrary, AHL may withhold (or cause there to be withheld, as the case may be) from any amounts otherwise due or payable under or pursuant to this Agreement such federal, state and local income, employment, or other taxes as may be required to be withheld pursuant to any applicable law or regulation.

8 . **Insurance.** Each Company may, for its own benefit, maintain "keyman" life and disability insurance policies covering the Executive. The Executive will cooperate with the applicable Company and provide such information or other assistance as the Company may reasonably request in connection with the Company obtaining and maintaining such policies. Each Company may also purchase a death benefit insurance policy which may (in the Company's sole discretion) be used to fund the Company's obligation to pay the Severance Payment and Bonus Severance pursuant to Section 5.3 in the event of the Executive's death.

9. **Indemnification.**

9.1 The applicable Company shall indemnify the Executive should he be a party or be threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of a Company), by reason of the fact that he is or was (x) a director, officer, manager, partner, employee or consultant of the Group, or (y) is or was serving at the request of the applicable Company as a director, officer, manager, employee, representative or agent of another corporation, limited liability company, general partnership, limited partnership, joint venture, trust, business trust or other enterprise or entity, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the Executive in connection with such action, suit or proceeding if the Executive acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the applicable Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption the Executive did not act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the applicable Company, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful. Service for AGM or any of its Affiliates shall be deemed to have been at the request of a Company.

9.2 To the extent that the Executive has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Section 9.1 or in defense of any claim, issue or matter

therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

9.3 Any indemnification under Section 9.1 shall be made by the applicable Company unless it has been determined upon final determination by a court of competent jurisdiction that the Executive has not met the applicable standard of conduct set forth in Section 9.1.

9.4 Expenses (including attorneys' fees) incurred by the Executive in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the applicable Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Executive to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by such Company pursuant to this Section 9.

9.5 The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 9 shall not be deemed exclusive of any other rights to which the Executive may be entitled under any by-law or agreement (including as a "Covered Person" under the LP Agreement or any successor thereto) or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office.

9.6 The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 9 shall continue after the Severance Date for acts or omissions alleged to having occurred prior thereto and shall inure to the benefit of the Executive's heirs and beneficiaries and any executors and administrators.

9.7 Notwithstanding anything in this Section 9 to the contrary, the Companies will not have the obligation of indemnifying the Executive with respect to proceedings, claims or actions initiated or brought voluntarily by the Executive and not by way of defense.

9.8 A directors' and officers' liability insurance policy (or policies) shall be kept in place, during the Term and thereafter until the later of (x) the sixth anniversary of the Severance Date and (y) the date on which all claims against the Executive that would otherwise be covered by such policy (or policies) become fully time-barred, providing coverage to the Executive that is no less favorable to him in any respect (including, without limitation, with respect to scope, exclusions, amounts, and deductibles) than the coverage then being provided to any other present or former senior executive, director, or manager of the Group.

10. **Successors and Assigns.** This Agreement is personal to the Executive and without the prior written consent of AGM, shall not be assignable by the Executive otherwise than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives. This Agreement shall inure to the benefit of and be binding upon the Companies and their respective successors and assigns. In the event of the Executive's death or a judicial determination of his incompetence, references in this Agreement to the Executive shall be deemed, where appropriate, to be references to his executor(s), heir(s), estate, beneficiar(ies), guardian(s) or other legal representative(s). In the event of a reorganization of AHL or AISG as contemplated in Section 6.8 of the LP Agreement, the Parties agree to make modifications to this Agreement, including, without limitation, adjustments in duties, location, Base Salary and Incentive Bonus to the extent needed as a result of such reorganization; provided that any such adjustments will be made in a manner that will not, in the aggregate, reduce or enlarge the compensation and benefits that existed prior to the reorganization.

11. **Number and Gender; Examples.** Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific

language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

12. **Section Headings.** The headings and titles of Sections and sub-sections contained in this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

13. **Governing Law.** THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH ITS EXPRESS TERMS, AND OTHERWISE IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF NEW YORK WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THAT CALIFORNIA LAW IS DEEMED BY AN ADJUDICATOR OF COMPETENT JURISDICTION TO GOVERN SECTION 6 OF THIS AGREEMENT, THE PARTIES AGREE THAT CALIFORNIA BUSINESS AND PROFESSIONAL CODE SECTION 16602 AND/OR 16601 SHALL APPLY TO SUCH SECTIONS IN ACCORDANCE WITH THEIR TERMS.

14. **Arbitration.** Except for suits seeking solely injunctive relief or specific performance or as otherwise prohibited by law, which are subject to the last sentence of this paragraph, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement, the Executive's employment or engagement with the Group, any termination of such employment, or the arbitrability of any controversy or claim relating to any of the foregoing, will be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claims. The parties agree to resolve any such dispute before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing Commercial Arbitration Rules (the "AAA Rules"). The arbitration shall be administered by the AAA and the hearing shall be conducted in the County of New York before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA Rules. The Arbitrator shall issue an opinion and award within thirty (30) days after the close of the arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party. The award of the Arbitrator will, to the extent permitted by law, be final, conclusive, unappealable and binding on the parties. The arbitration proceeding shall be confidential, except that any arbitration award may be filed in court pursuant to the following sentence for the purpose of enforcing the award. Any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement that is submitted for court adjudication in accordance with this Section 14 shall be submitted exclusively to the State and federal courts located in the Borough of Manhattan.

15. **Severability.** It is the desire and intent of the Parties that the provisions of this Agreement be enforced as written to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Agreement shall be adjudicated by a court or arbitrator of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Agreement will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction, and to this end the provisions of this Agreement are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision

there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

16. **Entire Agreement.** This Agreement, together with the LP Agreement, to the extent referenced herein, embodies the entire agreement of AHL, AISG and the Executive with respect to the matters specifically addressed in it. This Agreement supersedes all prior and contemporaneous agreements of AHL, AISG and the Executive that are inconsistent with its terms, including, without limitation, the AAM Agreement and the Athene Agreement, as amended. Any prior negotiations, correspondence, agreements, proposals or understandings that are inconsistent with the terms of this Agreement shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein. However, except as otherwise provided in this Agreement, nothing in this Agreement shall affect rights of the Executive, AHL or AISG (or of their predecessors) under any Company Arrangement that have already accrued and vested as of the date of this Agreement, provided that notwithstanding the foregoing, indemnification rights that existed prior to the date of this Agreement are unreduced with respect to events occurring prior to the date of this Agreement. In the event of any inconsistency between any provision of this Agreement and any provision of any other Company Arrangement, the provisions of this Agreement shall control unless the Executive, AHL and AISG otherwise agree in a writing that expressly refers to the provision of this Agreement whose control he and it are waiving.

17. **Modifications.** This Agreement may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Agreement, which agreement is executed by the Parties.

18. **Waiver.** Neither the failure nor any delay on the part of a person or entity to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the person or entity asserted to have granted such waiver.

19. **Waiver of Jury Trial.** EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

20. **Remedies.** Each of the Parties and any such person or entity granted rights hereunder whether or not such person or entity is a signatory hereto shall be entitled to enforce its rights under this Agreement, specifically to recover damages for any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The Parties agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that each party may in its sole discretion (except as otherwise provided in Section 14) apply to any State or federal court in the Borough of Manhattan for specific performance, injunctive relief and/or other appropriate equitable relief (without posting any bond or deposit) in order to enforce or prevent any violations of the provisions of this Agreement. Each party shall be responsible for paying its own attorneys' fees, costs and other expenses pertaining to any such legal proceeding and enforcement regardless of whether an award or finding or any judgment or verdict thereon is entered against either party.

21. **Notices.** Any notice provided for in this Agreement must be in writing and must be either personally delivered, transmitted via telecopier and receipt acknowledged, mailed by first class mail (postage prepaid and return receipt requested and received) or sent by reputable overnight courier service (charges prepaid and return receipt requested and received) to the recipient at the address below indicated or at such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party. Notices will be deemed to have been given hereunder and received when delivered personally, when received if transmitted via telecopier, five days after deposit in the U.S. mail and one day after deposit with a reputable overnight courier service.

If to AGM, AHL or AISG:

Apollo Global Management, Inc.
9 West 57th St.
New York, NY 10019
Attention: Chief Legal Officer

With a copy to:

Athene Holding Ltd.
Second Floor, Washington House
16 Church Street
Hamilton, HM 11, Bermuda
Attention: Executive Vice President & General Counsel

If to the Executive, to the address most recently on file in the payroll records of AHL

with, during the Term, a copy delivered to the Executive at his principal office at AHL.

22. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Delivery of signatures by facsimile (including, without limitation, by "pdf") shall be effective for all purposes. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

23. **Legal Counsel; Mutual Drafting.** Each party recognizes that this is a legally binding contract and acknowledges and agrees that such party has consulted with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

[The remainder of this page has intentionally been left blank]

IN WITNESS WHEREOF, AHL and the Executive have executed this Agreement as of the date hereof.

ATHENE HOLDING LTD.
a Bermuda exempted company limited by shares

By: /s/ John Golden________________________
Name: John Golden
Title: General Counsel

EXECUTIVE

/s/ James R. Belardi________________________
James R. Belardi

Acknowledged:

APOLLO INSURANCE SOLUTIONS GROUP LP
By: AISG GP Ltd., its general partner

By: /s/ Angelo Lombardo_________________
Name: Angelo Lombardo
Title: General Counsel

EXHIBIT A

CERTAIN DEFINED TERMS

(a) "Accrued Obligations" means:

(i) any Base Salary that had accrued but had not been paid on or before the Severance Date;

(ii) except in the event the Executive's employment is terminated by AGM for Cause or by the Executive without Good Reason (unless such without Good Reason termination is governed by Section 5.8(b) of the LP Agreement):

(A) any Incentive Bonus payable pursuant to Section 3.2 above with respect to any calendar year in the Term preceding the calendar year in which the Severance Date occurs, or that would have been paid in respect of such preceding year if the Executive had remained employed until the payment date in the calendar year in which the Severance Date occurs, provided, that if any such Incentive Bonus would have otherwise been subject to service vesting conditions, such conditions shall be deemed fully satisfied on the payment date; provided, however, that any such Incentive Bonus that is already due to be paid under Section 3.2 above shall in all events other than a termination for Cause be paid promptly following the Severance Date;

(B) any AAME Payment payable pursuant to Section 3.4 above for any calendar year in the Term preceding the calendar year in which the Severance Date occurs, or that would have been paid in respect of such preceding year if the Executive had remained employed until the payment date in the calendar year in which the Severance Date occurs; provided, however, that any such AAME Payment that is already due to be paid under Section 3.4 above shall in all events other than a termination for Cause be paid promptly following the Severance Date;

(C) provided, further, solely for purposes of clause (ii)(A) and clause (ii)(B) of this clause (a), a termination that is governed by Section 5.8(b) of the LP Agreement (which excludes an Involuntary Termination) for which the Severance Date falls on a December 31 shall be treated as if such Severance Date had been

one day later (*i.e.,* on January 1), but the payment of any amounts payable under such clauses for service during the calendar year that includes such December 31 Severance Date shall be paid on the same schedule, and the same Section 5.3(d), 5.4(a) and 5.7(a) terms, as apply to a payment of the Pro Rata Bonus pursuant to Section 5.3(b)(i); and

(iii) any other payment or benefit then or thereafter due to the Executive under the then-applicable terms of any applicable Company Arrangement (as defined below).

(b) "Adjusted Base Salary" shall be equal to the Executive's Base Salary in effect on the Severance Date, adjusted to eliminate the effect of any reduction of Base Salary (i) pursuant to Section 3.1 or (ii) made in violation of Section 3.1.

(c) "Affiliate" shall mean, with respect to any specified Person, any other Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with such specified Person. As used in this definition, the term "control," including the correlative terms "controlling," "controlled by" and "under common control with," means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or any partnership or other ownership interest, by contract or otherwise) of a Person. The term "Affiliate" shall not include any portfolio companies of the Apollo Group (as defined in the LP Agreement).

(d) "Bonus Percentage" shall mean a fraction, the numerator being the annual Incentive Bonus payments paid (or due to be paid) to the Executive by (or on behalf of) AHL and/or AISG for the calendar year preceding the year in which the Severance Date occurred (excluding, for avoidance of doubt, any AISG Profits Interests payment, or payment under Section 3.4, 5.3(b)(ii) or 5.3(b)(iii) of this Agreement, or Section 5.8 of the LP Agreement) and the denominator being the sum of the actual aggregate base salaries paid to the Executive by (or on behalf of) AHL and/or AISG in the calendar year preceding the year in which the Severance Date occurred.

(e) "Cause" shall mean that one or more of the following has occurred:

(i) the Executive has been indicted for, otherwise formally charged for, or plead guilty or no contest to, a felony (under the laws of the United States or any relevant state, or a similar crime or offense under the applicable laws of any relevant foreign jurisdiction);

(ii) the Executive has engaged in acts of fraud, material dishonesty or other acts of knowing misconduct in the course of his duties hereunder and such acts have resulted in, or are reasonably expected to result in, material harm to a Company or AGM;

(iii) the Executive has knowingly failed to perform or uphold his duties under this Agreement and/or has knowingly failed to comply with reasonable directives of either Company Board or the AGM Board (including, without limitation, such applicable Board's reasonable directive to the Executive to relocate if such relocation is determined by the applicable board of directors, acting in good faith, to be advisable for regulatory or tax purposes);

(iv) the Executive has engaged in gross negligence in the course of his duties hereunder that has resulted in, or is reasonably expected to result in, material harm to a Company or AGM;

(v) the Executive's violation of a fiduciary duty of loyalty to a Company or AGM that has resulted in, or is reasonably expected to result in, material harm to a Company or AGM;

(vi) the Executive's knowing attempt to obstruct, or knowing failure to cooperate on reasonable request with, any investigation authorized by AGM, a Company or any governmental or self-regulatory entity;

(vii) the Executive's disqualification or bar by any governmental or self-regulatory authority from serving in the capacity contemplated by this Agreement or the Executive's loss of any governmental or self-regulatory license that is reasonably necessary for the Executive to perform his responsibilities under this Agreement;

(viii) any directive to terminate the Executive's employment has been made by any governmental or self-regulatory authority with jurisdiction over the matter; or

(ix) a material breach by the Executive of any material provision of this Agreement, or any material breach by the Executive of any other material provision of any contract he is a party to with the Group;

provided, however, that if the Executive is in breach of (iii), (iv), (v), (vi) or (ix) above, AGM shall first notify the Executive in writing, and in reasonable detail, of the specific

breach(es) claimed to constitute Cause and may only terminate the Executive for Cause if the Executive fails to cure such breach(es) within ten (10) business days following his receipt of the written notice. Notwithstanding the foregoing, solely for purposes of the payments under Section 5.8 of the LP Agreement, if the Executive provides notice of resignation under Section 5.8(b) of the LP Agreement, "Cause" shall be limited to subclauses (i), (ii), (iii), (v), (vi), (vii) and (viii) of this clause (e) as applied to terminations of employment by AGM effective after December 31, 2023 and such clause (iii) shall be qualified by "and such failure has resulted in, or is reasonably expected to result in, material harm to a Company."

(f) "Company Arrangement" shall mean: (i) any written equity-based or other written awards granted to the Executive by any Company or any of their parents, subsidiaries or Affiliates, or by AGM or any of its Affiliates for which, or for the benefit of which, the Executive has agreed to perform services, to the extent that such awards continue after the termination of the Executive's employment in accordance with the applicable terms of such awards (and subject to any period in which to exercise such awards following such termination of employment); (ii) any right to indemnification (including, without limitation, advancement of legal fees and other expenses) that the Executive may have under any written agreement or arrangement or under applicable state law; (iii) any rights that the Executive may have to insurance coverage for losses, damages or expenses under any insurance policy; (iv) the Executive's receipt of benefits otherwise due to terminated employees under group insurance coverage consistent with the terms of the applicable welfare benefit plans; (v) the Executive's rights under COBRA to continue participation in medical, dental, hospitalization and life insurance coverage; (vi) the Executive's receipt of benefits otherwise due in accordance with the terms of the any written 401(k), retirement or deferred compensation plan, program, agreement or arrangement; (vii) the Executive's rights under any written vacation policy, as in effect from time to time, with respect to any accrued but unused vacation; and (viii) any rights to reimbursement of business expenses incurred on or before the Severance Date in accordance with this Agreement (or under Section 4.2 of the Athene Agreement or Section 4.2 of the AAM Agreement).

(g) "Disability" shall mean a physical or mental impairment that has rendered the Executive unable to perform the essential functions of his employment with AHL, even with reasonable accommodation that does not impose an undue hardship on AHL, for more than 90 days in any 180-day period, unless a longer period is required by federal or state law, in which case that longer period would apply.

(h) "Good Reason" shall mean a resignation by the Executive after the occurrence (without the Executive's prior written consent) of any one or more of the following conditions:

(i) a material diminution in the Executive's rate of Base Salary or Incentive Bonus target, other than in accordance with Section 3.1 (for the avoidance of doubt it shall not constitute Good Reason if the Executive's Base Salary or Incentive Bonus is paid to the Executive by an Affiliate of AHL (including AISG or AGM));

(ii) a material diminution in the Executive's titles, authority, duties or responsibilities with respect to the Companies under this Agreement;

(iii) assignment of duties inconsistent with the Executive's titles set forth in Section 1.2 hereof, it being agreed that assignment to the Executive of managerial or advisory duties with Affiliates of AHL, AISG or AGM, to the extent the Executive shall have previously agreed to undertake such duties, shall not be treated as inconsistent with any such titles;

(iv) a material adverse change in the Executive's titles set forth in Section 1.2 hereof;

(v) an adverse change in the Executive's reporting relationship to the AGM Chief Executive Officer;

(vi) a material change in geographic locations at which the Executive must perform his services to the Companies (except if such change is determined by the AGM Board or a Company Board, acting in good faith, to be advisable for regulatory or tax purposes);

(vii) the Executive's removal from or the failure to reappoint the Executive to the Company Boards (except if such removal is as a result of Cause) for so long as they remain in existence; or

(viii) a material breach by either of the Companies or any of their respective Affiliates of this Agreement or any other material agreement to which either of the Companies or any of their respective Affiliates, and the Executive, are parties;

provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for resignation with Good Reason unless both (x) the Executive provides written notice to AGM of the conditions claimed to constitute grounds for a resignation with Good Reason within sixty (60) days after he learns of the initial existence of such condition(s) (such notice to be delivered in accordance with Section 21), and (y) AGM fails to remedy, or cause to be remedied, such condition(s) within sixty (60) days of receiving such written notice thereof; and provided, further, that in all events the termination of the Executive's employment under this Agreement shall not constitute a resignation with Good Reason unless such termination occurs not more than one hundred and twenty (120) days following the date the Executive learns of the initial existence of the condition(s) claimed to constitute grounds for a resignation with Good Reason.

(i) "Involuntary Termination" shall mean: (i) a termination by AGM of the Executive's employment hereunder withoutCause; (ii) a termination by the Executive of his employment hereunder with Good Reason; (iii) a termination by AGM of the Executive's employment hereunder in connection with AGM's provision of notice pursuant to Section 2 that the Term shall not be extended or further extended, as the case may be; (iv) the Executive's death; or (v) a termination by AGM of the Executive's employment hereunder due to the Executive's Disability.

(j) "Person" shall be construed broadly and shall include, without limitation, an individual, a partnership, a limited liability company, a corporation, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

(k) "Separation from Service" occurs when the Executive dies, resigns, or otherwise has a termination of employment with the Group that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1). Notwithstanding anything in this Agreement or elsewhere to the contrary, the Executive shall have no duties following the Severance Date that are inconsistent with his having a Separation from Service on the Severance Date.

EXHIBIT B

FORM OF RELEASE[1]

This Release (this "Release") is entered into by James R. Belardi, an individual ("Executive"), for the benefit of Athene Holding Ltd., a Bermuda exempted company limited by shares (the "Company"), Apollo Insurance Solutions Group LP ("AISG") and the other Releasees (as defined below).

WHEREAS, Executive has been employed by AHL and has provided services to AISG and one or more of their Affiliates; and

WHEREAS, Executive's employment by AHL and the Group has terminated and, in connection with the Amended and Restated Employment Agreement dated June 16, 2022, by and between Executive and AHL, as amended from time to time in accordance with its terms (the "Employment Agreement"), Executive desires to enter into this Release upon the terms set forth herein;

NOW, THEREFORE, in consideration of the covenants undertaken and the releases contained in this Release, and in consideration of the obligations of AHL (or one of its subsidiaries) to pay severance benefits (conditioned upon this Release) under and pursuant to the Employment Agreement, which benefits Executive would not receive without entering into this Release, Executive agrees as follows:

1. Termination of Employment. Executive's employment with AHL and engagement by AISG has terminated. Executive waives any right or claim to reinstatement as an employee or service provider of AHL, AISG and each of its and their respective Affiliates. Executive hereby confirms that Executive has resigned from, and does not assert that he rightfully holds, any position as an officer, director, employee, member, manager and in any other capacity with AHL, AISG and each of its and their respective parents, subsidiaries and other Affiliates, other than positions in which he has been requested in writing by AHL, AISG or Apollo Global Management, Inc. ("AGM") to continue. Capitalized terms used but not defined herein shall have the meanings specified in the Employment Agreement.

2. Release.

2.1 Executive, on behalf of himself, his descendants, dependents, heirs, executors, administrators, assigns, and successors, and each of them, hereby covenants not to sue and fully releases and discharges AHL, AISG, AGM, their parents, subsidiaries and Affiliates, past and present, as well as each of their trustees, directors, officers, members, managers, partners, agents, attorneys, insurers, employees, stockholders, representatives, assigns, and successors, past and present, and each of them, hereinafter together and collectively referred to as the "Releasees," with respect to and from any and all claims, wages, demands, rights, liens, agreements or contracts (written or oral), covenants, actions, suits, causes of action, obligations, debts, costs, expenses, attorneys' fees, damages, judgments, orders and liabilities of whatever kind or nature in law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (each, a "Claim"), which he or she now owns or holds or he or she has at any time heretofore owned or held or may in the future hold as against any of said Releasees (including, without limitation, any Claim arising out of or in any way connected with

[1] The Company reserves the right to modify this form to the extent provided in Section 5.4(a) of the Employment Agreement.

Executive's service as an officer, director, employee, member or manager of any Releasee, Executive's separation from his or her position as an officer, director, employee, manager and/or member, as applicable, of any Releasee, or any other transactions, occurrences, acts or omissions or any loss, damage or injury whatever), whether known or unknown, suspected or unsuspected, resulting from any act or omission by or on the part of said Releasees, or any of them, committed or omitted prior to the date of this Release including, without limiting the generality of the foregoing, any Claim under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (the "ADEA"), the Americans with Disabilities Act, the Family and Medical Leave Act of 1993, or any other federal, state or local law, regulation, or ordinance, or any Claim for severance pay, bonus, sick leave, holiday pay, vacation pay, life insurance, health or medical insurance or any other fringe benefit, workers' compensation or disability; provided, however, that the foregoing Release does not apply to any obligation of any Releasee to Executive pursuant to any of the following: (1) excluding the AISG Profits Interests (which are addressed in clause (6) below), any equity-based or other awards granted to Executive by AHL, AISG or any of their respective parents, subsidiaries or Affiliates (including, without limitation, Apollo Management Holdings, L.P., and its Affiliates), to the extent that such awards continue after the termination of Executive's employment in accordance with the applicable terms of such awards (and subject to any period in which to exercise such awards following such termination of employment); (2) any right to indemnification, or advancement of expenses subject to indemnification, that Executive may have pursuant to the bylaws, certificate of incorporation, operating agreement, written indemnification agreement or similar governing document of AHL, AISG or any of their respective parents, subsidiaries or Affiliates, or under applicable law (including, without limitation, attorneys' fees to the extent otherwise provided), that Executive may have; (3) with respect to any rights that Executive may have to insurance coverage for such losses, damages or expenses under any directors and officers liability insurance policy of AHL, AISG or any of their respective parents, subsidiaries or Affiliates; (4) any rights to continued medical or dental coverage that Executive may have under COBRA (or similar applicable state law); (5) any rights to benefits under Section 5.3 of the Employment Agreement, (6) any rights under Section 5.8 or 5.9 of the LP Agreement that have accrued during the Executive's employment or any right under any other Section of the LP Agreement; or (7) any rights to payment of benefits that Executive may have under a retirement plan sponsored or maintained by AHL, AISG or any of their respective parents, subsidiaries or affiliates that is intended to qualify under Section 401(a) of the Internal Revenue Code of 1986, as amended. In addition, this Release does not cover: (a) any Claim that cannot be so released as a matter of applicable law; or (b) any Claim against any Releasee (other than AHL, AISG and its and their respective Affiliates) that neither arises out of, nor relates to, Executive's employment with AHL or engagement by AISG or any other member of the Group or the termination thereof. Executive understands that, by entering into this Release, Executive is not waiving rights or claims that may arise after the date of Executive's execution of this Release, including without limitation any rights or claims that Executive may have to secure enforcement of the terms and conditions of this Release.

2.2 Within 90 days after the Severance Date, AISG shall notify Executive in writing of any amount payable to him or his Permitted Transferees that is described in clause (1) (to the extent it relates to Section 5.8 of the LP Agreement) or clause (6) (the "Applicable Clauses") of the first sentence of Section 2.1 of this Release (the "AISG Notice"). AISG and Executive shall cooperate in providing information reasonably necessary to confirm such calculations. To the extent Executive wishes to challenge the amount specified in the AISG Notice, he shall notify AISG in writing not later than 210 days after the Severance Date, specifying in reasonable detail the basis for the challenge and the amount of the alleged insufficiency, requesting cure (the "Written Objection"). Except for the amount of any alleged insufficiency specified in the Written Objection, the amount specified in the AISG Notice shall (a) be deemed accepted by

Executive and Executive acknowledges and agrees that he shall have no further right to challenge such amount or assert any Claim under the Applicable Clauses that would affect any amount payable in respect of, or calculated by reference to, the Lookback Period (as defined in the LP Agreement) or any portion thereof, and (b) be paid at such time(s) as required by the governing agreement (even if the Written Objection remains unresolved at such time(s)).

3 . Section 1542 Waiver. It is the intention of Executive in executing this Release that the same shall be effective as a bar to each and every Claim hereinabove specified. In furtherance of this intention, Executive hereby expressly waives any and all rights and benefits conferred upon him or her by the provisions of SECTION 1542 OF THE CALIFORNIA CIVIL CODE or any similar applicable law of any other state and expressly consents that this Release (including, without limitation, the Release set forth above) shall be given full force and effect according to each and all of its express terms and provisions, including those related to unknown and unsuspected Claims, if any, as well as those relating to any other Claims hereinabove specified. SECTION 1542 OF THE CALIFORNIA CIVIL CODE provides:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Executive acknowledges that he may hereafter discover Claims or facts in addition to or different from those which Executive now knows or believes to exist with respect to the subject matter of this Release and which, if known or suspected at the time of executing this Release, may have materially affected this settlement. Nevertheless, Executive hereby waives any right, Claim or cause of action that might arise as a result of such different or additional Claims or facts. Executive acknowledges that he understands the significance and consequences of such release and such specific waiver of SECTION 1542 OF THE CALIFORNIA CIVIL CODE and any similar applicable law of any other state.

4. ADEA Waiver. Executive expressly acknowledges and agrees that by entering into this Release, Executive is waiving any and all rights or Claims that he or she may have arising under the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), which have arisen on or before the date of execution of this Release. Executive further expressly acknowledges and agrees that:

A. In return for this Release, Executive will receive consideration beyond that which Executive was already entitled to receive before entering into this Release;

B. Executive is hereby advised in writing by this Release to consult with an attorney before signing this Release;

C. Executive has voluntarily chosen to enter into this Release and has not been forced or pressured in any way to sign it;

D. Executive was informed that he had [twenty one (21)/forty five (45)] days within which to consider this Release and that if he wished to execute this Release prior to expiration of such [21-day/45-day] period, he should execute the Endorsement attached hereto;[2]

E. Executive was informed that he had seven (7) days following the date of execution of this Release in which to revoke this Release, and this Release will become null and void if Executive elects revocation during that time. Any revocation must be in writing and must be received by AHL during the seven-day revocation period. In the event that Executive exercises his right of revocation, none of AHL, AISG or Executive will have any obligations under this Release;

F. Nothing in this Release prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

G. Executive understands that this Release may not affect the rights and responsibilities of the U.S. Equal Employment Opportunity Commission (the "EEOC") to enforce the ADEA or be used to justify interfering with the protected right of Executive to file a charge or participate in an investigation or proceeding conducted by the EEOC under the ADEA.

5. No Filed or Transferred Claims. Executive warrants and represents that Executive has not heretofore assigned or transferred to any person not a party to this Release any released matter or any part or portion thereof and he shall defend, indemnify and hold AHL, AISG and each of its and their respective affiliates harmless from and against any claim (including the payment of attorneys' fees and costs actually incurred whether or not litigation is commenced) based on or in connection with or arising out of any such assignment or transfer made, purported or claimed. Except as provided under Section 6.1(e) of the Employment Agreement, Executive warrants and represents that Executive has not filed against AHL or any of the other Releasees, any complaints, claims or lawsuits with any arbitral tribunal, administrative agency, or court on or prior to the date hereof.

6 . Severability. It is the desire and intent of AHL, AISG and Executive that the provisions of this Release be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any particular provision of this Release shall be adjudicated by an arbitrator or a court of competent jurisdiction to be invalid, prohibited or unenforceable under any present or future law, and if the rights and obligations of any party under this Release will not be materially and adversely affected thereby, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Release or affecting the validity or enforceability of such provision in any

[2] Whether Executive has 21 days, 45 days, or some other period in which to consider the Release will be determined with reference to the requirements of the ADEA in order for such waiver to be valid in the circumstances.

other jurisdiction, and to this end the provisions of this Release are declared to be severable; furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Release, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible. Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Release or affecting the validity or enforceability of such provision in any other jurisdiction.

7. Signatures. Signatures delivered by facsimile (including, without limitation, by "pdf") shall be effective for all purposes.

8. Successors. This Release is personal to Executive and shall not, without the prior written consent of AHL, be assignable by Executive. This Release shall inure to the benefit of and be binding upon AHL and AISG and its and their respective successors and assigns and any such successor or assignee shall be deemed substituted for AHL or AISG, as applicable, under the terms of this Release for all purposes. As used herein, "successor" and "assignee" shall include any person, firm, corporation or other business entity which at any time, whether by purchase, merger, acquisition of assets, or otherwise, directly or indirectly acquires the ownership of AHL or AISG, acquires all or substantially all of AHL's or AISG's assets, or to which AHL or AISG assigns this Release by operation of law or otherwise. In the event of Executive's death or a judicial determination of his incompetence, references in this Release to Executive shall be deemed, where appropriate, to be references to his executor(s), guardian(s), or other legal representative(s).

9. Governing Law. THIS RELEASE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICTING PROVISION OR RULE (WHETHER OF THE STATE OF NEW YORK OR ANY OTHER JURISDICTION) THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED. IN FURTHERANCE OF THE FOREGOING, THE INTERNAL LAW OF THE STATE OF NEW YORK WILL CONTROL THE INTERPRETATION AND CONSTRUCTION OF THIS AGREEMENT, EVEN IF UNDER SUCH JURISDICTION'S CHOICE OF LAW OR CONFLICT OF LAW ANALYSIS, THE SUBSTANTIVE LAW OF SOME OTHER JURISDICTION WOULD ORDINARILY APPLY.

10. Modifications. This Release may not be amended, modified or changed (in whole or in part), except by a formal, definitive written agreement expressly referring to this Release, which agreement is executed by the Parties.

11. Waiver. Neither the failure nor any delay on the part of a party to exercise any right, remedy, power or privilege under this Release shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

12. Section Headings. The headings and titles of the Sections and sub-sections of this Release are for the purpose of convenience only, and they neither form a part of this Release nor are they to be used in the construction or interpretation thereof.

13. Construction. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates. The language used in this Release shall be deemed to be the language chosen by Executive, AISG and AHL to express their mutual intent, and no strict rule of construction shall be applied against any such person.

14. Waiver of Jury Trial. EXECUTIVE HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS RELEASE.

15. Number and Gender; Examples. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

16. No Wrongdoing. This Release does not constitute an adjudication or finding on the merits and it is not, and shall not be construed as, an admission or acknowledgment by any person of any violation of any policy, procedure, state or federal law or regulation, or any unlawful or improper act or conduct, all of which is expressly denied. Moreover, neither this Release nor anything in this Release shall be construed to be, or shall be, admissible in any proceeding as evidence of or an admission by any person of any violation of any policy, procedure, state or federal law or regulation, or any unlawful or improper act or conduct. This Release may be introduced, however, in any proceeding to enforce this Release or the Employment Agreement.

17. Legal Counsel; Mutual Drafting. Executive recognizes that this Release is legally binding and acknowledges and agrees that he has had the opportunity to consult with legal counsel of his choice. Executive, AISG and AHL have cooperated in the drafting, negotiation and preparation of this Release. Hence, in any construction to be made of this Release, the same shall not be construed against Executive, AISG or AHL on the basis of that person being the drafter of such language. Executive agrees and acknowledges that he has read and understands this Release, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Release and has had ample opportunity to do so.

[Remainder of page intentionally left blank]

The undersigned has read and understand the consequences of this Release and voluntarily sign it. The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

EXECUTED on the date set forth below.

"Executive"

____

Print Name:_________________________

Date:_________________________

ENDORSEMENT

I hereby acknowledge that I was given [21/45] days to consider the foregoing Release and voluntarily chose to sign the Release prior to the expiration of the [21-day/45-day] period.

I declare under penalty of perjury under the laws of the United States and the State of California that the foregoing is true and correct.

EXECUTED on the date set forth below.

________________________________, 20____

Print Name:

Date:______________________________________

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Marc Rowan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of Apollo Global Management, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 9, 2022

/s/ Marc Rowan

Marc Rowan

Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Martin Kelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 of Apollo Global Management, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and
5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: August 9, 2022

/s/ Martin Kelly

Martin Kelly

Chief Financial Officer

Exhibit 32.1

Certification of the Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Apollo Global Management, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Marc Rowan, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2022

/s/ Marc Rowan
Marc Rowan
Chief Executive Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2

Certification of the Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Apollo Global Management, Inc. (the “Company”) on Form 10-Q for the quarter ended June 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Martin Kelly, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2022

/s/ Martin Kelly
Martin Kelly
Chief Financial Officer

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.