Apollo Global Management LLC
Form S-1/A
January 10, 2011
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As filed with the Securities and Exchange Commission on January 10, 2011

Registration No. 333-150141

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Amendment No. 6

to

FORM S-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

APOLLO GLOBAL MANAGEMENT, LLC

(Exact name of registrant as specified in its charter)

Delaware	6282	20-8880053
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Apollo Global Management, LLC

9 West 57th Street, 43rd Floor

New York, New York 10019

(212) 515-3200

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

John J. Suydam, Esq.

Chief Legal Officer

and Chief Compliance Officer

Apollo Global Management, LLC

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New York, New York 10019

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New York, New York 10036

(212) 326-2000

Approximate date of commencement of proposed sale to public: As soon as practicable after the effective date of this Registration Statement.

If any securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. x

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ¨

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Class A shares sold in the Rule 144A Offering	$522,543,560	$20,536 (2)
New Class A shares to be sold by Apollo Global Management, LLC and the selling shareholders	$50,000,000	$3,565 (2)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.
(2) Previously paid in connection with prior filings of this Registration Statement.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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EXPLANATORY NOTE

Inclusion of Two Prospectuses

This Registration Statement contains two prospectuses.

The first prospectus is to be used in connection with the resale of up to an aggregate of Class A Shares, representing Class A limited liability company interests of Apollo Global Management, LLC, by the selling shareholders identified in the prospectus who acquired their Class A shares in the exempt offerings referred to in the prospectus as the Private Offering Transactions. The selling shareholders may offer the Class A shares from time to time as they may determine through public or private transactions or through other means described in the prospectus in the section entitled Plan of Distribution at prevailing market prices, at prices different than prevailing prices or at privately negotiated prices.

The second prospectus is to be used in connection with an initial public offering of Class A shares, representing Class A limited liability company interests of Apollo Global Management, LLC. Apollo Global Management, LLC is selling Class A shares and the selling shareholders are selling Class A shares in the offering. The selling shareholders that are participating in the offering acquired their Class A shares in an exempt offering referred to in the prospectus as the Rule 144A Offering. The Class A shares offered in the offering will be sold by the underwriters to the public and/or securities dealers pursuant to an underwriting agreement among Apollo Global Management, LLC, the selling shareholders and the underwriters. The initial public offering price of the Class A shares in the offering is expected to be between $ and $ per share.

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The information in this prospectus is not complete and may be changed. The securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated January 10, 2011

PROSPECTUS

Apollo Global Management, LLC

Class A Shares

Representing Class A Limited Liability Company Interests

This prospectus relates solely to the resale of up to an aggregate of Class A shares, representing Class A limited liability company interests of Apollo Global Management, LLC, by the selling shareholders identified in this prospectus (which term as used in this prospectus includes pledgees, donees, transferees or other successors-in-interest). The selling shareholders acquired the Class A shares in the exempt offerings, both of which closed on August 8, 2007 and which we refer to as the Private Offering Transactions. We are registering the offer and sale of the Class A shares to satisfy registration rights we have granted to the selling shareholders. We intend to apply to list our Class A shares on the New York Stock Exchange, or the NYSE, under the symbol . The listing is subject to approval of our application. Until our Class A shares are regularly traded on the NYSE, we expect that the selling shareholders initially will sell their shares at prices between $ and $ per share, if any shares are sold.

The selling shareholders may offer the shares from time to time as they may determine through public or private transactions or through other means described in the section entitled Plan of Distribution at prevailing market prices, at prices different than prevailing market prices or at privately negotiated prices.

We will not receive any of the proceeds from the sale of these Class A shares by the selling shareholders. We have agreed to pay all expenses relating to registering the securities. The selling shareholders will pay any brokerage commissions and/or similar charges incurred for the sale of these Class A shares.

Investing in our Class A shares involves risks. You should read the section entitled Risk Factors beginning on page 29 for a discussion of certain risk factors that you should consider before investing in our Class A shares. These risks include:

Apollo Global Management, LLC is managed by our manager, which is controlled and owned by our managing partners. Our manager and its affiliates have limited fiduciary duties to us and our shareholders, which may permit them to favor their own interests to the detriment of us and our shareholders.

Our Class A shareholders will have only limited voting rights on matters affecting our businesses and will have no right to elect our manager.

Our organizational documents do not limit our ability to enter into new lines of businesses, and we may expand into new investment strategies, geographic markets and businesses without shareholder consent, each of which may result in additional risks and uncertainties in our businesses.

As discussed in Material Tax Considerations Material U.S. Federal Tax Considerations, Apollo Global Management, LLC will be treated as a partnership for U.S. Federal income tax purposes and you may therefore be subject to taxation on your allocable share of items of income, gain, loss, deduction and credit of Apollo Global Management, LLC. You may not receive cash distributions equal to your allocable share of our net taxable income or even in an amount sufficient to pay the tax liability that results from that income.

Members of the United States Congress have introduced legislation that would, if enacted, preclude us from qualifying for treatment as a partnership for U.S. Federal income tax purposes under the publicly traded partnership rules. If this or any similar legislation or regulation were to be enacted and to apply to us, we would incur a material increase in our tax liability, which could result in a reduction in the value of our Class A shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated , 2011.

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THE SECURITIES OFFERED HEREBY HAVE NOT BEEN RECOMMENDED BY ANY UNITED STATES FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

In considering the performance information relating to our funds contained herein, prospective Class A shareholders should bear in mind that the performance of our funds is not indicative of the possible performance of our Class A shares and is also not necessarily indicative of the future results of our funds, even if fund investments were in fact liquidated on the dates indicated, and there can be no assurance that our funds will continue to achieve, or that future funds will achieve, comparable results.

In addition, an investment in our Class A shares is not an investment in any of the Apollo funds, and the assets and revenues of our funds are not directly available to us. As a result of deconsolidation of most of our funds, we will not be consolidating those funds in our financial statements for periods after either August 1, 2007 or November 30, 2007.

This prospectus is solely an offer with respect to Class A shares, and is not an offer directly or indirectly of any securities of any of our funds.

The distribution of this prospectus and the offering and sale of the Class A shares in certain jurisdictions may be restricted by law. We require persons into whose possession this prospectus comes to inform themselves about and to observe any such restrictions. This prospectus does not constitute an offer of, or an invitation to purchase, any of the Class A shares in any jurisdiction in which such offer or invitation would be unlawful.

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VALUATION AND RELATED DATA

This prospectus contains valuation data relating to the Apollo funds and related data that have been derived from such funds. When considering the valuation and related data presented in this prospectus, you should bear in mind that the historical results of the private equity and capital markets funds that Apollo has managed or sponsored in the past are not indicative of the future results that you should expect from the Apollo funds or from us.

TERMS USED IN THIS PROSPECTUS

When used in this prospectus, unless the context otherwise requires:

AAA refers to AP Alternative Assets, L.P., a Guernsey limited partnership that generally invests alongside certain of our private equity funds and directly in certain of our capital markets funds and in other transactions that we sponsor and manage; the common units of AAA are listed on Euronext Amsterdam N.V. s Euronext Amsterdam by NYSE Euronext, which we refer to as Euronext Amsterdam ;

AAA Investments refers to AAA Investments, L.P., a Guernsey limited partnership through which AAA s investments are made;

AAOF refers to Apollo Asia Opportunity Master Fund, L.P., our Asian credit-oriented hedge fund, together with its feeder funds;

ACLF refers to Apollo Credit Liquidity Fund, L.P.;

AIC refers to Apollo Investment Corporation, our publicly traded business development company;

AIE I and AIE II mean AP Investment Europe Limited and Apollo Investment Europe II, L.P., respectively;

AMH refers to Apollo Management Holdings, L.P., a Delaware limited partnership owned by APO Corp. and Holdings;

APO Corp. refers to APO Corp., a Delaware corporation and a wholly-owned subsidiary of Apollo Global Management, LLC;

Apollo, we, us, our and the company refer collectively to Apollo Global Management, LLC and its subsidiaries, including the Ap Operating Group and all of its subsidiaries;

Apollo funds and our funds refer to the funds, alternative asset companies and other entities that are managed by the Apollo Operating Group;

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

Apollo Real Estate refers to the entities that manage the Apollo Real Estate Investment Funds, a series of private real estate oriented funds initially established in 1993; our managing partners maintain a minority interest in Apollo Real Estate, but neither they nor we exert any managerial control;

Ares refers to Ares Corporate Opportunity Fund, which Apollo established in 1997 to invest predominantly in capital markets-based securities, including senior bank loans and high-yield and mezzanine debt, and other related funds; our managing partners maintain a minority interest in Ares, but neither they nor we exert any managerial control;

Artus refers to Apollo/Artus Investors 2007-1, L.P.;

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Assets Under Management, or AUM, refers to the assets we manage or with respect to which we have control, including capital we have the right to call from our investors pursuant to their capital commitments to various funds. Our AUM equals the sum of:

(i) the fair value of our private equity investments plus the capital that we are entitled to call from our investors pursuant to the terms of their capital commitments plus non-recallable capital to the extent a fund is within the commitment period in which management fees are calculated based on total commitments to the fund;

(ii) the net asset value, or NAV, of our capital markets funds, other than certain senior credit funds, which are structured as collateralized loan obligations (such as Artus, which we measure by using the mark-to-market value of the aggregate principal amount of the underlying collateralized loan obligations), plus used or available leverage and/or capital commitments;

(iii) the gross asset values of our real estate entities and the structured portfolio vehicle investments included within the funds we manage, which includes the leverage used by such structured portfolio vehicles;

(iv) the incremental value associated with the reinsurance investments of the funds we manage; and

(v) the fair value of any other assets that we manage plus unused credit facilities, including capital commitments for investments that may require pre-qualification before investment plus any other capital commitments available for investment that are not otherwise included in the clauses above.

During the year ended December 31, 2009, the company refined its definition of AUM to reflect leveraged products that had not been identified in our previous AUM definition. All AUM amounts have been recalculated utilizing the above definition.

Fee-generating AUM consists of assets that we manage and on which we earn management fees or monitoring fees pursuant to management agreements on a basis that varies among the Apollo funds. Management fees are normally based on net asset value, gross assets, adjusted cost of all unrealized portfolio investments, capital commitments, adjusted assets, stockholders equity, invested capital or capital contributions, e defined in the applicable management agreement. Monitoring fees for AUM purposes are based on the total value of certain structured portfolio vehicle investments, which normally include leverage, less any portion of such total value that is already considered in fee-generating AUM.

Non-fee generating AUM consists of assets that do not produce management fees or monitoring fees. These assets generally consist of the following: (a) fair value above invested capital for those funds that earn management fees based on invested capital, (b) net asset values related to general partner and co-investment ownership, (c) unused credit facilities, (d) available commitments on those funds that generate management fees on invested capital and (e) structured portfolio vehicle investments that do not generate monitoring fees. We use non-fee generating AUM combined with fee-generating AUM as a performance measurement of our investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs. Non-fee generating AUM includes assets on which we could earn carried interest income.

Our AUM measure includes assets under management for which we charge either no or nominal fees. Our definition of AUM is not based on any definition of assets under management contained in our operating agreement or in any of our Apollo fund management agreements.

carried interest, incentive income and carried interest income refer to interests granted to Apollo by an Apollo fund that entitle Apollo to receive allocations, distributions or fees calculated by reference to the performance of such fund or its underlying investments;

COF I and COF II mean Apollo Credit Opportunity Fund I, L.P. and Apollo Credit Opportunity Fund II, L.P., respectively;

co-founded means the individuals who joined Apollo in 1990, the year in which the company commenced business operations;

contributing partners refers to those of our partners (and their related parties) who indirectly own (through Holdings) Apollo Operating Group units;

credit opportunity funds refers to our COF I, COF II, ACLF and Artus capital markets funds;

distressed funds refers to our SVF, VIF and SOMA capital markets funds;

EPF refers to Apollo European Principal Finance Fund, L.P., our European non-performing loan fund, together with its feeder funds;

feeder funds refer to funds that operate by placing substantially all of their assets in, and conducting substantially all of their investment and trading activities through, a master fund, which is designed to facilitate collective investment by the participating feeder funds. With respect to certain of our funds that are organized in a master-feeder structure, the feeder funds are permitted to make investments outside the master fund when deemed appropriate by the fund s investment manager;

Fund I, Fund II, Fund III, Fund IV, Fund V, Fund VI, and Fund VII mean Apollo Investment Fund, L.P., AIF II, L.P., Apo Investment Fund III, L.P., Apollo Investment Fund IV, L.P., Apollo Investment Fund V, L.P., Apollo Investment Fund VI, L.P. and Apollo Investment Fund VII, L.P., respectively, together with their parallel funds, as applicable;

distressed and hedge funds refers to certain of our capital markets funds, including SVF, VIF, SOMA, AAOF and certain of our strategic investment accounts;

gross IRR of a fund represents the cumulative investment-related cash flows for all of the investors in the fund on the basis of the actual timing of investment inflows and outflows (for unrealized investment assuming disposition on September 30, 2010 or other date specified) aggregated on a gross basis quarterly, and the return is annualized and compounded before management fees, carried interest and certain other fund expenses (including interest incurred by the fund itself) and measures the returns on the fund s investments as a whole without regard to whether all of the returns would, if distributed, be payable to the fund s investors;

Holdings means AP Professional Holdings, L.P., a Cayman Islands exempted limited partnership through which our managing partners and our contributing partners hold their Apollo Operating Group units;

IRS refers to the Internal Revenue Service;

managing partners refers to Messrs. Leon Black, Joshua Harris and Marc Rowan collectively and, when used in reference to holdings of interests in Apollo or Holdings, includes certain related parties of such individuals;

MIA represents a mirrored investment account established to mirror Funds I and II for investments in debt securities;

multiple of invested capital means (i) with respect to a given investment as of any date, the actual amount realized with respect to such investment plus the estimated fair market value of the remaining interest in such investment as of such date divided by the total capital invested in such investment through such date, and (ii) with respect to a fund as of any date, the aggregate actual amount realized in respect of such fund s investments plus the estimated fair market value of the fund s remaining interests in such investments as of such date divided by the lesser of the total capital invested in such investments and the total committed capital of such fund;

net IRR of a fund means the gross IRR applicable to all investors, including related parties which may not pay fees, net of management fees, organizational expenses, transaction costs, and certain other fund expenses (including interest incurred by the fund itself) and realized carried interest all offset to the extent of interest income, and measures returns based on amounts that, if distributed, would be paid

to investors of the fund; to the extent that an Apollo private equity 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, thereby reducing the balance attributable to fund investors;

net return for Value Funds, SOMA and AAOF represents the calculated return that is based on month-to-month changes in net assets and is calculated using the returns that have been geometrically linked based on capital contributions, distributions and dividend reinvestments, as applicable;

net return since inception, unless noted otherwise, represents the calculated return that is based on a fund s net cumulative change in net assets as a percentage of aggregate capital contributions from the inception of such fund through September 30, 2010. The calculated returns are geometrically linked based on capital contributions, distributions and dividend reinvestments, as applicable;

our manager means AGM Management, LLC, a Delaware limited liability company that is controlled by our managing partners;

Palmetto refers to Apollo Palmetto Strategic Partnership, L.P.;

permanent capital means capital of funds that do not have redemption provisions or a requirement to return capital to investors upon exiting the investments made with such capital, except as required by applicable law, which currently consist of AAA, Apollo Investment Corporation and Apollo Commercial Real Estate Finance, Inc.; such funds may be required, or elect, to return all or a portion of capital gains and investment income;

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

SIAs refers to strategic investment accounts including Palmetto, COF I, SOMA, the AGRE CMBS Fund L.P. and two other strategic investment accounts that invest alongside SVF;

SOMA refers to Apollo Special Opportunities Managed Account, L.P.;

SVF refers to Apollo Strategic Value Master Fund, L.P., together with its feeder funds;

total annualized return means the total compound annual rate of return for a security or index based on the change in market price, assuming the reinvestment of all dividends;

Value Funds refers to the SVF and VIF funds combined; and

VIF refers to Apollo Value Investment Master Fund, L.P., together with its feeder funds.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus. This summary sets forth the material terms of this offering, but does not contain all of the information that you should consider before investing in our Class A shares. You should read the entire prospectus carefully, including the section entitled Risk Factors, our financial statements and the related notes and management s discussion and analysis thereof included elsewhere in this prospectus, before making an investment decision to purchase our Class A shares.

Apollo

Founded in 1990, Apollo is a leading global alternative asset manager. We are contrarian, value-oriented investors in private equity, credit-oriented capital markets and real estate, with significant distressed expertise. We have a flexible mandate in the majority of the funds we manage that enables the 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 and endowment funds, as well as other institutional and individual investors. As of September 30, 2010, we had Assets Under Management, or AUM, of $57.8 billion in our private equity, capital markets and real estate businesses. Our latest private equity fund, Fund VII, held a final closing in December 2008, raising a total of $14.7 billion. We have consistently produced attractive long-term investment returns in our private equity funds, generating a 39% gross IRR and a 26% net IRR on a compound annual basis from inception through September 30, 2010. A number of our capital markets funds have also performed well since their inception through September 30, 2010.

Apollo is led by our managing partners, Leon Black, Joshua Harris and Marc Rowan, who have worked together for more than 20 years and lead a team of 430 employees, including 142 investment professionals, as of September 30, 2010. This team possesses a broad range of transaction, financial, managerial and investment skills. We have offices in New York, Los Angeles, London, Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. We operate our private equity, capital markets and real estate businesses in an integrated manner, which we believe distinguishes us from other alternative asset managers. Our investment professionals frequently share information across disciplines. We believe that this collaboration, including market insight, management, banking and consultant contacts, as well as investment opportunities, enables us to more successfully invest across a company s capital structure. This platform and the depth and experience of our investment team have enabled us to deliver strong long-term investment performance in our funds throughout a range of economic cycles. For example, Apollo s most successful private equity funds (in terms of net IRR), Funds I, II, MIA and Fund V, were initiated during economic downturns. Funds I, II and MIA, which generated a combined gross IRR of 47% and a combined net IRR of 37% on a compound annual basis since inception through the date of the disposition of their final investment on September 30, 2004, were initiated during the economic downturn of 1990 through 1993 and Fund V, which generated a gross IRR of 62% and a net IRR of 45% on a compound annual basis since inception through September 30, 2010, was initiated during the economic downturn of 2001 through late 2003. We began investing our latest private equity fund, Fund VII, in January 2008 in the midst of the current economic downturn. Similarly, with respect to our capital markets business, our flagship Value Funds, which were launched in 2003 and 2006, have also delivered attractive returns since inception across economic cycles.

Our objective is to achieve superior long-term risk-adjusted returns for our fund investors. The majority of our investment funds are designed to invest capital over periods of seven or more years from inception, thereby allowing us to generate attractive long-term returns throughout economic cycles. Our investment approach is value-oriented, focusing on nine core industries in which we have considerable knowledge, and emphasizing downside protection and the preservation of capital. We are frequently contrarian in our investment approach, which is reflected in a number of ways, including:

- our willingness to invest in industries that our competitors typically avoid;

- the often complex structures we employ in some of our investments, including our willingness to pursue difficult corporate carve-out transactions;

- our experience investing during periods of uncertainty or distress in the economy or financial markets when many of our competitors simply reduce their investment activity;

- our orientation towards sole sponsored transactions when other firms have opted to partner with others; and

- our willingness to undertake transactions that have substantial business, regulatory or legal complexity.

We have applied this investment philosophy over our 20-year history, allowing us to identify what we believe to be attractive investment opportunities, deploy capital across the balance sheet of industry leading, or franchise, businesses, and create value throughout economic cycles.

During the most recent global economic crisis, which we believe began in the third quarter of 2007, we have been relying on our deep industry, credit and financial structuring experience, coupled with our strengths as value-oriented, distressed investors, to deploy a significant amount of new capital. As examples of this, from the beginning of the third quarter of 2007 and through September 30, 2010, we have invested approximately $23 billion of capital across our private equity and capital markets funds focused on control distressed and buyout investments, leveraged loan portfolios and mezzanine, non-control distressed and non-performing loans. In addition, from the beginning of the fourth quarter of 2007 through September 30, 2010, the funds managed by Apollo have acquired approximately $13.0 billion in face value of distressed debt at discounts to par value and purchased approximately $28.7 billion in face value of leveraged senior loans at discounts to par value from financial institutions. Since we purchased these leveraged loan portfolios from highly motivated sellers, we were able to secure attractive long-term, low cost financing and select credits of companies well known to Apollo. The benchmark S&P/LSTA Leveraged Loan Index, which includes a group of securities we believe is similar to those owned by our funds, had a net return of approximately 7% during the nine months ended September 30, 2010, and the performance of our leveraged loan investments has exceeded this benchmark during this period.

As in prior market downturns and periods of significant volatility, we have been purchasing distressed securities and continue to opportunistically build positions in high quality companies with stressed balance sheets in industries where we have expertise such as cable, chemicals, packaging and transportation. Our approach towards investing in distressed situations often requires us to purchase particular debt securities as prices are declining, since this allows us both to reduce our average cost and accumulate sizable positions which may enhance our ability to influence any restructuring plans and maximize the value of our distressed investments. As a result, our investment approach may produce negative short-term unrealized returns in certain of the funds we manage. However, we concentrate on generating attractive, long-term, risk-adjusted realized returns for our fund investors, and we therefore do not overly depend on short-term results and quarterly fluctuations in the unrealized fair value of the holdings in our funds.

In addition to deploying capital in new investments, we have been depending on our 20 years of experience to enhance value in the current investment portfolio of the funds we manage. We have been relying on our restructuring and capital markets experience to work proactively with our funds portfolio company management teams to generate cost and working capital savings, reduce capital expenditures, and optimize capital structures through several means such as debt exchange offers and the purchase of portfolio company debt at discounts to par value. For example, as of September 30, 2010, Fund VI and its underlying portfolio companies purchased or retired approximately $18.6 billion in face value of debt and captured approximately $9.2 billion of discount to par value of debt in portfolio companies such as CEVA Logistics, Caesars Entertainment, Realogy and Momentive Performance Materials. In certain situations, such as CEVA Logistics, funds managed by Apollo are the largest owner of the total outstanding debt of the portfolio company. In addition to the attractive return profile

associated with these portfolio company debt purchases, we believe that building positions as senior creditors within the existing portfolio companies is strategic to the existing equity ownership positions. Additionally, the portfolio companies of Fund VI have implemented approximately $2.9 billion of cost savings programs on an aggregate basis from the date we acquired them through September 30, 2010, which we believe will positively impact their operating profitability.

Since the beginning of 2007, we have experienced significant globalization and expansion of our investment management activities. We have grown our global network by opening offices in Frankfurt, Luxembourg, Singapore, Hong Kong and Mumbai. During this period through September 30, 2010, we have also launched a new private equity fund, a new strategic investment account investing in commercial mortgage backed securities and a commercial real estate finance company, as well as several new capital markets funds and leveraged investment vehicles. These vehicles had a combined AUM of $36.5 billion as of September 30, 2010. In addition, in order to more fully leverage our long history of investing in the real estate sector, we continue to hire senior members of the real estate team. Similar to the growth and evolution of our real estate business, we expect to continue to grow our company by applying our value-oriented approach across related investment categories which we believe have synergies with our core business and provide attractive opportunities for us to continue to expand our equity base.

We had total AUM of $57.8 billion as of September 30, 2010, consisting of $35.3 billion in our private equity business, $19.9 billion in our capital markets business and $2.6 billion in our real estate business. We have grown our total AUM at a 32.8% compound annual growth rate, or CAGR, from December 31, 2004 to September 30, 2010. See Risk Factors Risks Related to Our Businesses We may not be successful in raising new funds or in raising more capital for certain of our funds and may face pressure to modify fee arrangements of our future funds. In addition, we benefit from mandates with long-term capital commitments in both our private equity and capital markets businesses. Our long-lived capital base allows us to invest assets with a long-term focus, which is an important component in generating attractive returns for our investors. We believe our long-term capital also leaves us well-positioned during economic downturns, when the fundraising environment for alternative assets has historically been more challenging than during periods of economic expansion. As of September 30, 2010, approximately 91% of our AUM was in funds with a contractual life at inception of seven years or more, and 13% was in permanent capital vehicles with unlimited duration, as highlighted in the chart below:

We expect our growth in AUM to continue over time by seeking to create value in our funds existing private equity, capital markets and real estate investments, continuing to deploy our available capital in what we believe are attractive investment opportunities, and raising new funds and investment vehicles as market opportunities present themselves. See Risk Factors Risks Related to Our Businesses We may not be successful in raising new funds or in raising more capital for certain of our funds and may face pressure to modify fee arrangements of our future funds.

Our Businesses

We have three business segments: private equity, capital markets and real estate. We also manage (i) AAA, a publicly listed permanent capital vehicle, which invests substantially all of its capital in or alongside Apollo-sponsored entities, funds, and other investments, and (ii) several strategic investment accounts established to facilitate investments by third-party investors directly in Apollo-sponsored funds and other transactions. The diagram below summarizes our current businesses:

(1) All data is as of September 30, 2010. The chart does not reflect legal entities or assets managed by former affiliates.
(2) Includes three funds that are denominated in Euros and translated into U.S. dollars at an exchange rate of 1.00 to $1.36 as of September 30, 2010.

As a global alternative asset manager, we earn ongoing management and transaction and advisory fees. We also earn income based on the performance of our funds, and investment income from our investments as general partner and other direct investments. Carried interest from our private equity and certain of our capital markets funds allocates to us a portion of the investment gains that are generated on third-party capital that we invest and typically equals 20% of the returns generated net of fund expenses. Our ability to generate carried interest is an important element of our business and has historically accounted for a significant portion of our income.

Our financial results are highly variable, since carried interest (which generally constitutes a large portion of the income from the funds we manage), and the transaction and advisory fees that we receive, can vary significantly from quarter to quarter and year to year. We manage our business and monitor our performance with a focus on long-term performance, an approach that mirrors the investment horizons of the funds we manage and is driven by the investment returns of our funds.

Private Equity

Our private equity business had total and fee-generating AUM of $35.3 billion and $27.7 billion as of September 30, 2010, respectively. Our private equity business grew total and fee-generating AUM by a 25.0% and 39.0% CAGR, respectively, from December 31, 2004 through September 30, 2010. From our inception in 1990 through September 30, 2010, our private equity business invested approximately $34.3 billion of equity capital. As of September 30, 2010, our private equity funds had $10.2 billion of uncalled capital commitments, providing us with a significant source of capital for future investment activities. Since inception through

September 30, 2010, the returns of our private equity funds have performed in the top quartile for all U.S. buyout funds, as measured by Thomson Financial. Our private equity funds have generated a gross IRR of 39% and a net IRR of 26% on a compound annual basis from inception through September 30, 2010, as compared with a total annualized return of 6% for the S&P 500 Index over the same period. In addition, since our inception, our private equity funds (excluding Fund VII, which began investing less than 36 months prior to the valuation date) have achieved a 2.4x average multiple of invested capital. See The Historical Investment Performance of Our Funds for reasons why our historical private equity returns are not indicative of the future results you should expect from our current or future funds or from us.

As a result of our long history of private equity investing across market cycles, we believe we have developed a unique set of skills which we rely on to make new investments and to maximize the value of our existing investments. As an example, through our experience with traditional private equity buyouts, we apply a highly disciplined approach towards structuring and executing transactions, the key tenets of which include acquiring companies at below industry average purchase price multiples, and establishing flexible capital structures with long-term debt maturities and few, if any, financial maintenance covenants.

We believe we have a demonstrated ability to quickly adapt to changing market environments and capitalize on market dislocations through our traditional and distressed buyout approach. In prior periods of strained financial liquidity and economic recession, our private equity funds have made attractive investments by buying the debt of quality businesses (which we refer to as classic distressed debt), converting that debt to equity, seeking to create value through active participation with management and ultimately monetizing the investment. This combination of traditional buyout investing with a distressed option has been deployed through prior economic cycles and has allowed our funds to achieve attractive long-term rates of return in different economic and market environments. In addition, during prior economic downturns we have relied on our restructuring experience and worked closely with our funds portfolio companies to maximize the value of our funds investments. For example, during the economic downturn during 2001-2003, we successfully restructured several of the portfolio companies in Fund IV that were experiencing financial difficulties, and as a result, Fund IV was able to produce a multiple of invested capital of nearly 1.8x as of September 30, 2010. During this same time period, we relied on our credit market expertise to deploy approximately 54% of the capital from Fund V, primarily in distressed for control situations, and this fund generated a gross IRR of 62% and a net IRR of 45% on a compound annual basis as of September 30, 2010. See The Historical Investment Performance of Our Funds for a discussion of the reasons we do not believe our future IRRs will be similar to the IRRs for Fund V.

Capital Markets

Since Apollo s founding in 1990, we believe our capital markets expertise has served as an integral component of our company s growth and success. Our credit-oriented capital markets operations commenced in 1990 with the management of a $3.5 billion high-yield bond and leveraged loan portfolio. Since that time, our capital markets activities have grown significantly, and leverage Apollo s integrated platform and utilize the same disciplined, value-oriented investment philosophy that we employ with respect to our private equity funds. Our capital markets operations are led by James Zelter, who has served as the managing partner of the capital markets business since April 2006. Our capital markets business had total and fee-generating AUM of $19.9 billion and $15.9 billion, respectively, as of September 30, 2010 and grew its total and fee-generating AUM by a 55.8% and 50.1% CAGR, respectively, from December 31, 2004 through September 30, 2010.

Our credit-oriented capital markets funds have been established to capitalize upon our investment experience and deep industry expertise. We seek to participate in capital markets businesses where we believe our industry expertise and experience can be used to generate attractive investment returns. As depicted in the chart below, our capital markets activities span a broad range of the credit spectrum, including non-performing loans, distressed debt, mezzanine debt, senior bank loans and value-oriented fixed income.

The value-oriented fixed income segment of the capital markets spectrum is the most recent investment area for Apollo, and it is characterized by its ability to generate attractive risk-adjusted returns relative to traditional fixed income investments. An example of our value-oriented fixed income investments is Athene Asset Management LLC, or Athene Asset Management. We established Athene Asset Management, which is substantially owned by a subsidiary of Apollo, to provide asset management services to Athene Life Re Ltd., or Athene Life Re, and other third parties. Athene Life Re is an Apollo sponsored vehicle formed to focus on opportunities in the life reinsurance sector. Athene Life Re sources, analyzes and negotiates the acquisition of fixed annuity policies from primary insurance companies. As of September 30, 2010, Athene Asset Management had approximately $1.4 billion of AUM, $0.3 billion of which was included in our real estate segment.

As of September 30, 2010, our capital markets funds included six distressed and hedge funds with total AUM of $2.5 billion, three mezzanine funds with total AUM of $4.3 billion, five credit opportunity funds with total AUM of $9.9 billion, and a European non-performing loan fund with total AUM of $1.8 billion. Our capital markets segment also includes strategic investment accounts and Athene Asset Management.

Distressed and Hedge Funds

We currently manage six distressed and hedge funds with total AUM of $2.5 billion as of September 30, 2010 that primarily invest in North America, Europe and Asia. Our distressed and hedge funds utilize similar valued-oriented investment philosophies as our private equity business and are focused on capitalizing on our substantial industry and credit knowledge. Our distressed funds employ similar investment strategies, seeking to identify and capitalize on absolute-value driven investment opportunities. Utilizing flexible investment strategies, these funds primarily focus on investments in distressed companies before, during and after a restructuring, as well as undervalued securities. Investments are executed primarily through the purchase or sale of senior secured bank debt, second lien debt, high yield debt, trade claims, credit derivatives, preferred stock and equity.

Mezzanine Funds

We manage U.S. and European-based mezzanine funds and related investment vehicles with total AUM of $4.3 billion as of September 30, 2010. AIC, a U.S.-based permanent capital vehicle, is a publicly traded, closed- end, non-diversified management investment company that has elected to be treated as a business development

company under the Investment Company Act of 1940, as amended, or the Investment Company Act, and to be treated for tax purposes as a regulated investment company under the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. AIC s primary focus is to generate both current income and capital appreciation primarily through investments in U.S. senior and subordinated loans, other debt securities and private equity. Our European mezzanine funds, which are unregistered private closed-end investment funds, were established to more fully capitalize upon mezzanine and subordinated debt opportunities with a primary focus in Western Europe.

Senior Credit Funds

We manage senior credit funds, which currently comprise five credit opportunity funds, with total AUM of $9.9 billion as of September 30, 2010. We established our credit opportunity funds, which are primarily oriented towards the acquisition of leveraged loans and other performing senior debt, in late 2007 and 2008 with some of our largest investors in order to capitalize upon the supply-demand imbalances in the leveraged finance market. We have been actively investing these funds since they were formed and, together with our private equity funds, as of September 30, 2010, we have deployed approximately $25.5 billion, including leverage, in credit opportunity investments. We believe our credit opportunity funds benefit from the broad range of investment opportunities that arise as a result of our deep industry and credit expertise. As the opportunity set continues to evolve, we expect we will continue to offer the credit opportunity fund series to capitalize primarily upon senior credit opportunities in the market.

Non-Performing Loan Fund

In May 2007, we launched a European non-performing loan fund. Non-performing loans, or NPLs, are loans held by financial institutions that are in default of principal or interest payments for 90 days or more. We anticipate substantial growth in the European NPL market as financial institutions face increasing pressure to improve their balance sheets and make new loans. In December 2009, the fund closed with 1.3 billion ($1.8 billion using an exchange rate of 1.00 to $1.36 as of September 30, 2010) in total commitments. As of September 30, 2010, the fund has portfolio investments in the United Kingdom, Spain and Portugal.

Real Estate

We have assembled a dedicated team to pursue real estate investment opportunities, which we refer to as Apollo Global Real Estate, or AGRE, and which we believe benefits from Apollo s long-standing history of investing in real estate-related sectors such as hotels and lodging, leisure and logistics. AGRE, which includes 14 investment professionals as of September 30, 2010, is led by Joseph Azrack, who joined Apollo in 2008 with 30 years of real estate investment management experience, serving most recently as President and CEO of Citi Property Investors.

We believe our dedicated real estate platform benefits from, and contributes to, Apollo s integrated platform, and further expands Apollo s deep real estate industry knowledge and relationships. As of September 30, 2010, our real estate business had total and fee-generating AUM of $2.6 billion and $0.6 billion, respectively.

In addition to the funds described below, we may seek to serve as the manager of, or sponsor, a series of real estate funds that focus on other opportunistic investments in distressed debt and equity recapitalization transactions, including corporate real estate, distress for control situations and the acquisition and recapitalization of real estate portfolios, platforms and operating companies, including non-performing and deeply discounted loans.

CPI Capital Partners

On November 12, 2010, an affiliate of AGRE completed the acquisition of Citi Property Investors, or CPI, the real estate investment management group of Citigroup Inc., which had AUM of over $3.0 billion as of June 30, 2010. CPI is an integrated real estate investment platform with investment professionals located in Asia, Europe and North America. As part of the acquisition, Apollo acquired general partner interests in, and advisory agreements with, various real estate investment funds and co-invest vehicles and added to its team of real estate investment professionals.

Apollo Commercial Real Estate Finance, Inc.

In 2009, we launched Apollo Commercial Real Estate Finance, Inc. (NYSE: ARI), or ARI, a real estate investment trust managed by Apollo that acquires, originates, invests in and manages performing commercial first mortgage loans, commercial mortgage backed securities, or CMBS, mezzanine investments and other commercial real estate-related investments in the United States. As of September 30, 2010, ARI had total AUM of $1.0 billion.

AGRE CMBS Fund L.P.

In December 2009, we launched AGRE CMBS Fund L.P., or AGRE CMBS Account, a real estate strategic investment account formed to invest principally in CMBS and leverage those investments by borrowing from the Federal Reserve Bank of New York s Term Asset-Backed Securities Loan Facility, or the TALF Program, and repurchase facilities. As of September 30, 2010, the AGRE CMBS Account had total AUM of $1.6 billion.

Strategic Investment Vehicles

In addition to the funds described above, we manage other investment vehicles, including AAA and Palmetto, which have been established to invest either directly in or alongside certain of our private equity and capital markets funds and certain other transactions that we sponsor and manage.

AP Alternative Assets, L.P. (AAA)

AAA issued approximately $1.9 billion of equity capital in its initial offering in June 2006 to invest alongside certain of our private equity funds and directly in certain of our capital markets funds and certain other transactions that we sponsor and manage. The common units of AAA, which represent limited partner interests, are listed on Euronext Amsterdam. Since its formation, AAA has allowed us to quickly target certain investment opportunities by capitalizing new investment vehicles formed by Apollo in advance of a lengthier third-party fundraising process. AAA Investments was the initial investor in one of our mezzanine funds, two of our distressed and hedge funds, and our non-performing loan fund. AAA Investments current portfolio also includes private equity co-investments in Fund VI and Fund VII portfolio companies, certain opportunistic investments and temporary cash investments. AAA may also invest in additional funds and other opportunistic investments identified by Apollo Alternative Assets, L.P., the investment manager of AAA. As of September 30, 2010, AAA Investments had total investments of approximately $1.7 billion.

Strategic Investment Accounts

Institutional investors are expressing increasing levels of interest in SIAs since these accounts can provide investors with greater levels of transparency, liquidity and control over their investments as compared to more traditional investment funds. Based on the trends we are currently witnessing among a select group of large

institutional investors, we expect our AUM that is managed through SIAs to continue to grow over time. As of September 30, 2010, approximately $7.5 billion of our total AUM and $4.8 billion of our fee-generating AUM was managed through SIAs.

One example of an SIA managed by Apollo is Palmetto, which we manage on behalf of a single investor. As of September 30, 2010, the capital commitments to Palmetto were $759.0 million, which included a capital commitment of $750.0 million from one institutional investor that is a large state pension fund and $9.0 million of current commitments from Apollo. Palmetto was established to facilitate investments by such third-party investor directly in our private equity and capital markets funds and certain other transactions that we sponsor and manage. As of September 30, 2010, Palmetto had committed approximately $562.7 million for investments primarily in certain of our capital markets and private equity funds.

Competitive Strengths

Over our 20-year history, we have grown to be one of the largest alternative asset managers in the world, which we attribute to the following competitive strengths:

- ***Our Investment Process and Approach to Investing Have Delivered a Strong Track Record***. Our track record of generating attractive long-term risk-adjusted private equity fund returns is a key differentiating factor for our fund investors and, we believe, will allow us to continue to expand our AUM and capitalize new investment vehicles. See The Historical Investment Performance of Our Funds for reasons why our historical returns are not indicative of the future results you should expect from our current or future funds or from us. Some of the elements that have enabled us to generate these attractive returns include:
  - Our flexibility to invest throughout market cycles and across the capital structure;
  - Our deep industry expertise and focus on complex transactions;
  - Our investment expertise creates proprietary investment opportunities; and
  - Our collaboration with portfolio company management teams.
- ***Our Integrated Business Model.*** Generally, we operate our global franchise as an integrated investment platform with a free flow of information across our businesses. Each of our businesses contributes to and draws from our investment experience and deep industry expertise, thereby providing investment opportunities and intellectual capital to the other businesses, which we believe enables our funds to successfully invest across a company s capital structure. See Risk Factors Risks Related to Our Businesses Possession of material, non-public information could prevent Apollo funds from undertaking advantageous transactions; our internal controls could fail; we could determine to establish information barriers.
- ***Our Strong, Longstanding Investor Relationships.*** We manage capital for hundreds of investors in our private equity funds, which include many of the world s most prominent pension funds, university endowments, financial institutions and individuals. Most of our private equity investors are invested in multiple Apollo private equity funds, and many have invested in one or more of our capital markets funds, including as seed investors in new strategies. We believe that our deep investor relationships have facilitated the growth of our existing businesses and will assist us with the launch of new businesses and investment offerings, thereby increasing our fee-generating AUM.
- ***Long-Term Capital Base.*** A significant portion of our $57.8 billion of AUM as of September 30, 2010 was long-term in nature. As of September 30, 2010, approximately 91% of our AUM was in funds with a contractual life at inception of seven years or more,

including 13% that was in permanent capital vehicles with unlimited duration. Our long-lived capital base allows us to invest assets with a long-term focus, which we believe is an important component in generating attractive returns for our investors.

We believe our long-term capital also leaves us well-positioned during economic downturns, when the fundraising environment for alternative assets has historically been more challenging than during periods of economic expansion.

The Continuity of Our Strong Management Team and Reputation. Our managing partners actively participate in the oversight of the investment activities of our funds, have worked together for more than 20 years and lead a team of 142 investment professionals as of September 30, 2010 who possess a broad range of transaction, financial, managerial and investment skills. We have developed a strong reputation in the market as an investor and partner who can make significant contributions to a business or investing decision, and we believe the longevity of our management team is a key competitive advantage.

Alignment of Interests with Investors in Our Funds and Shareholders. Fundamental to our business model is the alignment of interests of our professionals with those of the investors in our funds, and with those of our shareholders. From our inception through September 30, 2010, our professionals have committed or invested an estimated $1.0 billion of their own capital to our funds. In addition, our practice is to allocate a portion of the management fees and incentive income payable by our funds to our professionals, which we believe serves to incentivize those employees to generate superior risk-adjusted investment returns. Also, the majority of our employees own restricted share units, or RSUs, which vest over time, and our managing partners and contributing partners will own % of the company after giving effect to the IPO (as defined below in Recent Developments). We expect to continue to increase the equity ownership held by our employees over time through additional grants of RSUs in lieu of cash compensation. We believe that the alignment of interests with our shareholders and fund investors helps us to raise new funds, continue to execute our growth strategy and deliver earnings to our shareholders.

Growth Strategy

Our growth and investment returns have been supported by an institutionalized and strategic organizational structure designed to promote teamwork, industry specialization, longevity of capital, compliance and regulatory excellence and internal systems and processes. Our ability to grow our AUM and revenues depends on our performance and on our ability to attract new capital and fund investors, which we have done successfully over the last 20 years.

The following are key elements of our growth strategy:

- continuing to achieve long-term returns in our funds;
- continuing our commitment to our fund investors;
- raising additional investment capital for our current businesses;
- expanding into new investment strategies, markets and businesses; and
- capitalize upon the benefits of being a public company, including the pursuit of complementary and strategic acquisitions.

We cannot assure you that our funds or our current businesses will be successful in raising the capital described above or that any capital they do raise will be on terms favorable to us or consistent with terms of capital that they have previously raised. See Risk Factors Risks Related to Our Businesses We may not be successful in raising new funds or in raising more capital for certain of our funds and may face pressure to modify fee arrangements of our future funds and Risk Factors Risks Related to Our Businesses Changes in the debt financing markets have negatively impacted the ability of our funds and their portfolio companies to obtain attractive financing for their investments and have increased the cost of such financing if it is obtained, which could lead to lower-yielding investments and potentially decreasing our net income for a more detailed discussion of the risks.

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Performance Results

Our revenues and other income consist principally of (i) management fees, which are based upon a percentage of the committed or invested capital (in the case of our private equity funds and certain of our capital markets funds), adjusted assets (in the case of AAA), gross invested capital or fund net asset value (in the case of the rest of our capital markets funds) and stockholders equity (in the case of ARI), (ii) transaction and advisory fees received from private equity and certain capital markets portfolio companies in respect of business and transaction consulting services that we provide, as well as advisory services provided to a capital markets fund, (iii) income based on the performance of our funds, which consists of allocations, distributions or fees from our private equity funds, AAA and our capital markets funds, and (iv) investment income from our investments as general partner and other direct investments primarily in the form of net gains from investment activities as well as interest and dividend income. Carried interest from our private equity funds and certain of our capital markets funds entitles us to an allocation of a portion of the income and gains from that fund and is as much as 20% of the net realized income and gains that are achieved by the funds net of fund expenses, generally subject to an annual preferred return for the limited partners of 8% with a catch-up allocation to us thereafter. The general partner of each of the funds accrues for its portion of carried interest at each balance sheet date for any changes in value of the funds underlying investments. For example, if one of our private equity funds were to exceed the preferred return threshold and generate $100 million of profits net of allocable fees and expenses from a given investment, our carried interest would entitle us to receive as much as $20 million of these net profits less appropriate compensation expense for our investment professionals.

Carried interest from most of our capital markets funds is as much as 20% of either the fund s income and gain or the yearly appreciation of the fund s net asset value. For such capital markets funds, we accrue carried interest on both realized and unrealized gains, subject to any applicable hurdles and high-water marks. Certain of our capital markets funds are subject to a preferred return. Our ability to generate carried interest is an important element of our business and has historically accounted for a very significant portion of our income. For the nine months ended September 30, 2010, management fees, transaction and advisory fees, and carried interest income represented 41.6%, 7.5% and 50.9%, respectively, of our $761.5 million of revenues. See our condensed consolidated financial statements included elsewhere in this prospectus.

In considering the performance information contained in this prospectus, prospective Class A shareholders should bear in mind that such performance information is not indicative of the possible performance of our Class A shares. An investment in our Class A shares is not an investment in any of the Apollo funds, and the assets and revenues of our funds are not directly available to us. As a result of the deconsolidation of most of our funds, we will not be consolidating those funds in our financial statements for periods after either August 1, 2007 or November 30, 2007. Upon adoption of the amended consolidation guidance on January 1, 2010, we are consolidating certain entities. We continue to monitor all entities to determine if we are required to consolidate any additional entities.

The Private Offering Transactions and the Strategic Investors Transaction

On August 8, 2007, in a transaction exempt from the registration requirements of the Securities Act of 1933, as amended, or the Securities Act, we sold 27,000,000 Class A shares, at an initial offering price of $24 per share, to (i) Goldman, Sachs & Co., J.P. Morgan Securities Inc. and Credit Suisse (USA) LLC, which we refer to as the initial purchasers, for their resale to qualified institutional buyers that are also qualified purchasers in reliance upon Rule 144A under the Securities Act, and (ii) accredited investors, with the initial purchasers acting as placement agents, in a private placement, as defined in Rule 501(a) under the Securities Act. The initial purchasers exercised their over-allotment option and on September 5, 2007, we sold an additional 2,824,540 Class A shares to the initial purchasers at the price of $24 per share. We refer to this exempt sale of Class A shares to the initial purchasers and to accredited investors as the Rule 144A Offering. We entered into a registration rights agreement with the initial purchasers in the Rule 144A Offering, pursuant to which we undertook to register under the Securities Act the Class A shares sold in the Rule 144A Offering. A portion of the Class A shares offered by this prospectus are the shares sold in the Rule 144A Offering. See Registration Rights.

In connection with the Rule 144A Offering, on July 16, 2007, we entered into a purchase agreement with Credit Suisse Securities (USA) LLC, one of the Rule 144A Offering initial purchasers, pursuant to which Credit Suisse Management LLC, or the CS Investor, purchased from us in a private placement that closed concurrently with the Rule 144A Offering an aggregate of $180 million of the Class A shares at a price per share of $24, or 7,500,000 Class A shares. Pursuant to a shareholders agreement we entered into with the CS Investor, the CS Investor agreed not to sell its Class A shares for a period of one year from August 8, 2007, the closing date of the Rule 144A Offering. We entered into a registration rights agreement with the CS Investor in connection with the private placement transaction pursuant to which we undertook to register under the Securities Act the Class A shares sold therein. A portion of the Class A shares offered by this prospectus are the shares sold in the private placement transaction. See Registration Rights. We refer to our sale of Class A shares to the CS Investor as the Private Placement and to the Private Placement and the Rule 144A Offering collectively as the Private Offering Transactions.

On July 13, 2007, we sold securities to the California Public Employees Retirement System, or CalPERS, and an affiliate of the Abu Dhabi Investment Authority, or ADIA, in return for a total investment of $1.2 billion. We refer to CalPERS and ADIA as the Strategic Investors. Upon completion of the Private Offering Transactions, the securities that we sold to the Strategic Investors converted into non-voting Class A shares. We refer to the foregoing issuance of securities, our use of proceeds from that sale and the conversion of such securities into non-voting Class A shares as the Strategic Investors Transaction. Pursuant to a lenders rights agreement we have entered into with the Strategic Investors, the Strategic Investors have agreed not to sell any of their Class A shares for a period of two years after the date on which the registration statement of which this prospectus forms a part becomes effective, or the registration effectiveness date, subject to limited exceptions. Thereafter, the amount of Class A shares they may sell is subject to a limit that increases with each year. See Certain Relationships and Related Party Transactions Lenders Rights Agreement Transfer Restrictions. The Strategic Investors are two of the largest alternative asset investors in the world and have been significant investors with us in multiple funds covering a variety of strategies. In total, from our inception through the date hereof, the Strategic Investors have invested or committed to invest approximately $7.6 billion of capital in us and our funds. The Strategic Investors have been significant supporters of our integrated platform, with one or both having invested in multiple private equity and capital markets funds. The Strategic Investors have no obligation to invest further in our funds, and any future investments by the Strategic Investors in our funds or other alternative investment categories will likely depend on the performance of our funds, the performance of each Strategic Investor s overall investment portfolio and other investment opportunities available to them.

Structure and Formation of the Company

Apollo Global Management, LLC is a holding company whose primary assets are 100% of the general partner interests in each limited partnership included in the Apollo Operating Group, which is described below under Holding Company Structure. After giving effect to the IPO (as defined below in Recent Developments), % of the limited partner interests of the Apollo Operating Group entities will be held by Apollo Global Management, LLC through intermediate holding companies, and the remaining % of the limited partner interests of the Apollo Operating Group entities will be owned directly by Holdings, an entity 100% owned, directly or indirectly, by our managing partners and contributing partners. The limited partner interests that the company and Holdings own in the Apollo Operating Group entities represent the company s and Holdings economic interests in the Apollo Operating Group. With limited exceptions, the Apollo Operating Group owns each of the operating entities included in our historical consolidated and combined financial statements as described below under Our Assets.

Apollo Global Management, LLC is owned by its Class A and Class B shareholders. Holders of our Class A shares and Class B share vote as a single class on all matters presented to the shareholders, although the Strategic Investors do not have voting rights in respect of any of their Class A shares. We have issued to BRH Holdings

GP, Ltd., or BRH, a single Class B share solely for purposes of granting voting power to BRH. BRH is the general partner of Holdings and is a Cayman Islands exempted company owned and controlled by our managing partners. The Class B share does not represent an economic interest in Apollo Global Management, LLC. The voting power of the Class B share, however, increases or decreases with corresponding changes in Holdings economic interest in the Apollo Operating Group.

Our shareholders vote together as a single class on the limited set of matters on which shareholders have a vote. Such matters include a proposed sale of all or substantially all of our assets, certain mergers and consolidations, certain amendments to our operating agreement and an election by our manager to dissolve the company.

We intend to continue to employ our current management structure with strong central control by our managing partners and to maintain our focus on achieving successful growth over the long term. This desire to preserve our existing management structure is one of the principal reasons why upon listing of our Class A shares on the New York Stock Exchange, if achieved, we have decided to avail ourselves of the controlled company exception from certain of the NYSE governance rules. This exception eliminates the requirements that we have a majority of independent directors on our board of directors and that we have a compensation committee and a nominating and corporate governance committee composed entirely of independent directors. It is also the reason that the managing partners chose to have a manager that manages all of our operations and activities, with only limited powers retained by the board of directors, as long as the Apollo control condition, which is discussed below under Our Manager, is satisfied.

We refer to the formation of the Apollo Operating Group described below under Holding Company Structure, Our Manager, Our Assets and Equity Interests Retained by Our Managing Partners and Contributing Partners, the deconsolidation of most Apollo funds described below under Deconsolidation of Apollo Funds and the borrowing under the AMH credit facility and the related distribution to our managing partners described below under Distribution to Our Managing Partners Prior to the Private Offering Transactions, collectively, as the Reorganization.

Prior to the Reorganization, our business was conducted through a number of entities as to which there was no single holding entity but that were separately owned by our managing partners. In order to facilitate the Rule 144A Offering, which closed in August 2007, we effected the Reorganization to form a new holding company structure. Additional entities were formed during 2008 to create our current holding company structure.

The diagram below depicts our current organizational structure after giving effect to the IPO (as defined below)[1] (see Our Structure for a more detailed diagram and see Recent Developments for a discussion of the IPO).

(1) Adjusted numbers giving effect to the IPO assume that Class A shares are offered and sold by Apollo Global Management, LLC, and the net proceeds thereof are contributed to the Apollo Operating Group, thereby increasing the economic interest held by our Class A shareholders, taken as a whole, in the Apollo Operating Group from % to %.

(2) After giving effect to the IPO, investors in the Rule 144A Offering and investors in the IPO (together, the Public Investors) will hold % of the Class A shares, the CS Investor will hold % of the Class A shares, and the Strategic Investors will hold % of the Class A shares. After giving effect to the IPO, the Class A shares held by Public Investors will represent % of the total voting power of our shares entitled to vote and % of the economic interests in the Apollo Operating Group. After giving effect to the IPO, Class A shares held by the CS Investor will represent % of the total voting power of our shares entitled to vote and % of the economic interests in the Apollo Operating Group. Class A shares held by the Strategic Investors do not have voting rights and after giving effect to the IPO, will represent % of the economic interests in the Apollo Operating Group. Such Class A shares will become entitled to vote upon transfers by a Strategic Investor in accordance with the agreements entered into in connection with the Strategic Investors Transaction.

(3) Our managing partners own BRH, which in turn holds our only outstanding Class B share. After giving effect to the IPO, the Class B share will represent % of the total voting power of our shares entitled to vote but no economic interest in Apollo Global Management, LLC. Our managing partners economic interests are instead represented by their indirect ownership, through Holdings, of % of the limited partner interests in the Apollo Operating Group after giving effect to the IPO.

(4) Through BRH Holdings, L.P., our managing partners own limited partner interests in Holdings.

(5) After giving effect to the IPO, will represent % of the limited partner interests in each Apollo Operating Group entity. The Apollo Operating Group units held by Holdings are exchangeable for Class A shares, as described below under Equity Interests Retained by Our Managing Partners and Contributing Partners. Our managing partners, through their interests in BRH and Holdings, will own % of the Apollo Operating Group units after giving effect to the IPO. Our contributing partners, through their ownership interests in Holdings, will own % of the Apollo Operating Group units after giving effect to the IPO.

(6) BRH is the sole member of AGM Management, LLC, our manager. The management of Apollo Global Management, LLC is vested in our manager as provided in our operating agreement. See Description of Shares Operating Agreement for a description of the authority that our manager exercises.

(7) After giving effect to the IPO, will represent % of the limited partner interests in each Apollo Operating Group entity, held through intermediate holding companies. Apollo Global Management, LLC also indirectly owns 100% of the general partner interests in each Apollo Operating Group entity.

Holding Company Structure

Apollo Global Management, LLC, through three intermediate holding companies (APO Corp., APO Asset Co., LLC and APO (FC), LLC), will own % of the economic interests of, and operates and controls all of the businesses and affairs of, the Apollo Operating Group and its subsidiaries after giving effect to the IPO. Holdings will own the remaining % of the economic interests in the Apollo Operating Group after giving effect to the IPO. Apollo Global Management, LLC consolidates the financial results of the Apollo Operating Group and its consolidated subsidiaries. Holdings ownership interest in the Apollo Operating Group is reflected as Non-Controlling Interests in Apollo Global Management, LLC s consolidated financial statements.

Each of the Apollo Operating Group partnerships holds interests in different businesses or entities organized in different jurisdictions. For a more detailed description of our holding company structure, see Our Structure Reorganization Holding Company Structure.

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

We are a holding company that is qualified as a partnership for U.S. Federal income tax purposes. Our intermediate holding companies enable us to maintain our partnership status and to meet the qualifying income exception. See also Material Tax Considerations Material U.S. Federal Tax Considerations Taxation of the Company Taxation of Apollo for a discussion of the qualifying income exception.

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

Our Manager

Our operating agreement provides that so long as the Apollo Group (as defined in Our Structure Reorganization Our Manager) beneficially owns at least 10% of the aggregate number of votes that may be cast by holders of outstanding voting shares, our manager, which is 100% owned by BRH, will conduct, direct and manage all activities of Apollo Global Management, LLC. We refer to the Apollo Group s beneficial ownership of at least 10% of such voting power as the Apollo control condition. So long as the Apollo control condition is satisfied, our manager will manage all of our operations and activities and will have discretion over significant corporate actions, such as the issuance of securities, payment of distributions, sales of assets, making certain amendments to our operating agreement and other matters, and our board of directors will have no authority other than that which our manager chooses to delegate to it. See Description of Shares.

Holders of our Class A shares and Class B share have no right to elect our manager, which is controlled by our managing partners through BRH. Although our manager has no business activities other than the management of our businesses, conflicts of interest may arise in the future between us and our Class A shareholders, on the one hand, and our managing partners, on the other. The resolution of these conflicts may not always be in our best interests or those of our Class A shareholders. We describe the potential conflicts of interest in greater detail under Risk Factors Risks Related to Our Organization and Structure Potential conflicts of interest may arise among our manager, on the one hand, and us and our shareholders on the other hand. Our manager and its affiliates have limited fiduciary duties to us and our shareholders, which may permit them to favor their own interests to the detriment of us and our shareholders. We will reimburse our manager and its affiliates for all costs incurred in managing and operating us, and our operating agreement provides that our manager will determine the expenses that are allocable to us. Our operating agreement does not limit the amount of expenses for which we will reimburse our manager and its affiliates.

Our Assets

Prior to the Private Offering Transactions, our managing partners contributed to the Apollo Operating Group their interests in each of the entities included in our historical consolidated and combined financial statements, but excluding the excluded assets described under Our Structure Reorganization Excluded Assets. As discussed further below, the managing partners received partnership interests in Holdings (representing an indirect ownership interest of an equivalent number of Apollo Operating Group units) in respect of the interests they contributed to the Apollo Operating Group.

Certain assets were not contributed to the Apollo Global Management, LLC structure as these assets were either at the end of their life (*e.g.*, general partners of Funds I, II and III) or these assets were owned by the managing partners and the contributing partners. The managing partners chose which assets were to be included in the Apollo Global Management, LLC structure. Except for the general partners of Funds I, II and III, none of the excluded assets were included in the combined financial statements of the Apollo Operating Group prior to the Reorganization. As a result of the Reorganization, the general partner interests were treated as distributions to the managing partners and other Reorganization adjustments in the Statements of Changes in Shareholders Equity and Partners Capital. See our consolidated and combined financial statements included elsewhere in this prospectus.

The following is a condensed list of excluded assets from the Reorganization (for a more detailed description, see Our Structure Reorganization Excluded Assets);

- our managing partners personal investments or co-investments in our funds (subject to certain limitations);
- amounts owed to any managing partners pursuant to any Apollo deferral or waiver programs or carried interest earned but held in escrow;
- our managing partners interests in Apollo Real Estate, Ares and the general partners of Funds I, II and III;
- compensation and benefits paid or given to the managing partners consistent with the terms of their employment agreements (as described below under Management Executive Compensation Employment Non-Competition and Non-Solicitation Agreements with Managing Partners);
- director options issued prior to January 1, 2007 by any of our funds portfolio companies;
- an entity partially owned by our managing partners (without any economics) that has 100% voting control over the investment of Fund VI in Caesars Entertainment Corporation (formerly known as Harrah s Entertainment, Inc.), or Caesars Entertainment; and
- other miscellaneous, non-core assets.

In addition, prior to the Private Offering Transactions, our contributing partners contributed to the Apollo Operating Group a portion of their rights to receive a portion of the management fees and incentive income that are earned from management of our funds, or points. We refer to such contributed points as partner-contributed interests. In return for a contribution of points, each contributing partner received an interest in Holdings (representing an indirect, unit-for-unit ownership interest of an equivalent number of Apollo Operating Group units). For a more detailed description of the assets that were contributed, see Our Structure Reorganization Our Assets.

Equity Interests Retained by Our Managing Partners and Contributing Partners

In exchange for the contribution of assets described above and after giving effect to the Strategic Investor Transactions, Holdings (which is owned by BRH and the contributing partners) received 80.0% of the limited partnership units in the Apollo Operating Group. We use the terms Apollo Operating Group unit or unit in/of Apollo Operating Group to refer to a limited partnership unit in each of the Apollo Operating Group partnerships. We refer to the managing partners and contributing partners contribution of assets to the Apollo Operating Group and Holdings receipt of Apollo Operating Group units in exchange therefor as the Apollo Operating Group Formation. Our managing partners, through their interests in BRH and Holdings, will own % of the Apollo Operating Group units and, through their ownership of BRH, the Class B share that we have issued to BRH, in each case after giving effect to the IPO.

Our contributing partners, through their interests in Holdings, will own % of the Apollo Operating Group units after giving effect to the IPO. For a more detailed discussion of the terms surrounding the retained interests, see Our Structure Reorganization Equity Interests Retained by Our Managing Partners and Contributing Partners.

Deconsolidation of Apollo Funds

Certain of our private equity and capital markets funds have historically been consolidated into our financial statements, due to our controlling interest in certain funds notwithstanding that we have only a non-controlling equity interest in these funds. Consequently, our pre-Reorganization financial statements do not reflect our ownership interest at fair value in these funds, but rather reflect on a gross basis the assets, liabilities, revenues, expenses and cash flows of our funds. We amended the governing documents of most of our funds to provide that a simple majority of the funds unaffiliated investors have the right to liquidate that fund. These amendments, which became effective on either August 1, 2007 or November 30, 2007, deconsolidated these funds that have historically been consolidated in our financial statements. Accordingly, we no longer reflect the share that other parties own in total assets and Non-Controlling Interests in these respective funds. The deconsolidation of these funds will present our financial statements in a manner consistent with how Apollo evaluates its business and the related risks. Accordingly, we believe that deconsolidating these funds will provide investors with a better understanding of our business.

Tax Considerations

We believe that under current law, Apollo Global Management, LLC is treated as a partnership and not as a corporation for U.S. Federal income tax purposes. An entity that is treated as a partnership for U.S. Federal income tax purposes is not a taxable entity and incurs no U.S. Federal income tax liability. Instead, each partner is required to take into account its allocable share of items of income, gain, loss and deduction of the partnership in computing its U.S. Federal income tax liability, regardless of whether cash distributions are then made. Investors in this offering will be deemed to be limited partners of Apollo Global Management, LLC for U.S. Federal income tax purposes. Accordingly, an investor will generally be required to pay U.S. Federal income taxes with respect to the income and gain of Apollo Global Management, LLC that is allocated to such investor, even if Apollo Global

Management, LLC does not make cash distributions. See Material Tax Considerations Material U.S. Federal Tax Considerations for a summary discussing certain U.S. Federal income tax considerations related to the purchase, ownership and disposition of our Class A shares as of the date of this offering.

Distribution to Our Managing Partners Prior to the Private Offering Transactions

On April 20, 2007, AMH, one of the entities in the Apollo Operating Group, entered into a credit facility, or the AMH credit facility, under which AMH borrowed a $1.0 billion variable-rate term loan. We used these borrowings to make a $986.6 million distribution to our managing partners and to pay related fees and expenses. This distribution was a distribution of prior undistributed earnings, and an advance on possible future earnings, of AMH. As a result, this distribution caused the managing partners accumulated equity basis in AMH to become negative. As of the date hereof, the AMH credit facility is guaranteed by Apollo Management, L.P.; Apollo Capital Management, L.P.; Apollo International Management, L.P.; Apollo Principal Holdings II, L.P.; Apollo Principal Holdings IV, L.P.; Apollo Principal Holdings V, L.P.; Apollo Principal Holdings IX, L.P.; and AAA Holdings, L.P. and matures on April 20, 2014. It is secured by (i) a first priority lien on substantially all assets of AMH and the guarantors and (ii) a pledge of the equity interests of each of the guarantors, in each case subject to customary carveouts.

Distributions to Our Managing Partners and Contributing Partners Related to the Reorganization

We made distributions to our managing partners and contributing partners that represented all of the undistributed earnings generated by the businesses contributed to the Apollo Operating Group prior to July 13, 2007. For this purpose, income attributable to carried interest on private equity funds related to either carry-generating transactions that closed prior to July 13, 2007 or carry-generating transactions in respect of which a definitive agreement was executed, but that did not close, prior to July 13, 2007 were treated as having been earned prior to that date. Undistributed earnings of the contributed businesses through the date of the Reorganization that were attributable to the managing partners and contributing partners for the sold portion of their interest were $238.4 million and $148.6 million, respectively, and were recorded in the consolidated and combined financial statements as a component of due to affiliates and profit sharing payable, respectively. There were no undistributed earnings that were attributable to the managing partners and contributing partners for the sold portion of their interest at the September 30, 2010 and December 31, 2009 balance sheet dates.

In addition, we have also entered into a tax receivable agreement with our managing partners and contributing partners which requires us to pay them 85% of any tax savings received by APO Corp. from our step-up in tax basis. In our condensed consolidated financial statements, the item due to affiliates includes $499.0 million and $514.0 million that was payable to our managing partners and contributing partners in connection with the tax receivable agreement as of both September 30, 2010 and December 31, 2009, respectively.

As part of the Reorganization, the managing partners and the contributing partners received the following:

- Apollo Operating Group units having a fair value per unit of $24 and $20 issued to the managing partners and contributing partners respectively on issuance date with a total approximate value of $5.6 billion (subject to five- or six-year vesting);

- $1.2 billion in cash in July 2007, excluding any potential contingent consideration;

- In January 2008 and April 2008, a preliminary and final distribution related to a contingent consideration of $37.7 million. The determination of the amount and timing of the distribution were based on net income with discretionary adjustments, all of which were determined by Apollo Management Holdings GP, LLC, the general partner of AMH. Included in the distribution were AAA RDUs valued at approximately $12.7 million and a distribution of interests in Apollo VIF Co-Investors, LLC in settlement of deferred compensation units in Apollo Value Investment Offshore Fund, Ltd. of approximately $0.8 million; and

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The fair value of carried interest related to the sale of portfolio companies where definitive sales contracts were executed but had not closed at July 13, 2007. We accrued an estimated payment of approximately $387.0 million at December 31, 2007, of which $200.2 million was distributed during the year ended December 31, 2008. The definitive sales contract in respect of which the remaining $186.8 million was accrued was terminated during the fourth quarter of 2008 and, as a result, no amounts were accrued at September 30, 2010 and December 31, 2009.

The Historical Investment Performance of Our Funds

In this Prospectus Summary and elsewhere in this prospectus, we present information relating to the historical performance of our funds, including certain legacy Apollo funds that do not have a meaningful amount of unrealized investments and the general partners of which have not been contributed to Apollo Global Management, LLC.

When considering the data presented in this prospectus, you should note that the historical results of our funds are not indicative of the future results that you should expect from such funds, from any future funds we may raise or from your investment in our Class A shares. An investment in our Class A shares is not an investment in any of the Apollo funds, and the assets and revenues of our funds are not directly available to us. As a result of the deconsolidation of most of our funds, we will not be consolidating those funds in our financial statements for periods after either August 1, 2007 or November 30, 2007. The historical and potential future returns of the funds we manage are not directly linked to returns on our Class A shares. Therefore, you should not conclude that continued positive performance of the funds we manage will necessarily result in positive returns on an investment in our Class A shares. However, poor performance of the funds that we manage would cause a decline in our revenue from such funds, and would therefore have a negative effect on our performance and in all likelihood the value in our Class A shares. There can be no assurance that any Apollo fund will continue to achieve the same results as historically achieved.

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, in part because:

- market conditions during previous periods were significantly more favorable for generating positive performance, particularly in our private equity business, than the market conditions we have experienced for the last two years and may continue to experience for the foreseeable future;

- our funds returns have benefited from investment opportunities and general market conditions that currently do not exist and may not repeat themselves, and there can be no assurance that our current or future funds will be able to avail themselves of profitable investment opportunities;

- our private equity funds rates of return, which are calculated on the basis of net asset value of the funds investments, reflect unrealized gains and unrealized losses, which gains and losses may never be realized;

- our funds returns have historically benefited from investment opportunities and general market conditions that may not repeat themselves, including the availability of debt capital on attractive terms, and we may not be able to achieve the same returns or profitable investment opportunities or deploy capital as quickly;

- the historical returns that we present in this prospectus derive largely from the performance of our earlier private equity funds, whereas future fund returns will depend increasingly on the performance of our newer funds, which may have little or no investment track record;

Fund VI and Fund VII are several times larger than our previous private equity funds, and we may not be able to deploy this additional capital as profitably as our prior funds;

the attractive returns of certain of our funds have been driven by the rapid return of invested capital, which has not occurred with respect to all of our funds and we believe is less likely to occur in the future;

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our track record with respect to our capital markets and real estate funds is relatively short as compared to our private equity funds;

in recent years, there has been increased competition for private equity investment opportunities resulting from the increased amount of capital invested in private equity funds and periods of high liquidity in debt markets, which may result in lower returns for the funds; and

our newly established funds may generate lower returns during the period that they take to deploy their capital.

Finally, our private equity IRRs have historically varied greatly from fund to fund. For example, Fund IV has generated an 11% gross IRR and an 9% net IRR since inception through September 30, 2010, while Fund V has generated a 62% gross IRR and a 45% net IRR since inception through September 30, 2010. 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 described elsewhere in this prospectus, including risks of the industries and businesses in which a particular fund invests. See Risk Factors Risks Related to Our Businesses The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our Class A shares.

Recent Developments

We are planning to sell Class A shares in an initial public offering of our Class A shares (referred to as the IPO) for net proceeds of approximately $ million based on the midpoint of the estimated offering price range of $ to $. The primary purpose of the IPO is to facilitate shareholder liquidity upon listing on the NYSE. We plan to use the net proceeds we receive from the Class A shares offered in the IPO for general corporate purposes and to fund growth initiatives. In addition, certain of our existing shareholders may sell an aggregate of Class A shares in the IPO. However, we will not receive any of the proceeds from the sale of Class A shares by the selling shareholders participating in the IPO. None of the Strategic Investors or our affiliates, managing partners or employees will participate in the IPO as selling shareholders. The registration statement of which this prospectus forms a part also includes a prospectus for the IPO.

On November 12, 2010, Apollo completed the acquisition of CPI, the real estate investment management group of Citigroup Inc., which had AUM of over $3.0 billion as of June 30, 2010. CPI is an integrated real estate investment platform with investment professionals located in Asia, Europe and North America. As part of the acquisition, Apollo acquired general partner interests in, and advisory agreements with, various real estate investment funds and co-invest vehicles and added to its team of real estate professionals.

On December 1, 2010, Marc Spilker joined Apollo as President of Apollo Global Management, LLC.

On December 3, 2010, Apollo entered into a subscription agreement under which HFA Holdings Limited, or HFA, will issue $75 million of mandatory convertible notes, or the MCNs, to Apollo and a co-investor. Additionally, Apollo will distribute the investment products and services of Lighthouse Investment Partners, LLC, or Lighthouse, HFA s U.S.-based subsidiary, through Apollo s global distribution network, or the Alliance. Lighthouse is a fund of hedge funds and managed account investment adviser for institutional and private investors. The Alliance and the issuance of the MCNs are subject to a number of conditions, including HFA shareholder approval and receipt of governmental and regulatory approvals.

On December 20, 2010, Apollo amended the AMH credit facility, allowing AMH and the lenders, upon their election, to extend the maturity of the term loans from April 20, 2014 to January 3, 2017 and modifying certain other terms of the credit facility. Pursuant to this amendment, AMH is required to purchase from each

lender that elects to extend the maturity date of its term loan a portion of such extended term loan equal to 20% thereof. On December 20, 2010, AMH repurchased approximately $180.8 million of term loans in connection with the extension of the maturity date of such loans. As a result of these repurchases, loans under the AMH credit facility with the 2014 maturity date had a remaining balance of $5.0 million, and loans under the AMH credit facility with the extended 2017 maturity date had a remaining balance of $723.3 million. See Description of Indebtedness for a more detailed description of the AMH credit facility.

On January 4, 2011, we declared a cash distribution amounting to $0.17 per Class A share, which is comprised of a regular quarterly cash distribution of $0.07 per Class A share and a special distribution of $0.10 per Class A share. This distribution will be paid on January 14, 2011 to our Class A shareholders of record as of January 7, 2011.

Investment Risks

An investment in our Class A shares involves a high degree of risk. Some of the more significant challenges and risks include those associated with our susceptibility to conditions in the global financial markets and global economic conditions, the volatility of our revenue, net income and cash flow, our dependence on our managing partners and other key investment professionals, our ability to retain and motivate our existing investment professionals and recruit, retain and motivate new investment professionals in the future and risks associated with adverse changes in tax law and other legislative or regulatory changes. See Risk Factors for a discussion of the factors you should consider before investing in our Class A shares.

Our Corporate Information

Apollo Global Management, LLC was formed in Delaware on July 3, 2007. Our principal executive offices are located at 9 West 57th Street, New York, New York 10019, and our telephone number is (212) 515-3200. We maintain a website at *www.agm.com*. We do not incorporate the information on our website into this prospectus and you should not consider any information on, or that can be accessed through, our website as part of this prospectus.

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The Offering

Shares Offered for Resale by the Selling Shareholders in this Offering	Class A shares
Shares to be Offered for Sale by Apollo Global Management, LLC in the IPO	Class A shares
Shares to be Offered for Sale by Selling Shareholders in the IPO	Class A shares
Shares Outstanding After Giving Effect to the IPO:	
Class A Shares	Class A shares
Class B Shares	1 Class B share
Shares Held by Our Managing Partners After Giving Effect to the IPO:	
Class A Shares	None
Class B Share	Our managing partners indirectly hold the single Class B share that we have issued to BRH, representing % of the total voting power of our shares entitled to vote.
Apollo Operating Group Units Held After Giving Effect to the IPO:	
By Us	or % of the total Apollo Operating Group units
Indirectly By Our Managing Partners and Contributing Partners	240,000,000 or % of the total Apollo Operating Group units
Voting:	
Class A Shares	One vote per share (except that Class A shares held by the Strategic Investors and their affiliates do not have any voting rights).
Class B Share	Initially, 240,000,000 votes. In the event that a managing partner or contributing partner, through Holdings, exercises his right to exchange the Apollo Operating Group units that he owns through his partnership interest in Holdings for Class A shares, the voting power of the Class B share will be proportionately reduced.

Voting Rights	Holders of our Class A shares (other than the Strategic Investors and their affiliates, who have no voting rights) and our Class B share vote together as a single class on all matters submitted to our shareholders for their vote or approval. So long as the Apollo control condition is satisfied, however, our manager manages all of our operations and activities and exercises substantial control over extraordinary matters and other structural changes. You will have only limited voting rights

on matters affecting our businesses and will have no right to elect our manager, which is owned and controlled by our managing partners. Moreover, our managing partners, through their ownership of BRH, will hold % of the total combined voting power of our shares entitled to vote after giving effect to the IPO, and thus are able to exercise control over all matters requiring shareholder approval. See Description of Shares.

Use of Proceeds	We will not receive any proceeds from the sale of the Class A shares pursuant to this prospectus.
Cash Dividend Policy	Our intention is to distribute to our Class A shareholders on a quarterly basis substantially all of our net after-tax cash flow from operations in excess of amounts determined by our manager to be necessary or appropriate to provide for the conduct of our businesses, to make appropriate investments in our businesses and our funds, to comply with applicable law, to service our indebtedness or to provide for future distributions to our Class A shareholders for any ensuing quarter. Our Class B shareholder is not entitled to any dividends.
	The declaration, payment and determination of the amount of our quarterly dividend will be at the sole discretion of our manager. We cannot assure you that any dividends, whether quarterly or otherwise, will or can be paid. See Cash Dividend Policy for a discussion of the factors our manager is likely to consider in regard to our payment of cash dividends.
Managing Partners and Contributing Partners Exchange Rights	Subject to certain procedures and restrictions (including the vesting schedules applicable to our managing partners and any applicable transfer restrictions and lock-up agreements), at any time and from time to time, each managing partner and contributing partner has the right to cause Holdings to exchange Apollo Operating Group units for Class A shares to sell such Class A shares at the prevailing market price (or at a lower price that such managing partner or contributing partner is willing to accept) and to distribute the net proceeds of such sale to such managing partner or contributing partner. We have reserved for issuance 240,000,000 Class A shares, corresponding to the number of existing Apollo Operating Group units held by our managing partners and contributing partners. To effect an exchange, a managing partner or contributing partner, through Holdings, must simultaneously exchange one Apollo Operating Group unit, being an equal limited partner interest in each Apollo Operating Group entity, for each Class A share received. As a managing partner or contributing partner exchanges his Apollo Operating Group units, our interest in the Apollo Operating Group units will be correspondingly increased and the voting power of the Class B share will be correspondingly reduced. If and when any managing partner or contributing partner, through Holdings, exchanges an Apollo Operating Group unit for a Class A share of Apollo Global Management, LLC, the relative economic ownership positions of the

exchanging managing partner or contributing partner and of the other equity owners of Apollo (whether held at Apollo Global Management, LLC or at the Apollo Operating Group) will not be altered. See Our Structure Reorganization Holding Company Structure for further discussion of our Reorganization structure.

Any exchange of the Apollo Operating Group units generally is expected to result in increases in the tax basis of the tangible and intangible assets of APO Corp. that would not otherwise have been available. These increases in tax basis are expected to increase (for tax purposes) the depreciation and amortization deductions available to APO Corp. and therefore reduce the amount of tax that APO Corp. would otherwise be required to pay in the future. APO Corp. has entered into a tax receivable agreement with Holdings whereby it agrees to pay to Holdings 85% of the amount of actual cash savings, if any, in U.S. Federal, state and local income taxes that APO Corp. realizes as a result of these increases in tax basis. In the event that other of our current or future subsidiaries become taxable as corporations and acquire Apollo Operating Group units in the future, or if we become taxable as a corporation for U.S. Federal income tax purposes, we expect that each will become subject to a tax receivable agreement with substantially similar terms. See Certain Relationships and Related Party Transactions Tax Receivable Agreement.

NYSE Listing — We intend to apply for our Class A shares to be listed on the NYSE under the symbol . The listing is subject to approval of our application.

Risk Factors — Please read the section entitled Risk Factors beginning on page 29 for a discussion of some of the factors you should carefully consider before deciding to invest in our Class A shares.

References in this section to the number of our Class A shares outstanding, and the percent of our voting rights held, exclude:

- 240,000,000 Class A shares issuable upon exchange of the Apollo Operating Group units and interests in our Class B share by Holdings on behalf of our managing partners and contributing partners;
- interests granted or reserved under our equity incentive plan, consisting of:
  - 18,975,783 restricted share units, or RSUs, (net of forfeited awards and settled awards) that were granted during the year ended December 31, 2007, subject to vesting, to certain employees and consultants;
  - an additional 9,350,157 RSUs (net of forfeited awards and settled awards) that were granted during the year ended December 31, 2008, subject to vesting, to certain employees and consultants;
  - 486,293 RSUs (net of forfeited awards and settled awards) that were granted during the year ended December 31, 2009, subject to vesting, to certain employees;
  - 7,799,646 RSUs (net of forfeited awards and settled awards) that were granted during the nine months ended September 30, 2010, subject to vesting, to certain employees; and
  - Under certain circumstances, the plan is subject to automatic increases annually. As of September 30, 2010, 38,867,897 Class A shares remained available for the grant of new awards pursuant to our equity incentive plan.

Summary Historical and Other Data

The following summary historical consolidated and combined financial and other data of Apollo Global Management, LLC should be read together with Our Structure, Selected Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical consolidated and combined financial statements and related notes included elsewhere in this prospectus.

We derived the summary historical consolidated and combined statements of operations data of Apollo Global Management, LLC for the years ended December 31, 2009, 2008 and 2007 and the summary historical consolidated and combined statements of financial condition data as of December 31, 2009 and 2008 from our consolidated and combined financial statements, which are included elsewhere in this prospectus.

We derived the summary consolidated and combined statements of financial condition data as of December 31, 2007 from our audited consolidated and combined financial statements which are not included in this prospectus.

We derived the summary historical condensed consolidated statement of operations of Apollo Global Management, LLC for the three and nine months ended September 30, 2010 and 2009 and the summary historical condensed consolidated statement of financial condition data as of September 30, 2010 from our unaudited condensed consolidated financial statements, which are included elsewhere in this prospectus. The unaudited condensed consolidated financial statements of Apollo Global Management, LLC have been prepared in accordance with U.S. GAAP for interim financial information and Rule 10-01 of Regulation S-X under the Exchange Act. Management believes it has made all necessary adjustments (consisting of normal recurring items) so that the unaudited condensed consolidated financial statements are presented fairly and that estimates made in preparing Apollo Global Management, LLC s unaudited condensed consolidated financial statements are reasonable and prudent.

The summary historical financial data are not indicative of our expected future operating results. In particular, after undergoing the Reorganization on July 13, 2007 and providing liquidation rights to investors of most of the funds we manage on either August 1, 2007 or November 30, 2007, Apollo Global Management, LLC no longer consolidates in its financial statements the majority of the funds that have historically been consolidated in our financial statements.

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	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,		
	2010	2009	2010	2009	2009	2008	2007[f]
	(in thousands, except per share amounts)						
Statement of Operations Data							
Revenues:							
Advisory and transaction fees from affiliates	$ 19,505	$ 21,582	$ 57,418	$ 37,480	$ 56,075	$ 145,181	$ 150,191
Management fees from affiliates	106,720	103,680	316,636	293,218	406,257	384,247	192,934
Carried interest income (loss) from affiliates	332,426	88,423	387,471	181,421	504,396	(796,133)	294,725
Total Revenues	458,651	213,685	761,525	512,119	966,728	(266,705)	637,850
Expenses:							
Compensation and benefits:							
Equity-based compensation	281,914	275,122	835,520	824,630	1,100,106	1,125,184	989,849
Salary, bonus and benefits	60,446	50,114	180,505	157,184	227,356	201,098	149,553
Profit sharing expense	119,357	21,133	125,307	48,771	161,935	(482,682)	307,739
Incentive fee compensation	2,136	1,934	11,395	1,934	5,613		3,189
Total Compensation and Benefits	463,853	348,303	1,152,727	1,032,519	1,495,010	843,600	1,450,330
Interest expense	7,340	12,272	27,664	38,377	50,252	62,622	105,968
Interest expense beneficial conversion feature							240,000
Professional fees	9,661	8,626	32,065	23,009	33,889	76,450	81,824
Litigation settlement[a]						200,000	
General, administrative and other	14,186	20,797	45,689	43,585	61,066	71,789	36,618
Placement fees	(793)	631	3,748	4,396	12,364	51,379	27,253
Occupancy	5,882	7,837	16,690	21,207	29,625	20,830	12,865
Depreciation and amortization	5,874	6,071	18,020	18,169	24,299	22,099	7,869
Total Expenses	506,003	404,537	1,296,603	1,181,262	1,706,505	1,348,769	1,962,727
Other Income (Loss):							
Net gains (losses) from investment activities	101,210	336,066	201,926	449,134	510,935	(1,269,100)	2,279,263
Net gains from investment activities of consolidated variable interest entities	32,910		32,645				
Income (loss) from equity method investments	27,480	30,033	33,648	53,167	83,113	(57,353)	1,722
Interest income	359	329	1,021	1,030	1,450	19,368	52,500
Gain from repurchase of debt[b]				36,193	36,193		
Dividend income from affiliates							238,609
Other income (loss), net[c]	48,581	541	70,487	39,692	41,410	(4,609)	(36)
Total Other Income (Loss)	210,540	366,969	339,727	579,216	673,101	(1,311,694)	2,572,058
Income (Loss) Before Income Tax (Provision) Benefit	163,188	176,117	(195,351)	(89,927)	(66,676)	(2,927,168)	1,247,181
Income tax (provision) benefit	(30,856)	(18,017)	(47,638)	(25,133)	(28,714)	36,995	(6,726)
Net Income (Loss)	132,332	158,100	(242,989)	(115,060)	(95,390)	(2,890,173)	1,240,455
Net (income) loss attributable to Non-Controlling Interests[d][e]	(108,192)	(204,771)	131,323	(45,165)	(59,786)	1,977,915	(1,810,106)
Net Income (Loss) Attributable to Apollo Global Management, LLC	$ 24,140	$ (46,671)	$ (111,666)	$ (160,225)	$ (155,176)	$ (912,258)	$ (569,651)
Dividends Declared per Class A share	$ 0.07	$	$ 0.14	$ 0.05	$ 0.05	$ 0.56	$
Net Income (Loss) Per Class A share Basic and Diluted	$ 0.23	$ (0.49)	$ (1.18)	$ (1.67)	$ (1.62)	$ (9.37)	$ (11.71)[i]

	As of September 30, 2010	As of December 31, 2009	2008	2007
		(in thousands)		
Statement of Financial Condition Data				
Total assets	$ 5,282,124	$ 3,385,197	$ 2,474,532	$ 5,115,642
Debt (excluding obligations of consolidated variable interest entities)	932,686	933,834	1,026,005	1,057,761
Debt obligations of consolidated variable interest entities	900,480			
Total shareholders equity	2,162,734	1,299,110	325,785	2,408,329
Total Non-Controlling Interests	2,318,514	1,603,146	822,843	2,312,286
Operating Metrics (non-U.S. GAAP):				
Assets Under Management (in millions):				
Private Equity	$ 35,269	$ 34,002	$ 29,094	$ 30,237
Capital Markets	19,910	19,112	15,108	10,533
Real Estate	2,597	495		
Total AUM	$ 57,776	$ 53,609	$ 44,202	$ 40,770

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	For the Three Months Ended September 30,		For the Nine Months Ended September 30,		For the Year Ended December 31,		
	2010	2009	2010	2009	2009	2008	2007
				(in thousands)			
Economic Net Income (Loss)[g]	$ 315,276	$ 173,314	$ 415,285	$ 340,410	$ 581,022	$ (610,950)	$ 152,846
Adjusted Economic Net Income (Loss)[g]	275,605	184,229	356,661	294,031	542,374	(332,794)	486,681
Private Equity Dollars Invested[h]	1,265,700	577,100	3,529,000	2,468,300	3,475,500	8,079,099	3,638,326

(a) Litigation settlement charge was incurred in connection with an agreement with Huntsman to settle certain claims related to Hexion s now terminated merger agreement with Huntsman. Insurance reimbursements were subsequently received from the company s professional liability insurance carriers in connection with this settlement, as further discussed in note (c) below.

(b) During April and May 2009, the company repurchased a combined total of $90.9 million of face value of debt for $54.7 million and recognized a net gain of $36.2 million which is included in other income (loss) in the unaudited condensed consolidated statements of operations for the three and nine months ended September 30, 2009 and the consolidated and combined statements of operations for the year ended December 31, 2009.

(c) During the three and nine months ended September 30, 2010, there were $40.0 million and $67.5 million, respectively, of insurance reimbursements received in connection with the litigation settlement described in note (a) above, which was included in other income. During the three and nine months ended September 30, 2009, there were $0 million and $30.0 million, respectively, of insurance reimbursements received. Furthermore, during the year ended December 31, 2009, there were $37.5 million of insurance reimbursements received.

(d) Reflects Non-Controlling Interests attributable to AAA, consolidated variable interest entities and the remaining interests held by certain former employees in the net income (loss) of our capital markets management companies.

(e) Reflects the Non-Controlling Interests in the net income (loss) of the Apollo Operating Group relating to the units held by our managing partners and contributing partners post-Reorganization. This amount is calculated by applying the following ownership percentages:

July 2007 through February 2009: 71.1%

February 2009 through March 2010: 71.5%

March 2010 to June 2010: 71.4%

July 2010 to September 2010: 71.0%

The above changes in ownership interest arose in connection with our share repurchase in February 2009 and the issuance of Class A shares in settlement of vested RSUs in March, July and September 2010.

(f) Significant impacts to the statement of operations for 2007 are due to (i) the Reorganization, (ii) the deconsolidation of certain funds and (iii) the Strategic Investors Transaction.

Some of the significant impacts of the above items are as follows:

Revenue from affiliates increased due to the deconsolidation of certain funds.

Compensation and benefits, including non-cash charges related to equity-based compensation increased due to amortization of Apollo Operating Group units, RDUs and RSUs.

Interest expense increased as a result of conversion of debt on which the Strategic Investors had a beneficial conversion feature. Additionally, interest expense increased related to the AMH credit facility obtained in April 2007.

Professional fees increased due to Apollo Global Management, LLC s formation and ongoing requirements.

Net gain from investment activities increased due to increased activity in our consolidated funds through the date of deconsolidation.

Non-Controlling Interests changed significantly due to the formation of Holdings and reflects net losses attributable to Holdings post-Reorganization.

(g) Economic Net Income, or ENI, is a key performance measure used by management in evaluating the performance of our segments, as the amount of management fees, advisory and transaction fees and carried interest income are indicative of the company s performance. ENI represents segment income (loss), which excludes the impact of non-cash charges related to equity-based compensation, income taxes and Non-Controlling Interests. In addition, segment data excludes the assets, liabilities and operating results of the Apollo funds and consolidated VIEs that are included in the condensed consolidated and consolidated and combined financial statements. In arriving at adjusted ENI, or Adjusted ENI, the company removes items from ENI that management believes are non-recurring. In addition, management also removes certain items which may recur in the future such as public offering costs, placement fees and litigation settlements and related insurance proceeds to arrive at Adjusted ENI because these items are not considered by management in evaluating the segment performance. The costs incurred to register the Class A shares in connection with this offering and the IPO are not expected to recur after the Class A shares are registered, placement fees are viewed by management as fund start-up costs and litigation settlements similar to the 2008 occurrence are not expected to occur going forward. However, these costs will recur until our shares are registered, and may recur if we raise additional funds or if we reach legal settlements on existing or future legal matters. ENI and Adjusted ENI are measures of profitability and have certain limitations in that they do not take into account certain items included under U.S. GAAP. We believe that ENI and Adjusted ENI are helpful to an understanding of our business and that investors should review the same supplemental financial measures that management use to analyze our segment performance. Refer to Management s Discussion and Analysis of Financial Condition and Results of Operations Managing Business Performance for a more comprehensive explanation as to how ENI and Adjusted ENI are used to manage and evaluate our business.

(h) Private equity dollars invested represents the aggregate amount of capital invested by our private equity funds during a reporting period.

(i) This per share income (loss) is for the period July 13 through December 31, 2007, from the date of reorganization to year end.
Below is a reconciliation of the Net Loss attributable to Apollo Global Management, LLC for the three and nine months ended September 30, 2010 and 2009 and the years ended December 31, 2009 through 2007 to ENI and ENI to Adjusted ENI for such periods:

	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,		
	2010	2009	2010	2009	2009	2008	2007
				(in thousands)			
Net Income (Loss) Attributable to Apollo Global Management, LLC:	$ 24,140	$ (46,671)	$ (111,666)	$ (160,225)	$ (155,176)	$ (912,258)	$ (569,651)
(i) Adjusted for the impact of non-cash charges related to equity-based compensation	281,914	275,122	835,520	824,630	1,100,106	1,125,184	989,849
(ii) Income tax provision (benefit)	30,856	18,017	47,638	25,133	28,714	(36,995)	6,726
(iii) Net (income) loss of Metals Trading Fund[1]	(193)	39	2,380	(689)			
(iv) Net income attributable to Non-Controlling Interests in consolidated entities[1]	3,433	2,397	13,200	3,918	7,818	14,918	4,471
(v) Net loss attributable to Non-Controlling Interests in Apollo Operating Group	(24,874)	(75,590)	(371,787)	(352,357)	(400,440)	(801,799)	(278,549)
Economic Net Income (Loss)	315,276	173,314	415,285	340,410	581,022	(610,950)	152,846
Adjustments:[2]							
Non-Recurring:							
Interest expenses beneficial conversion feature[3]							240,000
Transactional costs on the Strategic Investors note[4]							44,327
Interest expense on the Strategic Investors note[5]							6,067
Reorganization costs[6]							16,188
Other Adjustments:							
Litigation settlement[7]						200,000	
Insurance proceeds[8]	(40,000)		(67,500)	(30,000)	(37,500)		
Gain from debt repurchase[9]				(36,193)	(36,193)		
Public offering costs[10]	1,122	2,284	5,128	7,418	14,681	26,777	
Placement fees[11]	(793)	631	3,748	4,396	12,364	51,379	27,253
Real estate investment trust offering costs[12]		8,000		8,000	8,000		
Adjusted Economic Net Income (Loss)	275,605	184,229	356,661	294,031	542,374	(332,794)	486,681
Less: Incentive Business Adjusted Economic Net Income (Loss)	230,839	139,622	258,011	198,321	425,786	(503,494)	386,641
Management Business Adjusted Economic Net Income	$ 44,766	$ 44,607	$ 98,650	$ 95,710	$ 116,588	$ 170,700	$ 100,040

(1) Excludes Non-Controlling Interests attributable to AAA and consolidated variable interest entities as such amounts are not included within Net Loss attributable to Apollo Global Management, LLC. Economic Net Income (Loss) is presented on a segment basis and excludes our consolidated funds and variable interest entities. Additionally, the company excludes its income (loss) associated with funds for which it is the sole investor.
(2) All adjustments relate to the management business.
(3) Occurred as part of the conversion of debt issued to our Strategic Investors. This item is specific to our Reorganization.
(4) Represents the unamortized debt issuance costs that were associated with the convertible notes, which were written off on the conversion date and are included as a component of interest expense during 2007. This item is specific to our Reorganization.
(5) Represents the interest expense that was incurred on the convertible notes prior to their mandatory conversion, and are included as a component of interest expense during 2007. This item is specific to our Reorganization.
(6) Costs incurred in connection with the Private Offering Transactions.
(7) Occurred as a result of a litigation settlement related to Hexion s now-terminated merger agreement with Huntsman.
(8) Related to insurance proceeds received from the litigation settlement referenced in note (7).

(9) Resulted from the company s acquisition of a portion of the AMH credit facility. This repurchase may not recur in the future.

(10) Costs incurred to register the Class A shares in connection with this offering and the IPO, which the company will only incur until its shares are registered.

(11) Costs incurred in connection with raising a new fund. The costs are recorded as an expense in the period the commitment is received from third parties. Our private equity funds and certain of our capital markets funds have a fixed size and fundraising stops after the fund size has been reached. These costs may recur if we raise additional funds.

(12) Costs incurred in connection with the initial public offering of ARI s common stock, which were contractually incurred by the company for the benefit of ARI.

Note: As a result of the adoption of U.S. GAAP guidance applicable to Non-Controlling Interests, the presentation and disclosure of all periods presented were impacted as follows: (1) Non-Controlling Interests were reclassified as a separate component of shareholders equity on our condensed consolidated and consolidated and combined statements of financial condition, (2) net (loss) income was adjusted to include the net (loss) income attributed to the Non-Controlling Interests on our condensed consolidated and consolidated and combined statements of operations, (3) the primary components of Non-Controlling Interests are now separately presented in the company s condensed consolidated and consolidated and combined financial statements to clearly distinguish the interest in the Apollo Operating Group and the interest held by limited partners in AAA from the interests of the company, and (4) profits and losses are allocated to Non-Controlling Interests in proportion to their ownership interests regardless of their basis.

RISK FACTORS

Investing in our Class A shares involves a high degree of risk. You should carefully consider the following risk factors, as well as other information contained in this prospectus, before deciding to invest in our Class A shares. The occurrence of any of the following risks could materially and adversely affect our businesses, prospects, financial condition, results of operations and cash flow, in which case, the trading price of our Class A shares could decline and you could lose all or part of your investment.

Risks Related to Taxation

You may be subject to U.S. Federal income tax on your share of our taxable income, regardless of whether you receive any cash dividends from us.

Under current law, so long as we are not required to register as an investment company under the Investment Company Act and 90% of our gross income for each taxable year constitutes qualifying income within the meaning of the Internal Revenue Code on a continuing basis, we will be treated, for U.S. Federal income tax purposes, as a partnership and not as an association or a publicly traded partnership taxable as a corporation. You will be subject to U.S. Federal, state, local and possibly, in some cases, foreign income taxation on your allocable share of our items of income, gain, loss, deduction and credit for each of our taxable years ending with or within your taxable year, regardless of whether or not you receive cash distributions from us. Accordingly, you may be required to make tax payments in connection with your ownership of Class A shares that significantly exceed your cash distributions in any specific year.

If we are treated as a corporation for U.S. Federal income tax purposes, the value of the Class A shares would be adversely affected.

The value of your investment will depend in part on our company being treated as a partnership for U.S. Federal income tax purposes, which requires that 90% or more of our gross income for every taxable year consist of qualifying income, as defined in Section 7704 of the Internal Revenue Code, and that we are not required to register as an investment company under the Investment Company Act and related rules. Although we intend to manage our affairs so that our partnership will meet the 90% test described above in each taxable year, we may not meet these requirements or, as discussed below, current law may change so as to cause, in either event, our partnership to be treated as a corporation for U.S. Federal income tax purposes. If we were treated as a corporation for U.S. Federal income tax purposes, (i) we would become subject to corporate income tax and (ii) distributions to shareholders would be taxable as dividends for U.S. Federal income tax purposes to the extent of our earnings and profits. We have not requested, and do not plan to request, a ruling from the IRS on this or any other matter affecting us. O Melveny & Myers LLP has provided an opinion to us based on factual statements and representations made by us, including statements and representations as to the manner in which we intend to manage our affairs and the composition of our income, that we will be treated as a partnership and not as a corporation for U.S. Federal income tax purposes. However, opinions of counsel are not binding upon the IRS or any court, and the IRS may challenge this conclusion and a court may sustain such a challenge.

The U.S. Federal income tax law that determines the tax consequences of an investment in Class A shares is under review and is potentially subject to adverse legislative, judicial or administrative change, possibly on a retroactive basis, including possible changes that would result in the treatment of our long-term capital gains as ordinary income, that would cause us to become taxable as a corporation and/or have other adverse effects.

The U.S. Congress, the IRS and the U.S. Treasury Department are currently examining the U.S. Federal income tax treatment of private equity funds, hedge funds and other kinds of investment partnerships. The present U.S. Federal income tax treatment of a holder of Class A shares and/or our own taxation as described under Material Tax Considerations Material U.S. Federal Tax Considerations may be adversely affected by any new legislation, new regulations or revised interpretations of existing tax law that arise as a result of such examinations. Most notably, on May 28, 2010, the U.S. House of Representatives passed legislation that would, in general, treat income and gains, including gain on sale, attributable to an interest in an investment services partnership interest, or

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ISPI, as income subject to a new blended tax rate that is higher than under current law, except to the extent such ISPI is considered under the legislation to be a qualified capital interest. The interests of Class A shareholders and our interests in the Apollo Operating Group that are entitled to receive carried interest may be classified as ISPIs for purposes of this legislation. The U.S. Senate considered but did not pass legislation that is generally similar to the legislation passed by the U.S. House of Representatives. It is unclear when or whether the U.S. Senate will act on such legislation or what provisions will be included in any final legislation, if enacted.

The House bill provides that, for taxable years beginning ten years after the date of enactment, income derived with respect to an ISPI that is not a qualified capital interest and that is treated as ordinary income under the rules discussed above will not meet the qualifying income requirements under the publicly traded partnership rules. Therefore, if this or similar legislation is enacted, following such ten-year period, we would be precluded from qualifying as a partnership for U.S. federal income tax purposes or be required to hold all such ISPIs through corporations, possibly U.S. corporations. If we were taxed as a U.S. corporation or required to hold all ISPIs through corporations, our effective tax rate would increase significantly. The federal statutory rate for corporations is currently 35%. In addition, we could be subject to increased state and local taxes. Furthermore, holders of Class A shares could be subject to tax on our conversion into a corporation or any restructuring required in order for us to hold our ISPIs through a corporation.

Under the House bill, if you are an individual, 75% of the income and gains attributable to an interest in an ISPI would be taxed at ordinary income tax rates (50% during a two-year transition period). A version considered in the Senate would eliminate the transition period but would reduce the portion of income and gains attributable to an ISPI that are taxed at ordinary income tax rates to 50% for income and gains attributable to assets held by the partnership for more than five years. The deductibility of any losses attributable to any ISPI that is not a qualified capital interest would be subject to limitations. In addition, any dividends that are attributable to an ISPI directly or indirectly held by us would not be considered qualified dividends and, therefore, would not be entitled to reduced rates of taxation currently available for qualified dividends through 2012. Holders of Class A shares may also be subject to additional state and local tax as a result of the legislation. While the legislation does not specifically address whether income or gains that are attributable to an interest in an ISPI are treated as taxable income which is effectively connected with the conduct of a U.S. trade or business, or ECI, or as unrelated business taxable income, or UBTI, the technical explanation accompanying the legislation indicates that, under regulations to be promulgated following enactment, such income or gains should only be treated as ECI or UBTI to the extent it would be treated as such under current law. Apollo s principals and other professionals may face additional adverse tax consequences under the legislation, which may thereby adversely affect Apollo s ability to offer attractive incentive opportunities for key personnel.

Additionally, President Obama endorsed legislation to tax carried interest as ordinary income in the 2010 and 2011 budget blueprint. Legislation similar to the American Jobs and Closing Tax Loopholes Act of 2010, as well as legislation that would tax, as corporations, publicly traded partnerships that directly or indirectly derive income from investment adviser or asset management services was introduced in prior sessions of Congress. None of these legislative proposals affecting the tax treatment of our carried interests, or of our ability to qualify as a partnership for U.S. Federal income tax purposes, have yet been enacted. Furthermore, it is possible that the U.S. Federal income tax law could be changed in ways that would adversely affect the anticipated tax consequences for us and/or the holders of Class A shares as described herein. For example, there could be changes that could adversely affect the taxation of tax-exempt and/or non-U.S. holders of Class A shares, by treating carried interest income as fees for services (which generally would be taxable to tax-exempt investors and non-U.S. holders).

Other jurisdictions have also introduced legislation to increase taxes with respect to carried interest. For instance, on June 29, 2010, the New York State Legislature introduced legislation to expand New York s non- resident personal income to include carried interest. If passed, this legislation would be retroactive to January 1, 2010. It is unclear whether this legislation or other legislation will be enacted. Finally, because of widespread state budget deficits, several states are evaluating ways to subject partnerships to entity level taxation through the imposition of state income, franchise or other forms of taxation. If any state were to impose a tax upon us as an entity, our distribution to you would be reduced.

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It is unclear whether any additional legislation will be proposed or enacted or, if enacted, whether and how the legislation would apply to us and/or the holders of Class A shares, and it is unclear whether any other such tax law changes will occur or, if they do, how they might affect us and/or the holders of Class A shares. **In view of the potential significance of any such U.S. Federal income tax law changes and the fact that there are likely to be ongoing developments in this area, each prospective holder of Class A shares should consult its own tax advisor to determine the U.S. Federal income tax consequences to it of acquiring and holding Class A shares in light of such potential U.S. Federal income tax law changes.**

Our structure involves complex provisions of U.S. Federal income tax law for which no clear precedent or authority may be available. Our structure is also subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis.

The U.S. Federal income tax treatment of holders of Class A shares depends in some instances on determinations of fact and interpretations of complex provisions of U.S. Federal income tax law for which no clear precedent or authority may be available. You should be aware that the U.S. Federal income tax rules are constantly under review by persons involved in the legislative process, the IRS and the U.S. Treasury Department, frequently resulting in revised interpretations of established concepts, statutory changes, revisions to regulations and other modifications and interpretations. The IRS pays close attention to the proper application of tax laws to partnerships and entities taxed as partnerships. The present U.S. Federal income tax treatment of an investment in our Class A shares may be modified by administrative, legislative or judicial interpretation at any time, and any such action may affect investments and commitments previously made. See Material Tax Considerations Material U.S. Federal Tax Considerations Administrative Matters Possible New Legislation or Administrative or Judicial Action.

Our operating agreement permits our manager to modify our operating agreement from time to time, without the consent of the holders of Class A shares, to address certain changes in U.S. Federal income tax regulations, legislation or interpretation. In some circumstances, such revisions could have a material adverse impact on some or all holders of Class A shares. For instance, our manager could elect at some point to treat us as an association taxable as a corporation for U.S. federal (and applicable state) income tax purposes. If our manager were to do this, the U.S. federal income tax consequences of owning our common units would be materially different. Moreover, we will apply certain assumptions and conventions in an attempt to comply with applicable rules and to report income, gain, deduction, loss and credit to holders of Class A shares in a manner that reflects such beneficial ownership of items by holders of Class A shares, taking into account variation in ownership interests during each taxable year because of trading activity. However, those assumptions and conventions may not be in compliance with all aspects of applicable tax requirements. It is possible that the IRS will assert successfully that the conventions and assumptions used by us do not satisfy the technical requirements of the Internal Revenue Code and/or Treasury regulations and could require that items of income, gain, deductions, loss or credit, including interest deductions, be adjusted, reallocated or disallowed in a manner that adversely affects holders of Class A shares.

The interest in certain of our businesses will be held through entities that will be treated as corporations for U.S. Federal income tax purposes; such corporations may be liable for significant taxes and may create other adverse tax consequences, which could potentially, adversely affect the value of your investment.

In light of the publicly traded partnership rules under U.S. Federal income tax law and other requirements, the partnership will hold its interest in certain of our businesses through entities that will be treated as corporations for U.S. Federal income tax purposes. Each such corporation could be liable for significant U.S. Federal income taxes and applicable state, local and other taxes that would not otherwise be incurred, which could adversely affect the value of your investment. Furthermore, it is possible that the IRS could challenge the manner in which such corporation s taxable income is computed by us.

We may hold or acquire certain investments through an entity classified as a PFIC or CFC for U.S. Federal income tax purposes.

Certain of our investments may be in foreign corporations or may be acquired through a foreign subsidiary that would be classified as a corporation for U.S. Federal income tax purposes. Such an entity may be a passive foreign investment company, or a PFIC, or a controlled foreign corporation, or a CFC, for U.S. Federal income tax purposes. For example, APO (FC), LLC is considered to be a CFC for U.S. Federal income tax purposes. Class A shareholders indirectly owning an interest in a PFIC or a CFC may experience adverse U.S. tax consequences including the recognition of taxable income prior to the receipt of cash relating to such income. In addition, gain on the sale of a PFIC or CFC may be taxable at ordinary income tax rates. See Material Tax Considerations Material U.S. Federal Tax Considerations Taxation of Holders of Class A Shares Passive Foreign Investment Companies and Controlled Foreign Corporations.

Complying with certain tax-related requirements may cause us to forego otherwise attractive business or investment opportunities or enter into acquisitions, borrowings, financings or arrangements we may not have otherwise entered into.

In order for us to be treated as a partnership for U.S. Federal income tax purposes, and not as an association or publicly traded partnership taxable as a corporation, we must meet the qualifying income exception discussed above on a continuing basis and we must not be required to register as an investment company under the Investment Company Act. In order to effect such treatment we (or our subsidiaries) may be required to invest through foreign or domestic corporations, forego attractive business or investment opportunities or enter into borrowings or financings we may not have otherwise entered into. This may cause us to incur additional tax liability and/or adversely affect our ability to operate solely to maximize our cash flow. Our structure also may impede our ability to engage in certain corporate acquisitive transactions because we generally intend to hold all of our assets through the Apollo Operating Group. In addition, we may be unable to participate in certain corporate reorganization transactions that would be tax free to our holders if we were a corporation. To the extent we hold assets other than through the Apollo Operating Group, we will make appropriate adjustments to the Apollo Operating Group agreements so that distributions to Holdings and us would be the same as if such assets were held at that level. Moreover, we are precluded by a contract with one of the Strategic Investors from acquiring assets in a manner that would cause that Strategic Investor to be engaged in a commercial activity within the meaning of Section 892 of the Internal Revenue Code.

Tax gain or loss on disposition of our Class A shares could be more or less than expected.

If you sell your Class A shares, you will recognize a gain or loss equal to the difference between the amount realized and your adjusted tax basis allocated to those Class A shares. Prior distributions to you in excess of the total net taxable income allocated to you will have decreased the tax basis in your Class A shares. Therefore, such excess distributions will increase your taxable gain, or decrease your taxable loss, when the Class A shares are sold and may result in a taxable gain even if the sale price is less than the original cost. A portion of the amount realized, whether or not representing gain, may be ordinary income to you.

We cannot match transferors and transferees of Class A shares, and we will therefore adopt certain income tax accounting conventions that may not conform with all aspects of applicable tax requirements. The IRS may challenge this treatment, which could adversely affect the value of our Class A shares.

Because we cannot match transferors and transferees of Class A shares, we will adopt depreciation, amortization and other tax accounting positions that may not conform with all aspects of existing Treasury regulations. A successful IRS challenge to those positions could adversely affect the amount of tax benefits available to holders of Class A shares. It also could affect the timing of these tax benefits or the amount of gain on the sale of Class A shares and could have a negative impact on the value of Class A shares or result in audits of and adjustments to the tax returns of holders of Class A shares.

Non-U.S. persons face unique U.S. tax issues from owning our shares that may result in adverse tax consequences to them.

We believe that we will not be treated as engaged in a trade or business for U.S. Federal income tax purposes and, therefore, non-U.S. holders of Class A shares will generally not be subject to U.S. Federal income tax on interest, dividends and gains derived from non-U.S. sources. It is possible, however, that the IRS could disagree or that the tax laws and regulations could change and we could be deemed to be engaged in a U.S. trade or business, which would have a material adverse effect on non-U.S. holders. If we have income that is treated as effectively connected to a U.S. trade or business, non-U.S. holders would be required to file a U.S. Federal income tax return to report that income and would be subject to U.S. Federal income tax at the regular graduated rates. Holders likely will be required to file state and local income tax returns and pay state and local income taxes in some or all jurisdictions where we operate. It is the responsibility of each holder to file all U.S. Federal, state and local tax returns that may be required of such holder. Our counsel has not rendered an opinion on the state or local tax consequences of an investment in Class A shares.

An investment in Class A shares will give rise to UBTI to certain tax-exempt holders.

We will not make investments through taxable U.S. corporations solely for the purpose of limiting UBTI from debt-financed property and, thus, an investment in Class A shares will give rise to UBTI to tax-exempt holders of Class A shares. APO Asset Co., LLC may borrow funds from APO Corp. or third parties from time to time to make investments. These investments will give rise to UBTI from debt-financed property. Moreover, if the IRS successfully asserts that we are engaged in a trade or business, then additional amounts of income could be treated as UBTI.

We do not intend to make, or cause to be made, an election under Section 754 of the Internal Revenue Code to adjust our asset basis or the asset basis of certain of the Group Partnerships. Thus, a holder of Class A shares could be allocated more taxable income in respect of those Class A shares prior to disposition than if such an election were made.

We did not make and currently do not intend to make, or cause to be made, an election to adjust asset basis under Section 754 of the Internal Revenue Code with respect to us, Apollo Principal Holdings I, L.P., Apollo Principal Holdings II, L.P. Apollo Principal Holdings III, L.P., Apollo Principal Holdings IV, L.P., Apollo Principal Holdings V, L.P., Apollo Principal Holdings VI, L.P., Apollo Principal Holdings VII, L.P., Apollo Principal Holdings VIII, L.P. and Apollo Principal Holdings IX, L.P. If no such election is made, there will generally be no adjustment for a transferee of Class A shares even if the purchase price of those Class A shares is higher than the Class A shares share of the aggregate tax basis of our assets immediately prior to the transfer. In that case, on a sale of an asset, gain allocable to a transferee could include built-in gain allocable to the transferor at the time of the transfer, which built-in gain would otherwise generally be eliminated if a Section 754 election had been made. See Material Tax Considerations Material U.S. Federal Tax Considerations Administrative Matters Tax Elections.

Risks Related to Our Organization and Structure

Members of the U.S. Congress have introduced and the House of Representatives has passed legislation that would, if enacted, preclude us from qualifying for treatment as a partnership for U.S. Federal income tax purposes under the publicly traded partnership rules. If this or any similar legislation or regulation were to be enacted and apply to us, we would incur a substantial increase in our tax liability and it could well result in a reduction in the value of our Class A shares.

On May 28, 2010, the House of Representatives passed H.R. 4213, the American Jobs and Closing Tax Loopholes Act of 2010. If enacted, this bill would cause portions of income associated with carried interest to be taxed as ordinary income and not treated as qualifying income for purposes of the publicly traded partnership tests. This would have the effect of treating publicly traded partnerships that derive substantial amounts of

income from carried interests as corporations for U.S. Federal income tax purposes. Such legislation does provide a transition rule that could defer corporate treatment for 10 years. See Risks Related to Taxation The U.S. Federal income tax law that determines the tax consequences of an investment in Class A shares is under review and is potentially subject to adverse legislative, judicial or administrative change, possibly on a retroactive basis, including possible changes that would result in the treatment of our long-term capital gains as ordinary income, that would cause us to become taxable as a corporation and/or have other adverse effects.

Our shareholders do not elect our manager or vote and have limited ability to influence decisions regarding our businesses.

So long as the Apollo control condition is satisfied, our manager, AGM Management, LLC, which is owned by our managing partners, will manage all of our operations and activities. AGM Management, LLC is managed by BRH, a Cayman entity owned by our managing partners and managed by an executive committee composed of our managing partners. Our shareholders do not elect our manager, its manager or its manager s executive committee and, unlike the holders of common stock in a corporation, have only limited voting rights on matters affecting our businesses and therefore limited ability to influence decisions regarding our businesses. Furthermore, if our shareholders are dissatisfied with the performance of our manager, they will have little ability to remove our manager. As discussed below, the managing partners collectively have 87.1% of the voting power of Apollo Global Management, LLC. Therefore, they will have the ability to control any shareholder vote that occurs, including any vote regarding the removal of our manager.

Control by our managing partners of the combined voting power of our shares and holding their economic interests through the Apollo Operating Group may give rise to conflicts of interests.

Our managing partners, through their partnership interests in Holdings, control 87.1% of the combined voting power of our shares entitled to vote. Accordingly, our managing partners have the ability to control our management and affairs to the extent not controlled by our manager. In addition, they are able to determine the outcome of all matters requiring shareholder approval (such as a proposed sale of all or substantially of our assets, the approval of a merger or consolidation involving the company, and an election by our manager to dissolve the company) and are able to cause or prevent a change of control of our company and could preclude any unsolicited acquisition of our company. The control of voting power by our managing partners could deprive Class A shareholders of an opportunity to receive a premium for their Class A shares as part of a sale of our company, and might ultimately affect the market price of the Class A shares.

In addition, our managing partners and contributing partners, through their partnership interests in Holdings, are entitled to 71.0% of Apollo Operating Group s economic returns through the Apollo Operating Group units owned by Holdings as of September 30, 2010. Because they hold their economic interest in our businesses directly through the Apollo Operating Group, rather than through the issuer of the Class A shares, our managing partners and contributing partners may have conflicting interests with holders of Class A shares. For example, our managing partners and contributing partners may have different tax positions from us, which could influence their decisions regarding whether and when to dispose of assets, and whether and when to incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreement. In addition, the structuring of future transactions may take into consideration the managing partners and contributing partners tax considerations even where no similar benefit would accrue to us.

We expect to qualify for and intend to rely on exceptions from certain corporate governance and other requirements under the rules of the NYSE.

We expect to qualify for exceptions from certain corporate governance and other requirements of the rules of the NYSE. Pursuant to these exceptions, we will elect not to comply with certain corporate governance requirements of the NYSE, including the requirements (i) that a majority of our board of directors consist of

independent directors, (ii) that we have a nominating/corporate governance committee that is composed entirely of independent directors and (iii) that we have a compensation committee that is composed entirely of independent directors. In addition, we will not be required to hold annual meetings of our shareholders. Accordingly, you will not have the same protections afforded to equityholders of entities that are subject to all of the corporate governance requirements of the NYSE.

Potential conflicts of interest may arise among our manager, on the one hand, and us and our shareholders on the other hand. Our manager and its affiliates have limited fiduciary duties to us and our shareholders, which may permit them to favor their own interests to the detriment of us and our shareholders.

Conflicts of interest may arise among our manager, on the one hand, and us and our shareholders, on the other hand. As a result of these conflicts, our manager may favor its own interests and the interests of its affiliates over the interests of us and our shareholders. These conflicts include, among others, the conflicts described below.

Our manager determines the amount and timing of our investments and dispositions, indebtedness, issuances of additional stock and amounts of reserves, each of which can affect the amount of cash that is available for distribution to you.

Our manager is allowed to take into account the interests of parties other than us in resolving conflicts of interest, which has the effect of limiting its duties (including fiduciary duties) to our shareholders; for example, our affiliates that serve as general partners of our funds have fiduciary and contractual obligations to our fund investors, and such obligations may cause such affiliates to regularly take actions that might adversely affect our near-term results of operations or cash flow; our manager has no obligation to intervene in, or to notify our shareholders of, such actions by such affiliates.

Because our managing partners and contributing partners hold their Apollo Operating Group units through entities that are not subject to corporate income taxation and Apollo Global Management, LLC holds the Apollo Operating Group units in part through a wholly-owned subsidiary that is subject to corporate income taxation, conflicts may arise between our managing partners and contributing partners, on the one hand, and Apollo Global Management, LLC, on the other hand, relating to the selection and structuring of investments.

Other than as set forth in the non-competition, non-solicitation and confidentiality agreements to which our managing partners and other professionals are subject, which may not be enforceable, affiliates of our manager and existing and former personnel employed by our manager are not prohibited from engaging in other businesses or activities, including those that might be in direct competition with us.

Our manager has limited its liability and reduced or eliminated its duties (including fiduciary duties) under our operating agreement, while also restricting the remedies available to our shareholders for actions that, without these limitations, might constitute breaches of duty (including fiduciary duty). In addition, we have agreed to indemnify our manager and its affiliates to the fullest extent permitted by law, except with respect to conduct involving bad faith, fraud or willful misconduct. By purchasing our Class A shares, you will have agreed and consented to the provisions set forth in our operating agreement, including the provisions regarding conflicts of interest situations that, in the absence of such provisions, might constitute a breach of fiduciary or other duties under applicable state law.

Our operating agreement does not restrict our manager from causing us to pay it or its affiliates for any services rendered, or from entering into additional contractual arrangements with any of these entities on our behalf, so long as the terms of any such additional contractual arrangements are fair and reasonable to us as determined under the operating agreement.

Our manager determines how much debt we incur and that decision may adversely affect our credit ratings.

Our manager determines which costs incurred by it and its affiliates are reimbursable by us.

Our manager controls the enforcement of obligations owed to us by it and its affiliates.

Our manager decides whether to retain separate counsel, accountants or others to perform services for us.

See Certain Relationships and Related Party Transactions and Conflicts of Interest and Fiduciary Responsibilities for a more detailed discussion of these conflicts.

Our operating agreement contains provisions that reduce or eliminate duties (including fiduciary duties) of our manager and limit remedies available to shareholders for actions that might otherwise constitute a breach of duty. It will be difficult for a shareholder to challenge a resolution of a conflict of interest by our manager or by its conflicts committee.

Our operating agreement contains provisions that waive or consent to conduct by our manager and its affiliates that might otherwise raise issues about compliance with fiduciary duties or applicable law. For example, our operating agreement provides that when our manager is acting in its individual capacity, as opposed to in its capacity as our manager, it may act without any fiduciary obligations to us or our shareholders whatsoever. When our manager, in its capacity as our manager, is permitted to or required to make a decision in its sole discretion or discretion or that it deems necessary or appropriate or necessary or advisable, then our manager will be entitled to consider only such interests and factors as it desires, including its own interests, and will have no duty or obligation (fiduciary or otherwise) to give any consideration to any interest of or factors affecting us or any of our shareholders and will not be subject to any different standards imposed by our operating agreement, the Delaware Limited Liability Company Act or under any other law, rule or regulation or in equity.

Whenever a potential conflict of interest exists between us and our manager, our manager may resolve such conflict of interest. If our manager determines that its resolution of the conflict of interest is on terms no less favorable to us than those generally being provided to or available from unrelated third parties or is fair and reasonable to us, taking into account the totality of the relationships between us and our manager, then it will be presumed that in making this determination, our manager acted in good faith. A shareholder seeking to challenge this resolution of the conflict of interest would bear the burden of overcoming such presumption. This is different from the situation with Delaware corporations, where a conflict resolution by an interested party would be presumed to be unfair and the interested party would have the burden of demonstrating that the resolution was fair.

The above modifications of fiduciary duties are expressly permitted by Delaware law. Hence, we and our shareholders will only have recourse and be able to seek remedies against our manager if our manager breaches its obligations pursuant to our operating agreement. Unless our manager breaches its obligations pursuant to our operating agreement, we and our unitholders will not have any recourse against our manager even if our manager were to act in a manner that was inconsistent with traditional fiduciary duties. Furthermore, even if there has been a breach of the obligations set forth in our operating agreement, our operating agreement provides that our manager and its officers and directors will not be liable to us or our shareholders for errors of judgment or for any acts or omissions unless there has been a final and non-appealable judgment by a court of competent jurisdiction determining that the manager or its officers and directors acted in bad faith or engaged in fraud or willful misconduct. These provisions are detrimental to the shareholders because they restrict the remedies available to them for actions that without those limitations might constitute breaches of duty, including fiduciary duties.

Also, if our manager obtains the approval of its conflicts committee, the resolution will be conclusively deemed to be fair and reasonable to us and not a breach by our manager of any duties it may owe to us or our shareholders. This is different from the situation with Delaware corporations, where a conflict resolution by a committee consisting solely of independent directors may, in certain circumstances, merely shift the burden of demonstrating unfairness to the plaintiff. If you purchase a Class A share, you will be treated as having consented to the provisions set forth in the operating agreement, including provisions regarding conflicts of interest situations that, in the absence of such provisions, might be considered a breach of fiduciary or other duties under applicable state law. As a result, shareholders will, as a practical matter, not be able to successfully challenge an informed decision by the conflicts committee. See Conflicts of Interest and Fiduciary Responsibilities.

The control of our manager may be transferred to a third party without shareholder consent.

Our manager may transfer its manager interest to a third party in a merger or consolidation or in a transfer of all or substantially all of its assets without the consent of our shareholders. Furthermore, at any time, the partners of our manager may sell or transfer all or part of their partnership interests in our manager without the approval of the shareholders, subject to certain restrictions as described elsewhere in this prospectus. A new manager may not be willing or able to form new funds and could form funds that have investment objectives and governing terms that differ materially from those of our current funds. A new owner could also have a different investment philosophy, employ investment professionals who are less experienced, be unsuccessful in identifying investment opportunities or have a track record that is not as successful as Apollo s track record. If any of the foregoing were to occur, we could experience difficulty in making new investments, and the value of our existing investments, our businesses, our results of operations and our financial condition could materially suffer.

Our ability to pay regular dividends may be limited by our holding company structure. We are dependent on distributions from the Apollo Operating Group to pay dividends, taxes and other expenses.

As a holding company, our ability to pay dividends will be subject to the ability of our subsidiaries to provide cash to us. We intend to distribute quarterly dividends to our Class A shareholders. Accordingly, we expect to cause the Apollo Operating Group to make distributions to its unitholders (in other words, Holdings, which is 100% owned, directly and indirectly, by our managing partners and our contributing partners, and the three intermediate holding companies, which are 100% owned by us), pro rata in an amount sufficient to enable us to pay such dividends to our Class A shareholders; however, such distributions may not be made. In addition, our manager can reduce or eliminate our dividend at any time, in its discretion. The Apollo Operating Group intends to make periodic distributions to its unitholders in amounts sufficient to cover hypothetical income tax obligations attributable to allocations of taxable income resulting from their ownership interest in the various limited partnerships making up the Apollo Operating Group, subject to compliance with any financial covenants or other obligations. Tax distributions will be calculated assuming each shareholder was subject to the maximum (corporate or individual, whichever is higher) combined U.S. Federal, New York State and New York City tax rates, without regard to whether any shareholder was subject to income tax liability at those rates. If the Apollo Operating Group has insufficient funds, we may have to borrow additional funds or sell assets, which could materially adversely affect our liquidity and financial condition. Furthermore, by paying that cash distribution rather than investing that cash in our business, we might risk slowing the pace of our growth or not having a sufficient amount of cash to fund our operations, new investments or unanticipated capital expenditures, should the need arise. Because tax distributions to unitholders are made without regard to their particular tax situation, tax distributions to all unitholders, including our intermediate holding companies, were increased to reflect the disproportionate income allocation to our managing partners and contributing partners with respect to built-in gain assets at the time of the Private Offering Transactions.

There may be circumstances under which we are restricted from paying dividends under applicable law or regulation (for example, due to Delaware limited partnership or limited liability company act limitations on making distributions if liabilities of the entity after the distribution would exceed the value of the entity s assets). In addition, under the AMH credit facility, Apollo Management Holdings is restricted in its ability to make cash distributions to us and may be forced to use cash to collateralize the AMH credit facility, which would reduce the cash it has available to make distributions.

Tax consequences to our managing partners and contributing partners may give rise to conflicts of interests.

As a result of unrealized built-in gain attributable to the value of our assets held by the Apollo Operating Group entities at the time of the Private Offering Transactions, upon the sale, refinancing or disposition of the assets owned by the Apollo Operating Group entities, our managing partners and contributing partners will incur different and significantly greater tax liabilities as a result of the disproportionately greater allocations of items of taxable income and gain to the managing partners and contributing partners upon a realization event. As the managing partners and contributing partners will not receive a corresponding greater distribution of cash

proceeds, they may, subject to applicable fiduciary or contractual duties, have different objectives regarding the appropriate pricing, timing and other material terms of any sale, refinancing, or disposition, or whether to sell such assets at all. Decisions made with respect to an acceleration or deferral of income or the sale or disposition of assets with unrealized built-in gains may also influence the timing and amount of payments that are received by an exchanging or selling founder or partner under the tax receivable agreement. All other factors being equal, earlier disposition of assets with unrealized built-in gains following such exchange will tend to accelerate such payments and increase the present value of the tax receivable agreement, and disposition of assets with unrealized built-in gains before an exchange will increase a managing partner s or contributing partner s tax liability without giving rise to any rights to receive payments under the tax receivable agreement. Decisions made regarding a change of control also could have a material influence on the timing and amount of payments received by our managing partners and contributing partners pursuant to the tax receivable agreement.

We will be required to pay Holdings for most of the actual tax benefits we realize as a result of the tax basis step-up we receive in connection with taxable exchanges by our units held in the Apollo Operating Group entities or our acquisitions of units from our managing partners and contributing partners.

On a quarterly basis, each managing partner and contributing partner will have the right to exchange the Apollo Operating Group units that he holds through his partnership interest in Holdings for our Class A shares in a partially taxable transaction. These exchanges, as well as our acquisitions of units from our managing partners or contributing partners, may result in increases in the tax basis of the intangible assets of the Apollo Operating Group that otherwise would not have been available. Any such increases may reduce the amount of tax that APO Corp. would otherwise be required to pay in the future. The IRS may challenge all or part of these increased deductions and tax basis increases and a court could sustain such a challenge.

We have entered into a tax receivable agreement with Holdings that provides for the payment by APO Corp. to our managing partners and contributing partners of 85% of the amount of actual tax savings, if any, that APO Corp. realizes (or is deemed to realize in the case of an early termination payment by APO Corp. or a change of control, as discussed below) as a result of these increases in tax deductions and tax basis of the Apollo Operating Group. APO Corp. made payments of $3.7 million and $9.1 million in 2008 and 2009, respectively, pursuant to the tax receivable agreement. The Apollo Operating Group made total distributions of $27.0 million and $18.1 million in 2009 and 2008 to APO Corp. and Holdings, respectively, in accordance with their pro rata interests, to satisfy the liability under the tax receivable agreement. $17.9 million and $14.4 million of such distributions were distributed to the managing partners and contributing partners in 2009 and 2008, respectively. In April 2010, the company made a cash payment to the managing partners and contributing partners amounting to $15.0 million resulting from a realized tax benefit for the 2009 tax year. Future payments that APO Corp. may make to our managing partners and contributing partners could be material in amount. In the event that other of our current or future subsidiaries become taxable as corporations and acquire Apollo Operating Group units in the future, or if we become taxable as a corporation for U.S. Federal income tax purposes, we expect, and have agreed that, each will become subject to a tax receivable agreement with substantially similar terms.

The IRS could challenge our claim to any increase in the tax basis of the assets owned by the Apollo Operating Group that results from the exchanges entered into by the managing partners or contributing partners. The IRS could also challenge any additional tax depreciation and amortization deductions or other tax benefits (including deductions for imputed interest expense associated with payments made under the tax receivable agreement) we claim as a result of, or in connection with, such increases in the tax basis of such assets. If the IRS were to successfully challenge a tax basis increase or tax benefits we previously claimed from a tax basis increase, Holdings would not be obligated under the tax receivable agreement to reimburse APO Corp. for any payments previously made to them (although any future payments would be adjusted to reflect the result of such challenge). As a result, in certain circumstances, payments could be made to our managing partners and contributing partners under the tax receivable agreement in excess of 85% of the actual aggregate cash tax savings of APO Corp. APO Corp. s ability to achieve benefits from any tax basis increase and the payments to be made under this agreement will depend upon a number of factors, including the timing and amount of its future income.

In addition, the tax receivable agreement provides that, upon a merger, asset sale or other form of business combination or certain other changes of control, APO Corp. s (or its successor s) obligations with respect to exchanged or acquired units (whether exchanged or acquired before or after such change of control) would be based on certain assumptions, including that APO Corp. would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreement. See Certain Relationships and Related Party Transactions Tax Receivable Agreement.

If we were deemed an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as contemplated and could have a material adverse effect on our businesses and the price of our Class A shares.

We do not believe that we are an investment company under the Investment Company Act because the nature of our assets and the income derived from those assets allow us to rely on the exception provided by Rule 3a-1 issued under the Investment Company Act. In addition, we believe we are not an investment company under Section 3(b)(1) of the Investment Company Act because we are primarily engaged in non-investment company businesses. We intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, we would be taxed as a corporation and other restrictions imposed by the Investment Company Act, including limitations on our capital structure and our ability to transact with affiliates that apply to us, could make it impractical for us to continue our businesses as contemplated and would have a material adverse effect on our businesses and the price of our Class A shares.

Risks Related to Our Businesses

Poor performance of our funds would cause a decline in our revenue and results of operations, may obligate us to repay incentive income previously paid to us and would adversely affect our ability to raise capital for future funds.

We derive revenues in part from:

- management fees, which are based generally on the amount of capital invested in our funds;
- transaction and advisory fees relating to the investments our funds make;
- incentive income, based on the performance of our funds; and
- investment income from our investments as general partner.

If a fund performs poorly, we will receive little or no incentive income with regard to the fund and little income or possibly losses from any principal investment in the fund. Furthermore, if, as a result of poor performance of later investments in a private equity fund s or a certain capital markets fund s life, the fund does not achieve total investment returns that exceed a specified investment return threshold for the life of the fund, we will be obligated to repay the amount by which incentive income that was previously distributed to us exceeds amounts to which we are ultimately entitled. Our fund investors and potential fund investors continually assess our funds performance and our ability to raise capital. Accordingly, poor fund performance may deter future investment in our funds and thereby decrease the capital invested in our funds and ultimately, our management fee income.

We depend on Leon Black, Joshua Harris and Marc Rowan, and the loss of any of their services would have a material adverse effect on us.

The success of our businesses depends on the efforts, judgment and personal reputations of our managing partners, Leon Black, Joshua Harris and Marc Rowan. Their reputations, expertise in investing, relationships with our fund investors and relationships with members of the business community on whom our funds depend for investment opportunities and financing are each critical elements in operating and expanding our businesses. We believe our performance is strongly correlated to the performance of these individuals. Accordingly, our retention of

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our managing partners is crucial to our success. Retaining our managing partners could require us to incur significant compensation expense after the expiration of their current employment agreements in 2012. Our managing partners may resign, join our competitors or form a competing firm at any time. If any of our managing partners were to join or form a competitor, some of our investors could choose to invest with that competitor rather than in our funds. The loss of the services of any of our managing partners would have a material adverse effect on us, including our ability to retain and attract investors and raise new funds, and the performance of our funds. We do not carry any key man insurance that would provide us with proceeds in the event of the death or disability of any of our managing partners. In addition, the loss of one or more of our managing partners may result in the termination of our role as general partner of one or more of our funds and the acceleration of our debt.

Although in connection with the Strategic Investors Transaction, our managing partners entered into employment, non-competition and non-solicitation agreements, which impose certain restrictions on competition and solicitation of our employees by our managing partners if they terminate their employment, a court may not enforce these provisions. See Management Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Table Employment, Non-Competition and Non-Solicitation Agreement with Chief Executive Officer for a more detailed description of the terms of the agreement for one of our managing partners. In addition, although the Agreement Among Managing Partners imposes vesting and forfeiture requirements on the managing partners in the event any of them terminates their employment, we, our shareholders (other than the Strategic Investors, as described under Certain Relationships and Related Party Transactions Lenders Rights Agreement Amendments to Managing Partner Transfer Restrictions) and the Apollo Operating Group have no ability to enforce any provision of this agreement or to prevent the managing partners from amending the agreement or waiving any of its provisions, including the forfeiture provisions. See Certain Relationships and Related Party Transactions Agreement Among Managing Partners for a more detailed description of the terms of this agreement.

Changes in the debt financing markets have negatively impacted the ability of our funds and their portfolio companies to obtain attractive financing for their investments and have increased the cost of such financing if it is obtained, which could lead to lower-yielding investments and potentially decreasing our net income.

Since the latter half of 2007, the markets for debt financing have contracted significantly, particularly in the area of acquisition financings for private equity and leveraged buyout transactions. Large commercial and investment banks, which have traditionally provided such financing, have demanded higher rates, higher equity requirements as part of private equity investments, more restrictive covenants and generally more onerous terms in order to provide such financing, and in some cases are refusing to provide financing for acquisitions, the type of which would have been readily financed in earlier years.

In the event that our funds are unable to obtain committed debt financing for potential acquisitions or can only obtain debt at an increased interest rate or on unfavorable terms, our funds may have difficulty completing otherwise profitable acquisitions or may generate profits that are lower than would otherwise be the case, either of which could lead to a decrease in the investment income earned by us. Any failure by lenders to provide previously committed financing can also expose us to potential claims by sellers of businesses which we may have contracted to purchase. Similarly, the portfolio companies owned by our private equity funds regularly utilize the corporate debt markets in order to obtain financing for their operations. To the extent that the current credit markets have rendered such financing difficult to obtain or more expensive, this may negatively impact the operating performance of those portfolio companies and, therefore, the investment returns on our funds. In addition, to the extent that the current markets make it difficult or impossible to refinance debt that is maturing in the near term, the relevant portfolio company may face substantial doubt as to its status as a going concern (which may result in an event of default under various agreements) or be unable to repay such debt at maturity and may be forced to sell assets, undergo a recapitalization or seek bankruptcy protection.

Difficult market conditions may adversely affect our businesses in many ways, including by reducing the value or hampering the performance of the investments made by our funds or reducing the ability of our funds to raise or deploy capital, each of which could materially reduce our revenue, net income and cash flow and adversely affect our financial prospects and condition.

Our businesses are materially affected by conditions in the global financial markets and economic conditions throughout the world, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), trade barriers, commodity prices, currency exchange rates and controls and national and international political circumstances (including wars, terrorist acts or security operations). These factors are outside our control and may affect the level and volatility of securities prices and the liquidity and the value of investments, and we may not be able to or may choose not to manage our exposure to these conditions. The market conditions surrounding each of our businesses, and in particular our private equity business, had been quite favorable for a number of years through early 2008. A significant portion of the investments of our private equity funds were made during this period. Market conditions, however, significantly deteriorated in 2008 and 2009 and generally remain at depressed levels. Global financial markets have experienced considerable volatility in the valuations of equity and debt securities, a contraction in the availability of credit and the failure of a number of leading financial institutions. Many economies around the world, including the U.S. economy, have experienced and continue to experience significant declines in employment, household wealth, and lending. These events have led to a significantly diminished availability of credit and an increase in the cost of financing. The lack of credit has materially hindered the initiation of new, large-sized transactions for our private equity segment and, together with volatility in valuations of equity and debt securities, adversely impacted our operating results in recent periods reflected in the financial statements included in this prospectus. These events may place additional negative pressure on our operating results going forward. If conditions further deteriorate, our business could be affected in different ways. Our profitability may also be adversely affected by our fixed costs and the possibility that we would be unable to scale back other costs, within a time frame sufficient to match any further decreases in net income or increases in net losses relating to changes in market and economic conditions.

The challenging market conditions that we have been experiencing have adversely affected our operating results in a number of ways, and if the economic downturn continues, may cause our revenue and results of operations to decline by causing:

- our AUM to decrease, lowering management fees from our capital markets funds and AAA;
- increases in costs of financial instruments;
- adverse conditions for our portfolio companies (e.g., decreased revenues, liquidity pressures, increased difficulty in obtaining access to financing and complying with the terms of existing financings as well as increased financing costs);
- lower investment returns, reducing incentive income;
- higher interest rates, which could increase the cost of the debt capital we use to acquire companies in our private equity business; and
- material reductions in the value of our private equity fund investments in portfolio companies, affecting our ability to realize carried interest from these investments.

Lower investment returns and such material reductions in value may result, among other reasons, because during periods of difficult market conditions or slowdowns (which may be across one or more industries, sectors or geographies), companies in which we invest may experience decreased revenues, financial losses, difficulty in obtaining access to financing and increased funding costs. During such periods, these companies may also have difficulty in expanding their businesses and operations and be unable to meet their debt service obligations or other expenses as they become due, including expenses payable to us. In addition, during periods of adverse economic conditions, we may have difficulty accessing financial markets, which could make it more difficult or impossible for us to obtain funding for additional investments and harm our AUM and operating results.

Furthermore, such conditions would also increase the risk of default with respect to investments held by our funds that have significant debt investments, such as our mezzanine funds, distressed and hedge funds and credit opportunity funds. Our funds may be affected by reduced opportunities to exit and realize value from their investments, by lower than expected returns on investments made prior to the deterioration of the credit markets, and by the fact that we may not be able to find suitable investments for the funds to effectively deploy capital, which could adversely affect our ability to raise new funds and thus adversely impact our prospects for future growth. Although market conditions have recently shown some signs of improvement, we are unable to predict whether economic and market conditions may continue to improve. Even if such conditions do improve broadly and significantly over the long term, adverse conditions in particular sectors may cause our performance to suffer further.

A decline in the pace of investment in our private equity funds would result in our receiving less revenue from transaction and advisory fees.

The transaction and advisory fees that we earn are driven in part by the pace at which our private equity funds make investments. Any decline in that pace would reduce our transaction and advisory fees and could make it more difficult for us to raise capital. Many factors could cause such a decline in the pace of investment, including the inability of our investment professionals to identify attractive investment opportunities, competition for such opportunities among other potential acquirers, decreased availability of capital on attractive terms and our failure to consummate identified investment opportunities because of business, regulatory or legal complexities and adverse developments in the U.S. or global economy or financial markets. In particular, the current lack of financing options for new leveraged buy-outs resulting from the credit market dislocation, has significantly reduced the pace of traditional buyout investments by our private equity funds.

If one or more of our managing partners or other investment professionals leave our company, the commitment periods of certain private equity funds may be terminated, and we may be in default under our credit agreement.

The governing agreements of our private equity funds provide that in the event certain key persons (such as one or more of Messrs. Black, Harris and Rowan and/or certain other of our investment professionals) fail to devote the requisite time to managing the fund, the commitment period will terminate if a certain percentage in interest of the investors do not vote to continue the commitment period. This is true of Fund VI and Fund VII, on which our near- to medium-term performance will heavily depend. EPF has a similar provision. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our funds would likely result in significant reputational damage to us.

In addition, it will be an event of default under the AMH credit facility if either (i) Mr. Black, together with related persons or trusts, shall cease as a group to participate to a material extent in the beneficial ownership of AMH or (ii) two of the group constituting Messrs. Black, Harris and Rowan shall cease to be actively engaged in the management of the AMH loan parties. If such an event of default occurs and the lenders exercise their right to accelerate repayment of the $1.0 billion loan, we are unlikely to have the funds to make such repayment and the lenders may take control of us, which is likely to materially adversely impact our results of operations. Even if we were able to refinance our debt, our financial condition and results of operations would be materially adversely affected.

Messrs. Black, Harris and Rowan may terminate their employment with us at any time.

We may not be successful in raising new funds or in raising more capital for certain of our funds and may face pressure to modify fee arrangements of our future funds.

In this prospectus, we describe capital raising efforts that certain of our businesses are currently undertaking. Our funds may not be successful in consummating these capital-raising efforts or others that they may undertake, or they may consummate them at investment levels far lower than those currently anticipated.

Any capital raising that our funds do consummate may be on terms that are unfavorable to us or that are otherwise different from the terms that we have been able to obtain in the past. These risks could occur for reasons beyond our control, including general economic or market conditions, regulatory changes or increased competition.

Recently, a large number of institutional investors that invest in alternative assets and have historically invested in our funds experienced negative pressure across their investment portfolios, which may affect our ability to raise capital from them. As a result of the global economic downtown during 2008 and 2009, these institutional investors experienced, among other things, a significant decline in the value of their public equity and debt holdings and a lack of realizations from their existing private equity portfolios. Consequently, many of these investors were left with disproportionately outsized remaining commitments to a number of private equity funds, and were restricted from making new commitments to third-party managed private equity funds such as those managed by us. To the extent economic conditions remain volatile and these issues persist, we may be unable to raise sufficient amounts of capital to support the investment activities of our future funds.

In addition, certain institutional investors have publicly criticized certain fund fee and expense structures, including management fees and transaction and advisory fees. Although we have no obligation to modify any of our fees with respect to our existing funds, we may experience pressure to do so in our funds. For example, we recently announced a new strategic relationship agreement with CalPERS, whereby we agreed to reduce management and other fees charged to CalPERS on funds we manage, or in the future will manage, solely for CalPERS by $125 million over the next five years or as close a period as required to provide CalPERS with that benefit.

The failure of our funds to raise capital in sufficient amounts and on satisfactory terms would result in us being unable to achieve an increase in AUM, and would have a material adverse effect on our financial condition and results of operations. Similarly, any modification of our existing fee arrangements or the fee structures for new funds could adversely affect our results of operations.

Third-party investors in our funds with commitment-based structures may not satisfy their contractual obligation to fund capital calls when requested by us, which could adversely affect a fund s operations and performance.

Investors in all of our private equity and capital markets funds (and certain of our hedge funds) make capital commitments to those funds that we are entitled to call from those investors at any time during prescribed periods. We depend on investors fulfilling their commitments when we call capital from them in order for those funds to consummate investments and otherwise pay their obligations when due. Any investor that did not fund a capital call would be subject to several possible penalties, including having a significant amount of its existing investment forfeited in that fund. However, the impact of the penalty is directly correlated to the amount of capital previously invested by the investor in the fund and if an investor has invested little or no capital, for instance early in the life of the fund, then the forfeiture penalty may not be as meaningful. If investors were to fail to satisfy a significant amount of capital calls for any particular fund or funds, the operation and performance of those funds could be materially and adversely affected.

The historical returns attributable to our funds should not be considered as indicative of the future results of our funds or of our future results or of any returns expected on an investment in our Class A shares.

We have presented in this prospectus the returns relating to the historical performance of our private equity funds and capital markets funds. The returns are relevant to us primarily insofar as they are indicative of incentive income we have earned in the past and may earn in the future. The returns of the funds we manage are not, however, directly linked to returns on our Class A shares. Therefore, you should not conclude that continued positive performance of the funds we manage will necessarily result in positive returns on an investment in Class A shares. However, poor performance of the funds we manage will cause a decline in our revenue from such funds, and would therefore have a negative effect on our performance and the value of our Class A shares. An investment

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in our Class A shares is not an investment in any of the Apollo funds. Moreover, most of our funds have not been consolidated in our financial statements for periods since either August 1, 2007 or November 30, 2007 as a result of the deconsolidation of most of our funds as of August 1, 2007 and November 30, 2007.

Moreover, the historical returns of our funds should not be considered indicative of the future returns of these or from any future funds we may raise, in part because:

- market conditions during previous periods were significantly more favorable for generating positive performance, particularly in our private equity business, than the market conditions we have experienced for the last year and may continue to experience for the foreseeable future;

- our funds returns have benefited from investment opportunities and general market conditions that currently do not exist and may not repeat themselves, and there can be no assurance that our current or future funds will be able to avail themselves of profitable investment opportunities;

- our private equity funds rates of returns, which are calculated on the basis of net asset value of the funds investments, reflect unrealized gains, which may never be realized;

- our funds returns have benefited from investment opportunities and general market conditions that may not repeat themselves, including the availability of debt capital on attractive terms, and we may not be able to achieve the same returns or profitable investment opportunities or deploy capital as quickly;

- the historical returns that we present in this prospectus derive largely from the performance of our earlier private equity funds, whereas future fund returns will depend increasingly on the performance of our newer funds, which may have little or no investment track record;

- Fund VI and Fund VII are several times larger than our previous private equity funds, and we may not be able to deploy this additional capital as profitably as our prior funds;

- the attractive returns of certain of our funds have been driven by the rapid return of invested capital, which has not occurred with respect to all of our funds and we believe is less likely to occur in the future;

- our track record with respect to our capital markets funds is relatively short as compared to our private equity funds;

- in recent years, there has been increased competition for private equity investment opportunities resulting from the increased amount of capital invested in private equity funds and high liquidity in debt markets; and

- our newly established funds may generate lower returns during the period that they take to deploy their capital.

Finally, our private equity IRRs have historically varied greatly from fund to fund. Accordingly, you should realize that 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 risks described elsewhere in this prospectus, including risks of the industries and businesses in which a particular fund invests. See Management s Discussion and Analysis of Financial Condition and Results of Operations The Historical Investment Performance of Our Funds.

Our reported net asset values, rates of return and incentive income from affiliates are based in large part upon estimates of the fair value of our investments, which are based on subjective standards and may prove to be incorrect.

A large number of investments in our private equity and capital markets funds are illiquid and thus have no readily ascertainable market prices. We value these investments based on our estimate of their fair value as of the date of determination. We estimate the fair value of our investments based on third-party models, or models developed by us, which include discounted cash flow analyses and other techniques and may be based, at least in

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part, on independently sourced market parameters. The material estimates and assumptions used in these models include the timing and expected amount of cash flows, the appropriateness of discount rates used, and, in some cases, the ability to execute, the timing of and the estimated proceeds from expected financings. The actual results related to any particular investment often vary materially as a result of the inaccuracy of these estimates and assumptions. In addition, because many of the illiquid investments held by our funds are in industries or sectors which are unstable, in distress, or undergoing some uncertainty, such investments are subject to rapid changes in value caused by sudden company-specific or industry-wide developments.

We include the fair value of illiquid assets in the calculations of net asset values, returns of our funds and our AUM. Furthermore, we recognize incentive income from affiliates based in part on these estimated fair values. Because these valuations are inherently uncertain, they may fluctuate greatly from period to period. Also, they may vary greatly from the prices that would be obtained if the assets were to be liquidated on the date of the valuation and often do vary greatly from the prices we eventually realize.

In addition, the values of our investments in publicly traded assets are subject to significant volatility, including due to a number of factors beyond our control. These include actual or anticipated fluctuations in the quarterly and annual results of these companies or other companies in their industries, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, changes in industry conditions or government regulations, changes in management or capital structure and significant acquisitions and dispositions. Because the market prices of these securities can be volatile, the valuation of these assets will change from period to period, and the valuation for any particular period may not be realized at the time of disposition. In addition, because our private equity funds often hold very large amounts of the securities of their portfolio companies, the disposition of these securities often takes place over a long period of time, which can further expose us to volatility risk. Even if we hold a quantity of public securities that may be difficult to sell in a single transaction, we do not discount the market price of the security for purposes of our valuations.

If we realize value on an investment that is significantly lower than the value at which it was reflected in a fund s net asset values, we would suffer losses in the applicable fund. This could in turn lead to a decline in asset management fees and a loss equal to the portion of the incentive income from affiliates reported in prior periods that was not realized upon disposition. These effects could become applicable to a large number of our investments if our estimates and assumptions used in estimating their fair values differ from future valuations due to market developments. See Management s Discussion and Analysis of Financial Condition and Results of Operations Segment Analysis for information related to fund activity that is no longer consolidated. If asset values turn out to be materially different than values reflected in fund net asset values, fund investors could lose confidence which could, in turn, result in redemptions from our funds that permit redemptions or difficulties in raising additional investments.

We have experienced rapid growth, which may be difficult to sustain and which may place significant demands on our administrative, operational and financial resources.

Our AUM has grown significantly in the past, despite recent declines, and we are pursuing further growth in the near future. Our rapid growth has caused, and planned growth, if successful, will continue to cause, significant demands on our legal, accounting and operational infrastructure, and increased expenses. The complexity of these demands, and the expense required to address them, is a function not simply of the amount by which our AUM has grown, but of the growth in the variety, including the differences in strategy between, and complexity of, our different funds. In addition, we are required to continuously develop our systems and infrastructure in response to the increasing sophistication of the investment management market and legal, accounting, regulatory and tax developments.

Our future growth will depend in part, on our ability to maintain an operating platform and management system sufficient to address our growth and will require us to incur significant additional expenses and to commit additional senior management and operational resources. As a result, we face significant challenges:

- in maintaining adequate financial, regulatory and business controls;

implementing new or updated information and financial systems and procedures; and

in training, managing and appropriately sizing our work force and other components of our businesses on a timely and cost-effective basis.

We may not be able to manage our expanding operations effectively or be able to continue to grow, and any failure to do so could adversely affect our ability to generate revenue and control our expenses.

Extensive regulation of our businesses affects our activities and creates the potential for significant liabilities and penalties. The possibility of increased regulatory focus could result in additional burdens on our businesses. Changes in tax or law and other legislative or regulatory changes could adversely affect us.

Overview of Our Regulatory Environment. We are subject to extensive regulation, including periodic examinations, by governmental and self-regulatory organizations in the jurisdictions in which we operate around the world. Many of these regulators, including U.S. and foreign government agencies and self-regulatory organizations, as well as state securities commissions in the United States, are empowered to conduct investigations and administrative proceedings that can result in fines, suspensions of personnel or other sanctions, including censure, the issuance of cease-and-desist orders or the suspension or expulsion of an investment advisor from registration or memberships. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against us or our personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm our reputation and cause us to lose existing investors or fail to gain new investors. The requirements imposed by our regulators are designed primarily to ensure the integrity of the financial markets and to protect investors in our funds and are not designed to protect our shareholders. Consequently, these regulations often serve to limit our activities.

As a result of highly publicized financial scandals, investors have exhibited concerns over the integrity of the U.S. financial markets and the regulatory environment in which we operate both in the United States and outside the United States is particularly likely to be subject to further regulation. There has been an active debate both nationally and internationally over the appropriate extent of regulation and oversight of private investment funds and their managers. There are proposals in Congress and emanating from Treasury that would identify various kinds of private funds as being potentially systemically significant and subject to increased reporting, oversight and regulation. Any changes in the regulatory framework applicable to our businesses may impose additional expenses on us, require the attention of senior management or result in limitations in the manner in which our business is conducted. On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, which imposes significant new regulations on almost every aspect of the U.S. financial services industry, including aspects of our business and the markets in which we operate. Among other things, the Dodd-Frank Act requires private equity and hedge fund advisers to register with the SEC under the Investment Advisers Act, to maintain extensive records and to file reports if deemed necessary for purposes of systemic risk assessment by certain governmental bodies. Importantly, many of the provisions of the Dodd-Frank Act are subject to further rulemaking and to the discretion of regulatory bodies, such as the Financial Stability Oversight Council. As a result, we do not know exactly what the final regulations under the Dodd-Frank Act will require or how significantly the Dodd-Frank Act will affect us.

Exceptions from Certain Laws. We regularly rely on exemptions from various requirements of the Securities Act, the Exchange Act, the Investment Company Act and the Employment Retirement Income Security Act, or ERISA, in conducting our activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to become unavailable to us, we could become subject to regulatory action or third-party claims and our businesses could be materially and adversely affected. See, for example, Risks Related to Our Organization and Structure If we were deemed an investment company under the Investment Company Act, applicable restrictions could make it impractical for us to continue our businesses as contemplated and could have a material adverse effect on our businesses and the price of our Class A shares.

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Fund Regulatory Environment. The regulatory environment in which our funds operate may affect our businesses. For example, changes in antitrust laws or the enforcement of antitrust laws could affect the level of mergers and acquisitions activity, and changes in state laws may limit investment activities of state pension plans. See Business Regulatory and Compliance Matters for a further discussion of the regulatory environment in which we conduct our businesses.

Future Regulation. We may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. In January 2009, members of the Senate introduced the Hedge Fund Transparency Act (the Hedge Fund Act), which would apply to private equity funds, venture capital funds, real estate funds and other private investment vehicles with at least $50 million in assets under management. If enacted, the bill would require that such funds in order to remain exempt from the substantive provisions of the Investment Company Act register with the SEC, maintain books and records in accordance with SEC requirements, and become subject to SEC examinations and information requests. In addition, the Hedge Fund Act would require each fund to file annual disclosures, which would be made public, containing detailed information about the fund, most notably including the names of all beneficial owners of the fund, an explanation of the fund s ownership structure and the current value of the fund s assets under management. Also, the Hedge Fund Act would require each fund to establish anti-money laundering programs. We cannot predict whether this Hedge Fund Act will be enacted or, if enacted, what the final terms would require or the impact of such new regulations on our funds. If enacted, this Hedge Fund Act would likely negatively impact our funds in a number of ways, including increasing the funds regulatory costs, imposing additional burdens on the funds staff, and potentially requiring the disclosure of sensitive information. Moreover, as calls for additional regulation have increased, there may be a related increase in regulatory investigations of the trading and other investment activities of alternative asset management funds, including our funds. Such investigations may impose additional expenses on us, may require the attention of senior management and may result in fines if any of our funds are deemed to have violated any regulations.

In July 2009, the U.S. House of Representatives passed legislation that would empower federal regulators to prescribe regulations to prohibit any incentive-based payment arrangements that the regulators determine encourage financial institutions to take risks that could threaten the soundness of the financial institutions or adversely affect economic conditions and financial stability. At this time, we cannot predict whether this legislation will be enacted and, if enacted, what form it would take, what affect, if any, that it may have on our business or the markets in which we operate.

In addition, the financial industry will likely become more highly regulated in the near future in response to recent events. On June 17, 2009, the Obama Administration issued a white paper containing a series of proposals to reform the financial industry, which, if enacted, would significantly alter both how financial services and asset management firms are regulated and how they conduct their business. The House of Representatives and the Senate have separately passed legislations adopting proposals to require advisors of most hedge funds, private equity funds and other pools of capital to register with the SEC as investment advisors under the Investment Advisers Act of 1940 and to impose new record-keeping and reporting requirements on these funds (which may be similar to those requirements proposed in the Hedge Fund Transparency Act, which is discussed above). In addition, the Obama Administration s proposals would also require all OTC derivatives markets, including credit default swap markets, to be subject to increased regulation. We do not know what impact the final regulations will have on us if the proposed legislations are enacted.

We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations. New laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business.

Apollo provides investment management services through registered investment advisers. Investment advisers are subject to extensive regulation in the United States and in the other countries in which our investment activities occur. The SEC oversees our activities as a registered investment adviser under the

Investment Advisers Act of 1940. In the United Kingdom, we are subject to regulation by the U.K. Financial Services Authority. Our other European operations, and our investment activities around the globe, are subject to a variety of regulatory regimes that vary country by country. A failure to comply with the obligations imposed by regulatory regimes to which we are subject, including the Investment Advisers Act of 1940 could result in investigations, sanctions and reputational damage.

On June 30, 2010, the SEC adopted a new pay-to-play rule that restricts politically active investment advisors from managing state pension funds. The rule prohibits, among other things, a covered investment advisor from receiving compensation for advisory services provided to a government entity (such as a state pension fund) for a two-year period after the advisor, certain covered employees of the advisor or any covered political action committee controlled by the advisor or its employees makes a political contribution to certain government officials. In addition, a covered investment advisor is prohibited from engaging in political fundraising activities for certain elected officials or candidates in jurisdictions where such advisor is providing or seeking governmental business. This new rule complicates and increases the compliance burden for our investment advisors. It will be imperative for a covered investment advisor to adopt an effective compliance program in light of the substantial penalties associated with the rule.

On May 17, 2010, the European Parliament s Economic and Monetary Affairs Committee voted in favor of the draft Directive on Alternative Investment Fund Managers. The EU Council of Ministers adopted a position on the directive in October 2010, subject to the approval of the full European Parliament. The directive, if adopted in the form proposed, would impose significant new regulatory requirements on investment managers operating within the EU, including with respect to conduct of business, regulatory capital, valuations, disclosures and marketing. Alternative investment funds organized outside of the EU in which interests are marketed within the EU would be subject to significant conditions on their operations, including satisfying the competent authority of the robustness of internal arrangements with respect to risk management, in particular liquidity risks and additional operational and counterparty risks associated with short selling; the management and disclosure of conflicts of interest; the fair valuation of assets; and the security of depository/custodial arrangements. Such rules could potentially impose significant additional costs on the operation of our business in the EU and could limit our operating flexibility within that jurisdiction.

In October 2010, the EU Council of Ministers formally adopted a directive to amend the revised Capital Requirements Directive, or CRD III, which was previously approved by the European Parliament in July 2010. CRD III, among other things, requires EU member states to introduce tighter control on remuneration of key employees and risk takers within specific credit institutions and investment firms and requires subject institutions to disclose information on their remuneration policies and pay-outs on an annual basis. The new remuneration requirements will apply to credit institutions and investment firms subject to the Markets in Financial Instruments Directive and will apply to subject institutions at group, parent company and subsidiary levels. The Committee of European Banking Supervisors, or CEBS, published draft guidelines on the implementation of CRD III in October 2010 and is expected to publish final guidelines after a consultation period. In November 2010, the U.K. Financial Services Authority, or FSA, published a consultation on the implementation of remuneration disclosure requirements based on those set out in CRD III. The FSA s proposed rules would apply to all aspects of remuneration that could have a bearing on effective risk management including salary, long-term incentive plans, pensions and severance arrangements. The FSA is expected to publish a final policy statement on remuneration disclosure in December 2010. CRD III s remuneration requirements will apply from January 1, 2011, including retroactively in respect of compensation paid in 2011 for services rendered in 2010. It is uncertain what form the final CEBS guidelines or FSA rules may take and we do not yet know how and the extent to which the new rules may impact us.

In Denmark and Germany, legislative amendments have been adopted which may limit deductibility of interest and other financing expenses in companies in which our funds have invested or may invest in the future. In brief, the Danish legislative amendments generally entail that annual net financing expenses in excess of a certain threshold amount (approximately 2.9 million in 2010) will be limited on the basis of earnings before

interest and taxes and/or asset tax values. According to the German legislative amendments, interest expenses exceeding the interest income of the same fiscal year may be deducted only up to 30% of the (adjusted) taxable earnings before interest, taxes, depreciation and amortization of the relevant German business (*Betrieb*) (subject to specific certain exemptions), while any additional non-deductible interest may, if at all, only be claimed in subsequent years. These amendments may in turn impact the profitability of companies affected by the rules. Our businesses are subject to the risk that similar measures might be introduced in other countries in which they currently have investments or plan to invest in the future, or that other legislative or regulatory measures might be promulgated in any of the countries in which we operate that adversely affect our businesses. In particular, the U.S. Federal income tax law that determines the tax consequences of an investment in Class A shares is under review and is potentially subject to adverse legislative, judicial or administrative change, possibly on a retroactive basis, including possible changes that would result in the treatment of a portion of our carried interest income as ordinary income, that would cause us to become taxable as a corporation and/or would have other adverse effects. Legislation that would cause us to be taxable as a corporation after the Class A shares are listed is pending in Congress. See Risks Related to Taxation and Risks Related to Our Organization and Structure. In addition, U.S. and foreign labor unions have recently been agitating for greater legislative and regulatory oversight of private equity firms and transactions. Labor unions have also threatened to use their influence to prevent pension funds from investing in private equity funds.

Antitrust Regulation. Recently, it has been reported in the press that a few of our competitors in the private equity industry have received information requests relating to private equity transactions from the Antitrust Division of the U.S. Department of Justice. In addition, the U.K. Financial Services Authority recently published a discussion paper on the impact that the growth in the private equity market has had on the markets in the United Kingdom and the suitability of its regulatory approach in addressing risks posed by the private equity market.

Use of Placement Agents. We sometimes use placement agents to assist in marketing certain of the investment funds that we manage. Various state attorneys general and federal and state agencies have initiated industry-wide investigations into the use of placement agents in connection with the solicitation of investments, particularly with respect to investments by public pension funds. Certain affiliates of Apollo have received subpoenas and other requests for information from various government regulatory agencies and investors in Apollo s funds, seeking information regarding the use of placement agents. Apollo is cooperating with all such investigations and other reviews. Any unanticipated developments from these or future investigations or changes in industry practice may adversely affect our business. Even if these investigations or changes in industry practice do not directly affect our business, adverse publicity could harm our reputation, may cause us to lose existing investors or fail to gain new investors, may depress the price of our Class A shares or may have other negative consequences.

Our revenue, net income and cash flow are all highly variable, which may make it difficult for us to achieve steady earnings growth on a quarterly basis and may cause the price of our Class A shares to decline.

Our revenue, net income and cash flow are all highly variable, primarily due to the fact that carried interest from our private equity funds, which constitute the largest portion of income from our combined businesses, and the transaction and advisory fees that we receive can vary significantly from quarter to quarter and year to year. In addition, the investment returns of most of our funds are volatile. We may also experience fluctuations in our results from quarter to quarter and year to year due to a number of other factors, including changes in the values of our funds investments, changes in the amount of distributions, dividends or interest paid in respect of investments, changes in our operating expenses, the degree to which we encounter competition and general economic and market conditions. In addition, carried interest income from our private equity funds and certain of our capital markets funds is subject to contingent repayment by the general partner if, upon the final distribution, the relevant fund s general partner has received cumulative carried interest on individual portfolio investments in excess of the amount of carried interest it would be entitled to from the profits calculated for all portfolio investments in the aggregate. Such variability may lead to volatility in the trading price of our Class A shares and cause our results for a particular period not to be indicative of our performance in a future period. It may be difficult for us to achieve steady growth in net income and cash flow on a quarterly basis, which could in turn lead to large adverse movements in the price of our Class A shares or increased volatility in our Class A share price generally.

The timing of carried interest generated by our private equity funds is uncertain and will contribute to the volatility of our results. Carried interest depends on our private equity funds performance. It takes a substantial period of time to identify attractive investment opportunities, to raise all the funds needed to make an investment and then to realize the cash value or other proceeds of an investment through a sale, public offering, recapitalization or other exit. Even if an investment proves to be profitable, it may be several years before any profits can be realized in cash or other proceeds. We cannot predict when, or if, any realization of investments will occur. Although we recognize carried interest income on an accrual basis, we receive private equity carried interest payments only upon disposition of an investment by the relevant fund, which contributes to the volatility of our cash flow. If we were to have a realization event in a particular quarter or year, it may have a significant impact on our results for that particular quarter or year that may not be replicated in subsequent periods. We recognize revenue on investments in our funds based on our allocable share of realized and unrealized gains (or losses) reported by such funds, and a decline in realized or unrealized gains, or an increase in realized or unrealized losses, would adversely affect our revenue, which could further increase the volatility of our results.

With respect to most of our capital markets funds, our incentive income is paid annually, semi-annually or quarterly, and the varying frequency of these payments will contribute to the volatility of our revenues and cash flow. Furthermore, we earn this incentive income only if the net asset value of a fund has increased or, in the case of certain funds, increased beyond a particular threshold. Our distressed and hedge funds also have high water marks with respect to the investors in these funds. If the high water mark for a particular investor is not surpassed, we would not earn incentive income with respect to such investor during a particular period even though such investor had positive returns in such period as a result of losses in prior periods. If such an investor experiences losses, we will not be able to earn incentive income from such investor until it surpasses the previous high water mark. The incentive income we earn is therefore dependent on the net asset value of investors investments in the fund, which could lead to significant volatility in our results.

Because our revenue, net income and cash flow can be highly variable from quarter to quarter and year to year, we plan not to provide any guidance regarding our expected quarterly and annual operating results. The lack of guidance may affect the expectations of public market analysts and could cause increased volatility in our Class A share price.

The investment management business is intensely competitive, which could materially adversely impact us.

Over the past several years, the size and number of private equity funds and capital markets funds has continued to increase. If this trend continues, it is possible that it will become increasingly difficult for our funds to raise capital as funds compete for investments from a limited number of qualified investors. As the size and number of private equity and capital markets funds increase, it could become more difficult to win attractive investment opportunities at favorable prices. Due to the global economic downturn and generally poor returns in alternative asset investment businesses recently, institutional investors have suffered from decreasing returns, liquidity pressure, increased volatility and difficulty maintaining targeted asset allocations, and a significant number of investors have materially decreased or temporarily stopped making new fund investments during this period. As the economy begins to recover, such investors may elect to reduce their overall portfolio allocations to alternative investments such as private equity and hedge funds, resulting in a smaller overall pool of available capital in our industry. Even if such investors continue to invest at historic levels, they may seek to negotiate reduced fee structures or other modifications to fund structures as a condition to investing.

In the event all or part of this analysis proves true, when trying to raise new capital we will be competing for fewer total available assets in an increasingly competitive environment which could lead to fee reductions and redemptions as well as difficulty in raising new capital. Such changes would adversely affect our revenues and profitability.

Competition among private equity funds and capital markets funds is based on a variety of factors, including:

- investment performance;

- investor liquidity and willingness to invest;
- investor perception of investment managers drive, focus and alignment of interest;
- quality of service provided to and duration of relationship with investors;
- business reputation; and
- the level of fees and expenses charged for services.

We compete in all aspects of our businesses with a large number of investment management firms, private equity fund sponsors, capital markets fund sponsors and other financial institutions. A number of factors serve to increase our competitive risks:

- fund investors may develop concerns that we will allow a business to grow to the detriment of its performance;
- investors may reduce their investments in our funds or not make additional investments in our funds based upon current market conditions, their available capital or their perception of the health of our businesses;
- some of our competitors have greater capital, lower targeted returns or greater sector or investment strategy-specific expertise than we do, which creates competitive disadvantages with respect to investment opportunities;
- some of our competitors may also have a lower cost of capital and access to funding sources that are not available to us, which may create competitive disadvantages for us with respect to investment opportunities;
- some of our competitors may perceive risk differently than we do, which could allow them either to outbid us for investments in particular sectors or, generally, to consider a wider variety of investments;
- some of our funds may not perform as well as competitors funds or other available investment products;
- our competitors that are corporate buyers may be able to achieve synergistic cost savings in respect of an investment, which may provide them with a competitive advantage in bidding for an investment;
- some fund investors may prefer to invest with an investment manager that is not publicly traded;
- there are relatively few barriers to entry impeding new private equity and capital markets fund management firms, and the successful efforts of new entrants into our various businesses, including former star portfolio managers at large diversified financial institutions as well as such institutions themselves, will continue to result in increased competition;

- there are no barriers to entry to our businesses, implementing an integrated platform similar to ours or the strategies that we deploy at our funds, such as distressed investing, which we believe are our competitive strengths, except that our competitors would need to hire professionals with the investment expertise or grow it internally; and

- other industry participants continuously seek to recruit our investment professionals away from us.

In addition, private equity and capital markets fund managers have each increasingly adopted investment strategies traditionally associated with the other. Capital markets funds have become active in taking control positions in companies, while private equity funds have assumed minority positions in publicly listed companies. This convergence could heighten our competitive risk by expanding the range of asset managers seeking private equity investments and making it more difficult for us to differentiate ourselves from managers of capital markets funds.

These and other factors could reduce our earnings and revenues and materially adversely affect our businesses. In addition, if we are forced to compete with other alternative asset managers on the basis of price,

we may not be able to maintain our current management fee and incentive income structures. We have historically competed primarily on the performance of our funds, and not on the level of our fees or incentive income relative to those of our competitors. However, there is a risk that fees and incentive income in the alternative investment management industry will decline, without regard to the historical performance of a manager. Fee or incentive income reductions on existing or future funds, without corresponding decreases in our cost structure, would adversely affect our revenues and profitability.

Our ability to retain our investment professionals is critical to our success and our ability to grow depends on our ability to attract additional key personnel.

Our success depends on our ability to retain our investment professionals and recruit additional qualified personnel. We anticipate that it will be necessary for us to add investment professionals as we pursue our growth strategy. However, we may not succeed in recruiting additional personnel or retaining current personnel, as the market for qualified investment professionals is extremely competitive. Our investment professionals possess substantial experience and expertise in investing, are responsible for locating and executing our funds investments, have significant relationships with the institutions that are the source of many of our funds investment opportunities, and in certain cases have key relationships with our fund investors. Therefore, if our investment professionals join competitors or form competing companies it could result in the loss of significant investment opportunities and certain existing fund investors. Legislation has been proposed in the U.S. Congress to treat portions of carried interest as ordinary income rather than as capital gain for U.S. Federal income tax purposes. Because we compensate our investment professionals in large part by giving them an equity interest in our business or a right to receive carried interest, such legislation could adversely affect our ability to recruit, retain and motivate our current and future investment professionals. See Risks Related to Taxation Our structure involves complex provisions of U.S. Federal income tax law for which no clear precedent or authority may be available. Our structure is also subject to potential legislative, judicial or administrative change and differing interpretations, possibly on a retroactive basis and Risks Related to Taxation The U.S. Federal income tax law that determines the tax consequences of an investment in Class A shares is under review and is potentially subject to adverse legislative, judicial or administrative change, possibly on a retroactive basis, including possible changes that would result in the treatment of our long-term capital gains as ordinary income, that would cause us to become taxable as a corporation and/or have other adverse effects. The loss of even a small number of our investment professionals could jeopardize the performance of our funds, which would have a material adverse effect on our results of operations. Efforts to retain or attract investment professionals may result in significant additional expenses, which could adversely affect our profitability.

Our sale of equity interests to the public may harm our ability to provide equity compensation to investment professionals, which could make it more difficult to attract and retain them and could harm aspects of our business.

We might not be able to provide investment professionals with equity interests in our business to the same extent or with the same tax consequences as we did prior to the Private Offering Transactions. Therefore, in order to recruit and retain existing and future investment professionals, we may need to increase the level of compensation that we pay to them. Accordingly, as we promote or hire new investment professionals over time, we may increase the level of compensation we pay to our investment professionals, which would cause our total employee compensation and benefits expense as a percentage of our total revenue to increase and adversely affect our profitability. In addition, any issuance of equity interests in our business to investment professionals would dilute the holders of Class A shares.

We strive to maintain a work environment that reinforces our culture of collaboration, motivation and alignment of interests with investors. The effects of becoming public, including potential changes in our compensation structure, could adversely affect this culture. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain this culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations.

We may not be successful in expanding into new investment strategies, markets and businesses.

We actively consider the opportunistic expansion of our businesses, both geographically and into complementary new investment strategies. We may not be successful in any such attempted expansion. Attempts to expand our businesses involve a number of special risks, including some or all of the following:

- the diversion of management s attention from our core businesses;
- the disruption of our ongoing businesses;
- entry into markets or businesses in which we may have limited or no experience;
- increasing demands on our operational systems;
- potential increase in investor concentration; and
- the broadening of our geographic footprint, increasing the risks associated with conducting operations in foreign jurisdictions.

Additionally, any expansion of our businesses could result in significant increases in our outstanding indebtedness and debt service requirements, which would increase the risks in investing in our Class A shares and may adversely impact our results of operations and financial condition.

We also may not be successful in identifying new investment strategies or geographic markets that increase our profitability, or in identifying and acquiring new businesses that increase our profitability. Because we have not yet identified these potential new investment strategies, geographic markets or businesses, we cannot identify for you all the risks we may face and the potential adverse consequences on us and your investment that may result from our attempted expansion. We also do not know how long it may take for us to expand, if we do so at all. We have total discretion, at the direction of our manager, without needing to seek approval from our board of directors or shareholders, to enter into new investment strategies, geographic markets and businesses, other than expansions involving transactions with affiliates which may require limited board approval.

Many of our funds invest in relatively high-risk, illiquid assets and we may fail to realize any profits from these activities for a considerable period of time or lose some or all of the principal amount we invest in these activities.

Many of our funds invest in securities that are not publicly traded. In many cases, our funds may be prohibited by contract or by applicable securities laws from selling such securities for a period of time. Our funds will generally not be able to sell these securities publicly unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. Accordingly, our funds may be forced, under certain conditions, to sell securities at a loss. The ability of many of our funds, particularly our private equity funds, to dispose of investments is heavily dependent on the public equity markets, inasmuch as the ability to realize value from an investment may depend upon the ability to complete an initial public offering of the portfolio company in which such investment is held. Furthermore, large holdings even of publicly traded equity securities can often be disposed of only over a substantial period of time, exposing the investment returns to risks of downward movement in market prices during the disposition period.

Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments.

Because many of our private equity funds investments rely heavily on the use of leverage, our ability to achieve attractive rates of return on investments will depend on our continued ability to access sufficient sources of indebtedness at attractive rates. For example, in many private equity investments, indebtedness may constitute 70% or more of a portfolio company s total debt and equity capitalization, including debt that

may be incurred in connection with the investment, and a portfolio company s leverage will often increase in recapitalization transactions subsequent to the company s acquisition by a private equity fund. The absence of available sources of senior debt financing for extended periods of time could therefore materially and adversely affect our private

equity funds. An increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance those investments. Increases in interest rates could also make it more difficult to locate and consummate private equity investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital. In addition, a portion of the indebtedness used to finance private equity investments often includes high-yield debt securities issued in the capital markets. Availability of capital from the high-yield debt markets is subject to significant volatility, and there may be times when we might not be able to access those markets at attractive rates, or at all. For example, the dislocation in the credit markets which we believe began in July 2007 and the record backlog of supply in the debt markets resulting from such dislocation has materially affected the ability and willingness of banks to underwrite new high-yield debt securities.

Investments in highly leveraged entities are inherently more sensitive to declines in revenues, increases in expenses and interest rates and adverse economic, market and industry developments. The incurrence of a significant amount of indebtedness by an entity could, among other things:

- give rise to an obligation to make mandatory prepayments of debt using excess cash flow, which might limit the entity s ability to respond to changing industry conditions to the extent additional cash is needed for the response, to make unplanned but necessary capital expenditures or to take advantage of growth opportunities;

- allow even moderate reductions in operating cash flow to render it unable to service its indebtedness, leading to a bankruptcy or other reorganization of the entity and a loss of part or all of the equity investment in it;

- limit the entity s ability to adjust to changing market conditions, thereby placing it at a competitive disadvantage compared to its competitors who have relatively less debt;

- limit the entity s ability to engage in strategic acquisitions that might be necessary to generate attractive returns or further growth; and

- limit the entity s ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditures, working capital or general corporate purposes.

As a result, the risk of loss associated with a leveraged entity is generally greater than for companies with comparatively less debt. For example, many investments consummated by private equity sponsors during the past three years which utilized significant amounts of leverage are experiencing severe economic stress and may default on their debt obligations due to a decrease in revenues and cash flow precipitated by the recent economic downturn.

When our private equity funds existing portfolio investments reach the point when debt incurred to finance those investments matures in significant amounts and must be either repaid or refinanced, those investments may materially suffer if they have generated insufficient cash flow to repay maturing debt and there is insufficient capacity and availability in the financing markets to permit them to refinance maturing debt on satisfactory terms, or at all. If the current unusually limited availability of financing for such purposes were to persist for several years, when significant amounts of the debt incurred to finance our private equity funds existing portfolio investments start to come due, these funds could be materially and adversely affected.

Our capital markets funds may choose to use leverage as part of their respective investment programs and regularly borrow a substantial amount of their capital. The use of leverage poses a significant degree of risk and enhances the possibility of a significant loss in the value of the investment portfolio. The fund may borrow money from time to time to purchase or carry securities. The interest expense and other costs incurred in connection with such borrowing may not be recovered by appreciation in the securities purchased or carried, and will be lost and the timing and magnitude of such losses may be accelerated or exacerbated in the event of a decline in the market value of such securities. Gains realized with borrowed funds may cause the fund s net asset value to increase at a faster rate than would be the case without borrowings. However, if investment results fail to cover the cost of borrowings, the fund s net asset value could also decrease faster than if there had been no

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borrowings. In addition, as a business development company under the Investment Company Act, AIC is permitted to issue senior securities in amounts such that its asset coverage ratio equals at least 200% after each issuance of senior securities. AIC s ability to pay dividends will be restricted if its asset coverage ratio falls below at least 200% and any amounts that it uses to service its indebtedness are not available for dividends to its common stockholders. An increase in interest rates could also decrease the value of fixed-rate debt investments that our funds make. Any of the foregoing circumstances could have a material adverse effect on our financial condition, results of operations and cash flow.

The requirements of being a public entity may strain our resources.

Once the registration statement of which this prospectus forms a part becomes effective, we will be subject to the reporting requirements of the Exchange Act and requirements of the U.S. Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our businesses and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting, which is discussed below. In order to maintain and improve the effectiveness of our disclosure controls and procedures, significant resources and management oversight will be required. We have not had to prepare and file such reports in the past. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. We expect to incur significant additional annual expenses related to these steps and, among other things, additional directors and officers liability insurance, director fees, reporting requirements of the SEC, transfer agent fees, hiring additional accounting, legal and administrative personnel, increased auditing and legal fees and similar expenses.

Our internal control over financial reporting does not currently meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act, and failure to achieve and maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our businesses and stock price.

We have not previously been required to comply with the requirements of the Sarbanes-Oxley Act, including the internal control evaluation and certification requirement of Section 404 of that statute, and we will not be required to comply with all those requirements until after we have been subject to the requirements of the Exchange Act for a specified period. We are in the process of addressing our internal control over, and policies and processes related to, financial reporting and the identification of key financial reporting risks, assessment of their potential impact and linkage of those risks to specific areas and activities within our organization.

We have begun the process of documenting and evaluating our internal control procedures pursuant to the requirements of Section 404, which requires annual management assessments of the effectiveness of our internal control over financial reporting and a report by our independent registered public accounting firm addressing these assessments. If we are not able to implement the requirements of Section 404 in a timely manner or with adequate compliance, our independent registered public accounting firm may not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC or violations of applicable stock exchange listing rules, and result in a breach of the covenants under the AMH credit facility. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could materially adversely affect us and lead to a decline in our share price. In addition, we will incur incremental costs in order to improve our internal control over financial reporting and comply with Section 404, including increased auditing and legal fees and costs associated with hiring additional accounting and administrative staff. These costs will be significant and are not reflected in our financial statements.

The potential requirement to convert our financial statements from being prepared in conformity with accounting principles generally accepted in the United States of America to International Financial Reporting Standards may strain our resources and increase our annual expenses.

As a public entity, the SEC may require in the future that we report our financial results under International Financial Reporting Standards, or IFRS, instead of under U.S. GAAP. IFRS is a set of accounting principles that has been gaining acceptance on a worldwide basis. These standards are published by the London-based International Accounting Standards Board, or IASB, and are more focused on objectives and principles and less reliant on detailed rules than U.S. GAAP. Today, there remain significant and material differences in several key areas between U.S. GAAP and IFRS which would affect Apollo. Additionally, U.S. GAAP provides specific guidance in classes of accounting transactions for which equivalent guidance in IFRS does not exist. The adoption of IFRS is highly complex and would have an impact on many aspects and operations of Apollo, including but not limited to financial accounting and reporting systems, internal controls, taxes, borrowing covenants and cash management. It is expected that a significant amount of time, internal and external resources and expenses over a multi-year period would be required for this conversion.

Operational risks relating to the execution, confirmation or settlement of transactions, our dependence on our headquarters in New York City and third-party providers may disrupt our businesses, result in losses or limit our growth.

We face operational risk from errors made in the execution, confirmation or settlement of transactions. We also face operational risk from transactions not being properly recorded, evaluated or accounted for in our funds. In particular, our credit-oriented capital markets business is highly dependent on our ability to process and evaluate, on a daily basis, transactions across markets and geographies in a time-sensitive, efficient and accurate manner. Consequently, we rely heavily on our financial, accounting and other data processing systems. New investment products we may introduce could create a significant risk that our existing systems may not be adequate to identify or control the relevant risks in the investment strategies employed by such new investment products. In addition, our information systems and technology might not be able to accommodate our growth, and the cost of maintaining such systems might increase from its current level. These risks could cause us to suffer financial loss, a disruption of our businesses, liability to our funds, regulatory intervention and reputational damage.

Furthermore, we depend on our headquarters, which is located in New York City, for the operation of many of our businesses. A disaster or a disruption in the infrastructure that supports our businesses, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, may have an adverse impact on our ability to continue to operate our businesses without interruption which could have a material adverse effect on us. Although we have disaster recovery programs in place, these may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses.

Finally, we rely on third-party service providers for certain aspects of our businesses, including for certain information systems, technology and administration of our funds and compliance matters. Any interruption or deterioration in the performance of these third parties could impair the quality of the funds operations and could impact our reputation and adversely affect our businesses and limit our ability to grow.

We derive a substantial portion of our revenues from funds managed pursuant to management agreements that may be terminated or fund partnership agreements that permit fund investors to request liquidation of investments in our funds on short notice.

The terms of our funds generally give either the general partner of the fund or the fund s board of directors the right to terminate our investment management agreement with the fund. However, insofar as we control the general partner of our funds that are limited partnerships, the risk of termination of investment management agreement for such funds is limited, subject to our fiduciary or contractual duties as general partner. This risk is more significant for certain of our capital markets funds, which have independent boards of directors.

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With respect to our funds that are subject to the Investment Company Act, each fund s investment management agreement must be approved annually by such funds board of directors or by the vote of a majority of the shareholders and the majority of the independent members of such fund s board of directors and, as required by law. The funds investment management agreement can also be terminated by the majority of the shareholders. Termination of these agreements would reduce the fees we earn from the relevant funds, which could have a material adverse effect on our results of operations. Currently, AIC is the only Apollo fund that is subject to these provisions of the Investment Company Act, as it has elected to be treated as a business development company under the Investment Company Act.

In addition, in connection with the deconsolidation of certain of our private equity and capital markets funds, the governing documents of those funds were amended to provide that a simple majority of a fund s unaffiliated investors have the right to liquidate that fund, which would cause management fees and incentive income to terminate. Our ability to realize incentive income from such funds also would be adversely affected if we are required to liquidate fund investments at a time when market conditions result in our obtaining less for investments than could be obtained at later times. Because this right is a new one, we do not know whether, and under what circumstances, the investors in our funds are likely to exercise such right.

In addition, the management agreements of our funds would terminate if we were to experience a change of control without obtaining investor consent. Such a change of control could be deemed to occur in the event our managing partners exchange enough of their interests in the Apollo Operating Group into our Class A shares such that our managing partners no longer own a controlling interest in us. We cannot be certain that consents required for the assignment of our management agreements will be obtained if such a deemed change of control occurs. Termination of these agreements would affect the fees we earn from the relevant funds and the transaction and advisory fees we earn from the underlying portfolio companies, which could have a material adverse effect on our results of operations.

Our use of leverage to finance our businesses will expose us to substantial risks, which are exacerbated by our funds use of leverage to finance investments.

We have a term loan outstanding under the AMH credit facility. We may choose to finance our business operations through further borrowings. Our existing and future indebtedness exposes us to the typical risks associated with the use of leverage, including those discussed below under Dependence on significant leverage in investments by our funds could adversely affect our ability to achieve attractive rates of return on those investments. These risks are exacerbated by certain of our funds use of leverage to finance investments and, if they were to occur, could cause us to suffer a decline in the credit ratings assigned to our debt by rating agencies, which might result in an increase in our borrowing costs or result in other material adverse effects on our businesses.

Borrowings under the AMH credit facility mature on April 20, 2014. As these borrowings and other indebtedness matures, we will be required to either refinance them by entering into new facilities, which could result in higher borrowing costs, or issuing equity, which would dilute existing shareholders. We could also repay them by using cash on hand or cash from the sale of our assets. We could have difficulty entering into new facilities or issuing equity in the future on attractive terms, or at all.

Borrowings under the AMH credit facility are either LIBOR or ABR-based floating-rate obligations. As a result, an increase in short-term interest rates will increase our interest costs to the extent such borrowings have not been hedged into fixed rates.

We are subject to third-party litigation that could result in significant liabilities and reputational harm, which could materially adversely affect our results of operations, financial condition and liquidity.

In general, we will be exposed to risk of litigation by our investors if our management of any fund is alleged to constitute bad faith, gross negligence, willful misconduct, fraud, willful or reckless disregard for our duties to the fund or other forms of misconduct. Investors could sue us to recover amounts lost by our funds due to our

alleged misconduct, up to the entire amount of loss. Further, we may be subject to litigation arising from investor dissatisfaction with the performance of our funds or from allegations that we improperly exercised control or influence over companies in which our funds have large investments. By way of example, we, our funds and certain of our employees are each exposed to the risks of litigation relating to investment activities in our funds and actions taken by the officers and directors (some of whom may be Apollo employees) of portfolio companies, such as the risk of shareholder litigation by other shareholders of public companies in which our funds have large investments. We are also exposed to risks of litigation or investigation relating to transactions that presented conflicts of interest that were not properly addressed. In addition, our rights to indemnification by the funds we manage may not be upheld if challenged, and our indemnification rights generally do not cover bad faith, gross negligence, willful misconduct, fraud, willful or reckless disregard for our duties to the fund or other forms of misconduct. If we are required to incur all or a portion of the costs arising out of litigation or investigations as a result of inadequate insurance proceeds or failure to obtain indemnification from our funds, our results of operations, financial condition and liquidity would be materially adversely affected.

In addition, with a workforce that includes many very highly paid investment professionals, we face the risk of lawsuits relating to claims for compensation, which may individually or in the aggregate be significant in amount. Such claims are more likely to occur in the current environment where individual employees may experience significant volatility in their year-to-year compensation due to trading performance or other issues and in situations where previously highly compensated employees were terminated for performance or efficiency reasons. The cost of settling such claims could adversely affect our results of operations.

If any lawsuits brought against us were to result in a finding of substantial legal liability, the lawsuit could, in addition to any financial damage, cause significant reputational harm to us, which could seriously harm our business. We depend to a large extent on our business relationships and our reputation for integrity and high-caliber professional services to attract and retain investors and to pursue investment opportunities for our funds. As a result, allegations of improper conduct by private litigants or regulators, whether the ultimate outcome is favorable or unfavorable to us, as well as negative publicity and press speculation about us, our investment activities or the private equity industry in general, whether or not valid, may harm our reputation, which may be more damaging to our business than to other types of businesses.

Our failure to deal appropriately with conflicts of interest could damage our reputation and adversely affect our businesses.

As we have expanded and as we continue to expand the number and scope of our businesses, we increasingly confront potential conflicts of interest relating to our funds investment activities. Certain of our funds may have overlapping investment objectives, including funds that have different fee structures, and potential conflicts may arise with respect to our decisions regarding how to allocate investment opportunities among those funds. For example, a decision to acquire material non-public information about a company while pursuing an investment opportunity for a particular fund gives rise to a potential conflict of interest when it results in our having to restrict the ability of other funds to take any action. In addition, fund investors (or holders of Class A shares) may perceive conflicts of interest regarding investment decisions for funds in which our managing partners, who have and may continue to make significant personal investments in a variety of Apollo funds, are personally invested. Similarly, conflicts of interest may exist in the valuation of our investments and regarding decisions about the allocation of specific investment opportunities among us and our funds and the allocation of fees and costs among us, our funds and their portfolio companies.

Pursuant to the terms of our operating agreement, whenever a potential conflict of interest exists or arises between any of the managing partners, one or more directors or their respective affiliates, on the one hand, and us, any of our subsidiaries or any shareholder other than a managing partner, on the other, any resolution or course of action by our board of directors shall be permitted and deemed approved by all shareholders if the resolution or course of action (i) has been specifically approved by a majority of the voting power of our outstanding voting shares (excluding voting shares owned by our manager or its affiliates) or by a conflicts committee of the board of directors composed entirely of one or more independent directors, (ii) is on terms no

less favorable to us or our shareholders (other than a managing partner) than those generally being provided to or available from unrelated third parties or (iii) it is fair and reasonable to us and our shareholders taking into account the totality of the relationships between the parties involved. All conflicts of interest described in this prospectus will be deemed to have been specifically approved by all shareholders. Notwithstanding the foregoing, it is possible that potential or perceived conflicts could give rise to investor dissatisfaction or litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential or actual conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest would have a material adverse effect on our reputation which would materially adversely affect our businesses in a number of ways, including as a result of redemptions by our investors from our funds, an inability to raise additional funds and a reluctance of counterparties to do business with us.

Our organizational documents do not limit our ability to enter into new lines of businesses, and we may expand into new investment strategies, geographic markets and businesses, each of which may result in additional risks and uncertainties in our businesses.

We intend, to the extent that market conditions warrant, to grow our businesses by increasing AUM in existing businesses and expanding into new investment strategies, geographic markets and businesses. Our organizational documents, however, do not limit us to the investment management business. Accordingly, we may pursue growth through acquisitions of other investment management companies, acquisitions of critical business partners or other strategic initiatives, which may include entering into new lines of business, such as the insurance, broker-dealer or financial advisory industries. In addition, we expect opportunities will arise to acquire other alternative or traditional asset managers. To the extent we make strategic investments or acquisitions, undertake other strategic initiatives or enter into a new line of business, we will face numerous risks and uncertainties, including risks associated with (i) the required investment of capital and other resources, (ii) the possibility that we have insufficient expertise to engage in such activities profitably or without incurring inappropriate amounts of risk, (iii) combining or integrating operational and management systems and controls and (iv) the broadening of our geographic footprint, including the risks associated with conducting operations in foreign jurisdictions. Entry into certain lines of business may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk. If a new business generates insufficient revenues or if we are unable to efficiently manage our expanded operations, our results of operations will be adversely affected. Our strategic initiatives may include joint ventures, in which case we will be subject to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or reputational damage relating to, systems, controls and personnel that are not under our control.

Employee misconduct could harm us by impairing our ability to attract and retain investors and by subjecting us to significant legal liability, regulatory scrutiny and reputational harm.

Our reputation is critical to maintaining and developing relationships with the investors in our funds, potential fund investors and third parties with whom we do business. In recent years, there have been a number of highly publicized cases involving fraud, conflicts of interest or other misconduct by individuals in the financial services industry. There is a risk that our employees could engage in misconduct that adversely affects our businesses. For example, if an employee were to engage in illegal or suspicious activities, we could be subject to regulatory sanctions and suffer serious harm to our reputation, financial position, investor relationships and ability to attract future investors. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in all cases. Misconduct by our employees, or even unsubstantiated allegations, could result in a material adverse effect on our reputation and our businesses.

The due diligence process that we undertake in connection with investments by our funds may not reveal all facts that may be relevant in connection with an investment.

Before making investments in private equity and other investments, we conduct due diligence that we deem reasonable and appropriate based on the facts and circumstances applicable to each investment. When conducting

due diligence, we may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an investment, we rely on the resources available to us, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that we will carry out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful.

Certain of our funds utilize special situation and distressed debt investment strategies that involve significant risks.

Our funds often invest in obligors and issuers with weak financial conditions, poor operating results, substantial financial needs, negative net worth and/or special competitive problems. These funds also invest in obligors and issuers that are involved in bankruptcy or reorganization proceedings. In such situations, it may be difficult to obtain full information as to the exact financial and operating conditions of these obligors and issuers. Additionally, the fair values of such investments are subject to abrupt and erratic market movements and significant price volatility if they are publicly traded securities, and are subject to significant uncertainty in general if they are not publicly traded securities. Furthermore, some of our funds distressed investments may not be widely traded or may have no recognized market. A fund s exposure to such investments may be substantial in relation to the market for those investments, and the assets are likely to be illiquid and difficult to sell or transfer. As a result, it may take a number of years for the market value of such investments to ultimately reflect their intrinsic value as perceived by us.

A central feature of our distressed investment strategy is our ability to successfully predict the occurrence of certain corporate events, such as debt and/or equity offerings, restructurings, reorganizations, mergers, takeover offers and other transactions, that we believe will improve the condition of the business. If the corporate event we predict is delayed, changed or never completed, the market price and value of the applicable fund s investment could decline sharply.

In addition, these investments could subject us to certain potential additional liabilities that may exceed the value of our original investment. Under certain circumstances, payments or distributions on certain investments may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, a preferential payment or similar transaction under applicable bankruptcy and insolvency laws. In addition, under certain circumstances, a lender that has inappropriately exercised control of the management and policies of a debtor may have its claims subordinated or disallowed, or may be found liable for damages suffered by parties as a result of such actions. In the case where the investment in securities of troubled companies is made in connection with an attempt to influence a restructuring proposal or plan of reorganization in bankruptcy, our funds may become involved in substantial litigation.

We often pursue investment opportunities that involve business, regulatory, legal or other complexities.

As an element of our investment style, we often pursue unusually complex investment opportunities. This can often take the form of substantial business, regulatory or legal complexity that would deter other investment managers. Our tolerance for complexity presents risks, as such transactions can be more difficult, expensive and time-consuming to finance and execute; it can be more difficult to manage or realize value from the assets acquired in such transactions; and such transactions sometimes entail a higher level of regulatory scrutiny or a greater risk of contingent liabilities. Any of these risks could harm the performance of our funds.

Our funds make investments in companies that we do not control.

Investments by our capital markets funds (and, in certain instances, our private equity funds) will include debt instruments and equity securities of companies that we do not control. Such instruments and securities may be acquired by our funds through trading activities or through purchases of securities from the issuer. In the

future, our private equity funds may seek to acquire minority equity interests more frequently and may also dispose of a portion of their majority equity investments in portfolio companies over time in a manner that results in the funds retaining a minority investment. Those investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which we do not agree or that the majority stakeholders or the management of the company may take risks or otherwise act in a manner that does not serve our interests. If any of the foregoing were to occur, the values of investments by our funds could decrease and our financial condition, results of operations and cash flow could suffer as a result.

Our funds may face risks relating to undiversified investments.

While diversification is generally an objective of our funds, we cannot give assurance as to the degree of diversification that will actually be achieved in any fund investments. Because a significant portion of a fund s capital may be invested in a single investment or portfolio company, a loss with respect to such investment or portfolio company could have a significant adverse impact on such fund s capital. This risk is exacerbated by co-investments that we cause AAA to undertake. Accordingly, a lack of diversification on the part of a fund could adversely affect a fund s performance and therefore, our financial condition and results of operations.

Some of our funds invest in foreign countries and securities of issuers located outside of the United States, which may involve foreign exchange, political, social and economic uncertainties and risks.

Some of our funds invest a portion of their assets in the equity, debt, loans or other securities of issuers located outside the United States, including, Germany, China and Singapore. In addition to business uncertainties, such investments may be affected by changes in exchange values as well as political, social and economic uncertainty affecting a country or region. Many financial markets are not as developed or as efficient as those in the United States, and as a result, liquidity may be reduced and price volatility may be higher. The legal and regulatory environment may also be different, particularly with respect to bankruptcy and reorganization. Financial accounting standards and practices may differ, and there may be less publicly available information in respect of such companies.

Restrictions imposed or actions taken by foreign governments may adversely impact the value of our fund investments. Such restrictions or actions could include exchange controls, seizure or nationalization of foreign deposits or other assets and adoption of other governmental restrictions that adversely affect the prices of securities or the ability to repatriate profits on investments or the capital invested itself. Income received by our funds from sources in some countries may be reduced by withholding and other taxes. Any such taxes paid by a fund will reduce the net income or return from such investments. While our funds will take these factors into consideration in making investment decisions, including when hedging positions, our funds may not be able to fully avoid these risks or generate sufficient risk-adjusted returns.

Third-party investors in our funds will have the right under certain circumstances to terminate commitment periods or to dissolve the funds, and investors in our hedge funds may redeem their investments in our hedge funds at any time after an initial holding period of 12 to 36 months. These events would lead to a decrease in our revenues, which could be substantial.

The governing agreements of certain of our funds allow the limited partners of those funds to (i) terminate the commitment period of the fund in the event that certain key persons (for example, one or more of our managing partners and/or certain other investment professionals) fail to devote the requisite time to managing the fund, (ii) (depending on the fund) terminate the commitment period, dissolve the fund or remove the general partner if we, as general partner or manager, or certain key persons engage in certain forms of misconduct, or (iii) dissolve the fund or terminate the commitment period upon the affirmative vote of a specified percentage of limited partner interests entitled to vote. Both Fund VI and Fund VII, on which our near- to medium-term performance will heavily depend, include a number of such provisions. Also, in order to deconsolidate most of our funds for financial reporting purposes, we amended the governing documents of those funds to provide that a

simple majority of a fund s unaffiliated investors have the right to liquidate that fund. In addition to having a significant negative impact on our revenue, net income and cash flow, the occurrence of such an event with respect to any of our funds would likely result in significant reputational damage to us.

Investors in our hedge funds may also generally redeem their investments on an annual, semiannual or quarterly basis following the expiration of a specified period of time when capital may not be redeemed (typically between one and five years). Fund investors may decide to move their capital away from us to other investments for any number of reasons in addition to poor investment performance. Factors which could result in investors leaving our funds include changes in interest rates that make other investments more attractive, changes in investor perception regarding our focus or alignment of interest, unhappiness with changes in or broadening of a fund s investment strategy, changes in our reputation and departures or changes in responsibilities of key investment professionals. In a declining market, the pace of redemptions and consequent reduction in our Assets Under Management could accelerate. The decrease in revenues that would result from significant redemptions in these funds could have a material adverse effect on our businesses, revenues, net income and cash flows.

In addition, the management agreements of all of our funds would be terminated upon an assignment, without the requisite consent, of these agreements, which may be deemed to occur in the event the investment advisers of our funds were to experience a change of control. We cannot be certain that consents required to assignments of our investment management agreements will be obtained if a change of control occurs. In addition, with respect to our publicly traded closed-end mezzanine funds, each fund s investment management agreement must be approved annually by the independent members of such fund s board of directors and, in certain cases, by its stockholders, as required by law. Termination of these agreements would cause us to lose the fees we earn from such funds.

Our financial projections for portfolio companies could prove inaccurate.

Our funds generally establish the capital structure of portfolio companies on the basis of financial projections for such portfolio companies. These projected operating results will normally be based primarily on management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. General economic conditions, which are not predictable, along with other factors may cause actual performance to fall short of the financial projections we used to establish a given portfolio company s capital structure. Because of the leverage we typically employ in our investments, this could cause a substantial decrease in the value of our equity holdings in the portfolio company. The inaccuracy of financial projections could thus cause our funds performance to fall short of our expectations.

Fraud and other deceptive practices could harm fund performance.

Instances of fraud and other deceptive practices committed by senior management of portfolio companies in which an Apollo fund invests may undermine our due diligence efforts with respect to such companies, and if such fraud is discovered, negatively affect the valuation of a fund s investments. In addition, when discovered, financial fraud may contribute to overall market volatility that can negatively impact an Apollo fund s investment program. As a result, instances of fraud could result in fund performance that is poorer than expected.

Contingent liabilities could harm fund performance.

We may cause our funds to acquire an investment that is subject to contingent liabilities. Such contingent liabilities could be unknown to us at the time of acquisition or, if they are known to us, we may not accurately assess or protect against the risks that they present. Acquired contingent liabilities could thus result in unforeseen losses for our funds. In addition, in connection with the disposition of an investment in a portfolio company, a fund may be required to make representations about the business and financial affairs of such portfolio company typical of those made in connection with the sale of a business. A fund may also be required to indemnify the purchasers of

such investment to the extent that any such representations are inaccurate. These arrangements may result in the incurrence of contingent liabilities by a fund, even after the disposition of an investment. Accordingly, the inaccuracy of representations and warranties made by a fund could harm such fund s performance.

Our funds may be forced to dispose of investments at a disadvantageous time.

Our funds may make investments that they do not advantageously dispose of prior to the date the applicable fund is dissolved, either by expiration of such fund s term or otherwise. Although we generally expect that investments will be disposed of prior to dissolution or be suitable for in-kind distribution at dissolution, and the general partners of the funds have a limited ability to extend the term of the fund with the consent of fund investors or the advisory board of the fund, as applicable, our funds may have to sell, distribute or otherwise dispose of investments at a disadvantageous time as a result of dissolution. This would result in a lower than expected return on the investments and, perhaps, on the fund itself.

Possession of material, non-public information could prevent Apollo funds from undertaking advantageous transactions; our internal controls could fail; we could determine to establish information barriers.

Our managing partners, investment professionals or other employees may acquire confidential or material non-public information and, as a result, be restricted from initiating transactions in certain securities. This risk affects us more than it does many other investment managers, as we generally do not use information barriers that many firms implement to separate persons who make investment decisions from others who might possess material, non-public information that could influence such decisions. Our decision not to implement these barriers could prevent our investment professionals from undertaking advantageous investments or dispositions that would be permissible for them otherwise.

In order to manage possible risks resulting from our decision not to implement information barriers, our compliance personnel maintain a list of restricted securities as to which we have access to material, non-public information and in which our funds and investment professionals are not permitted to trade. This internal control relating to the management of material non-public information could fail and with the result that we, or one of our investment professionals, might trade when at least constructively in possession of material non-public information. Inadvertent trading on material non-public information could have adverse effects on our reputation, result in the imposition of regulatory or financial sanctions and as a consequence, negatively impact our financial condition. In addition, we could in the future decide that it is advisable to establish information barriers, particularly as our business expands and diversifies. In such event, our ability to operate as an integrated platform will be restricted. The establishment of such information barriers may also lead to operational disruptions and result in restructuring costs, including costs related to hiring additional personnel as existing investment professionals are allocated to either side of such barriers, which may adversely affect our business.

Regulations governing AIC s operation as a business development company affect its ability to raise, and the way in which it raises, additional capital.

As a business development company under the Investment Company Act, AIC may issue debt securities or preferred stock and borrow money from banks or other financial institutions, which we refer to collectively as senior securities, up to the maximum amount permitted by the Investment Company Act. Under the provisions of the Investment Company Act, AIC is permitted to issue senior securities only in amounts such that its asset coverage, as defined in the Investment Company Act, equals at least 200% after each issuance of senior securities. If the value of its assets declines, it may be unable to satisfy this test. If that happens, it may be required to sell a portion of its investments and, depending on the nature of its leverage, repay a portion of its indebtedness at a time when such sales may be disadvantageous.

Business development companies may issue and sell common stock at a price below net asset value per share only in limited circumstances, one of which is during the one-year period after stockholder approval. In August 2008, AIC s stockholders approved a plan so that AIC may, in one or more public or private offerings of

its common stock, sell or otherwise issue shares of its common stock at a price below the then current net asset value per share, subject to certain conditions including parameters on the level of permissible dilution, approval of the sale by a majority of its independent directors and a requirement that the sale price be not less than approximately the market price of the shares of its common stock at specified times, less the expenses of the sale. AIC may ask its stockholders for additional approvals from year to year. There is no assurance such approvals will be obtained.

Our hedge funds are subject to numerous additional risks.

Our hedge funds are subject to numerous additional risks, including the risks set forth below.

- Generally, there are few limitations on the execution of these funds investment strategies, which are subject to the sole discretion of the management company or the general partner of such funds.

- These funds may engage in short-selling, which is subject to a theoretically unlimited risk of loss.

- These funds are exposed to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the fund to suffer a loss.

- Credit risk may arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes a series of defaults by the other institutions.

- The efficacy of investment and trading strategies depend largely on the ability to establish and maintain an overall market position in a combination of financial instruments, which can be difficult to execute.

- These funds may make investments or hold trading positions in markets that are volatile and which may become illiquid.

- These funds investments are subject to risks relating to investments in commodities, futures, options and other derivatives, the prices of which are highly volatile and may be subject to a theoretically unlimited risk of loss in certain circumstances.

Risks Related to This Offering

There is no existing public market for our Class A shares, and we do not know if one will develop, which could impede your ability to sell your Class A shares and depress the market price of our Class A shares.

Prior to this offering and the IPO, our Class A shares have traded on GSTrUE and, as such, there has not been a public market for our Class A shares. We cannot predict the extent to which investor interest in the company will lead to the development of an active trading market on the NYSE or otherwise or how liquid that market might become. If an active trading market does not develop, you may have difficulty selling any of our Class A shares.

The market price and trading volume of our Class A shares may be volatile, which could result in rapid and substantial losses for our shareholders.

Even if an active trading market develops, the market price of our Class A shares may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume in our Class A shares may fluctuate and cause significant price variations to occur. If the market price of our Class A shares declines significantly, you may be unable to resell your Class A shares at or above your purchase price, if at all. The market price of our Class A shares may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price

of our Class A shares or result in fluctuations in the price or trading volume of our Class A shares include:

- variations in our quarterly operating results or dividends, which variations we expect will be substantial;

- our policy of taking a long-term perspective on making investment, operational and strategic decisions, which is expected to result in significant and unpredictable variations in our quarterly returns;
- failure to meet analysts earnings estimates;
- publication of research reports about us or the investment management industry or the failure of securities analysts to cover our Class A shares after this offering;
- additions or departures of our managing partners and other key management personnel;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by shareholders;
- changes in market valuations of similar companies;
- speculation in the press or investment community;
- changes or proposed changes in laws or regulations or differing interpretations thereof affecting our businesses or enforcement of these laws and regulations, or announcements relating to these matters;
- a lack of liquidity in the trading of our Class A shares;
- adverse publicity about the asset management industry generally or individual scandals, specifically; and
- general market and economic conditions.

In addition, from time to time, management may also declare special quarterly distributions based on investment realizations. Volatility in the market price may be heightened at or around times of investment realizations as well as following such realization, as a result of speculation as to whether such a distribution may be declared.

An investment in Class A shares is not an investment in any of our funds, and the assets and revenues of our funds are not directly available to us.

This prospectus is solely an offer with respect to Class A shares, and is not an offer directly or indirectly of any securities of any of our funds. Class A shares are securities of Apollo Global Management, LLC only. While our historical consolidated and combined financial information includes financial information, including assets and revenues, of certain Apollo funds on a consolidated basis, and our future financial information will continue to consolidate certain of these funds, such assets and revenues are available to the fund and not to us except through management fees, incentive income, distributions and other proceeds arising from agreements with funds, as discussed in more detail in this prospectus.

Our Class A share price may decline due to the large number of shares eligible for future sale and for exchange into Class A shares.

The market price of our Class A shares could decline as a result of sales of a large number of our Class A shares or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate. We will have Class A shares outstanding after giving effect to the IPO, not including approximately 36.6 million Class A shares or share units granted (net of forfeited and settled awards) to certain employees and consultants under our equity incentive plan, of which approximately 12.5 million were vested as of September 30, 2010 and approximately 24.1 million remain subject to vesting. The Class A shares reserved under our equity incentive plan are increased on the first day of each fiscal year during the plan s term by the lesser of (x) the excess of (i) 15% of the number of outstanding Class A shares of the company and the number of outstanding Apollo Operating Group units on the last day of the immediately preceding fiscal year over (ii) the number of shares reserved and available for issuance under our equity incentive plan as of such date or (y) such lesser amount by which the administrator may decide to increase the number of Class A shares. Following such increase and grants

of RSUs made through September 30, 2010, 38,867,897 Class A shares remained available for future grant under our equity incentive plan. In addition, Holdings may at any time exchange its Apollo Operating Group units for up to 240,000,000 Class A shares on behalf of our managing partners and contributing partners. We may also elect to sell additional Class A shares in one or more future primary offerings.

Our managing partners and contributing partners, through their partnership interests in Holdings, will own an aggregate of % of the Apollo Operating Group units after giving effect to the IPO. Subject to certain procedures and restrictions (including the vesting schedules applicable to our managing partners and contributing partners and any applicable transfer restrictions and lock-up agreements) each managing partner and contributing partner has the right, upon 60 days notice prior to a designated quarterly date, to exchange the Apollo Operating Group units for Class A shares. BRH Holdings, L.P., Holdings, certain of our executive officers and the Strategic Investors have agreed with the initial purchasers not to dispose of or hedge any of our Class A shares, subject to specified exceptions, through the date that is 180 days after the registration effectiveness date, except with the prior written consent of the representatives of the initial purchasers. In addition, certain of our executive officers, directors, employees and affiliates will enter into lock-up agreements with underwriters in the IPO and will agree not to dispose of or hedge any of our Class A shares, subject to specified exceptions, through the date that is days after the offering date of the IPO, except with the prior written consent of the underwriters in the IPO. After the expiration of the applicable lock-up period, these Class A shares will be eligible for resale from time to time, subject to certain contractual restrictions and Securities Act limitations. Under certain circumstances, the applicable lock-up period may be extended.

We and our manager will enter into lock-up agreements with underwriters in the IPO and will agree not to dispose of or hedge any of our Class A shares, subject to specified exceptions, through the date that is days after the offering date of the IPO, except with the prior written consent of the underwriters in the IPO.

The selling shareholders in the IPO will also enter into lock-up agreements with the underwriters in the IPO and will agree not to dispose of or hedge any of our Class A shares, subject to specified exceptions, through the date that is days after the offering date of the IPO, except with the prior written consent of the underwriters in the IPO.

After the expiration of their lock-up period, our managing partners and contributing partners (through Holdings) will have the ability to cause us to register the Class A shares they acquire upon exchange of their Apollo Operating Group units. Such rights will be exercisable beginning two years after the registration effectiveness date.

The Strategic Investors will have the ability to cause us to register any of their non-voting Class A shares beginning two years after the registration effectiveness date, and, generally, may only transfer their non-voting Class A shares prior to such time to its controlled affiliates.

We intend to file with the SEC a registration statement on Form S-8 covering the shares issuable under our equity incentive plan. Subject to vesting and contractual lock-up arrangements, upon effectiveness of the registration statement on Form S-8, such shares will be freely tradable.

You will suffer an immediate and substantial dilution in the net tangible book value of the Class A shares you purchase after giving effect to the IPO.

The assumed initial offering price in the IPO is substantially higher than the net tangible book value per share of the outstanding Class A shares immediately after the IPO. Accordingly, based on an assumed initial public offering price of $ per share (the midpoint of the estimated offering price range of $ and $), purchasers of Class A shares in the IPO will, and purchasers of Class A shares in this offering may, experience immediate and substantial dilution of approximately $ per share in net tangible book value of the Class A shares after giving effect to the IPO. See Dilution, including the discussion of the effects on dilution from a change in the price of the IPO.

We cannot assure you that our intended quarterly dividends will be paid each quarter or at all.

Our intention is to distribute to our Class A shareholders on a quarterly basis substantially all of our net after-tax cash flow from operations in excess of amounts determined by our manager to be necessary or appropriate to provide for the conduct of our businesses, to make appropriate investments in our businesses and our funds, to comply with applicable laws and regulations, to service our indebtedness or to provide for future distributions to our Class A shareholders for any ensuing quarter. The declaration, payment and determination of the amount of our quarterly dividend, if any, will be at the sole discretion of our manager, who may change our dividend policy at any time. We cannot assure you that any dividends, whether quarterly or otherwise, will or can be paid. In making decisions regarding our quarterly dividend, our manager considers general economic and business conditions, our strategic plans and prospects, our businesses and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, legal, tax, regulatory and other restrictions that may have implications on the payment of dividends by us to our common shareholders or by our subsidiaries to us, and such other factors as our manager may deem relevant.

Our managing partners beneficial ownership of interests in the Class B share that we have issued to BRH, the control exercised by our manager and anti-takeover provisions in our charter documents and Delaware law could delay or prevent a change in control.

Our managing partners, through their ownership of BRH, beneficially own the Class B share that we have issued to BRH. The managing partners interests in such Class B share will represent % of the total combined voting power of our shares entitled to vote after giving effect to the IPO. As a result, they are able to exercise control over all matters requiring the approval of shareholders and are able to prevent a change in control of our company. In addition, our operating agreement provides that so long as the Apollo control condition is satisfied, our manager, which is owned and controlled by our managing partners, manages all of our operations and activities. The control of our manager will make it more difficult for a potential acquirer to assume control of us. Other provisions in our operating agreement may also make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our shareholders. For example, our operating agreement requires advance notice for proposals by shareholders and nominations, places limitations on convening shareholder meetings, and authorizes the issuance of preferred shares that could be issued by our board of directors to thwart a takeover attempt. In addition, certain provisions of Delaware law may delay or prevent a transaction that could cause a change in our control. The market price of our Class A shares could be adversely affected to the extent that our managing partners control over us, the control exercised by our manager as well as provisions of our operating agreement discourage potential takeover attempts that our shareholders may favor.

We are a Delaware limited liability company, and there are certain provisions in our operating agreement regarding exculpation and indemnification of our officers and directors that differ from the Delaware General Corporation Law (DGCL) in a manner that may be less protective of the interests of our Class A shareholders.

Our operating agreement provides that to the fullest extent permitted by applicable law our directors or officers will not be liable to us. However, under the DGCL, a director or officer would be liable to us for (i) breach of duty of loyalty to us or our shareholders, (ii) intentional misconduct or knowing violations of the law that are not done in good faith, (iii) improper redemption of shares or declaration of dividend, or (iv) a transaction from which the director derived an improper personal benefit. In addition, our operating agreement provides that we indemnify our directors and officers for acts or omissions to the fullest extent provided by law. However, under the DGCL, a corporation can only indemnify directors and officers for acts or omissions if the director or officer acted in good faith, in a manner he reasonably believed to be in the best interests of the corporation, and, in criminal action, if the officer or director had no reasonable cause to believe his conduct was unlawful. Accordingly, our operating agreement may be less protective of the interests of our Class A shareholders, when compared to the DGCL, insofar as it relates to the exculpation and indemnification of our officers and directors.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements under Prospectus Summary, Risk Factors, Management s Discussion and Analysis of Financial Condition and Results of Operations, Business and elsewhere in this prospectus may contain forward-looking statements that reflect our current views with respect to, among other things, future events and financial performance. You can identify these forward-looking statements by the use of forward-looking words such as outlook, believes, expects, potential, continues, may, should, seeks, approximately, predicts, intends, plans or the negative version of those words or other comparable words. Any forward-looking statements contained in this prospectus are based upon our historical performance and our current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the risk factors and other cautionary statements that are included in this prospectus. We do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus includes market and industry data and forecasts from independent consultant reports, publicly available information, various industry publications, other published industry sources and our internal data, estimates and forecasts. Independent consultant reports, industry publications and other published industry sources generally indicate that the information contained therein was obtained from sources believed to be reliable.

Our internal data, estimates and forecasts are based upon information obtained from our investors, partners, trade and business organizations and other contacts in the markets in which we operate and our management s understanding of industry conditions. Although we believe that such information is reliable, we have not had such information verified by any independent sources.

OUR STRUCTURE

Apollo Global Management, LLC was formed as a Delaware limited liability company for the purposes of completing the Reorganization, the Strategic Investors Transaction and the Private Offering Transactions and conducting our businesses as a publicly held entity. Apollo Global Management, LLC is a holding company whose primary assets are 100% of the general partner interests in each limited partnership included in the Apollo Operating Group, which is described below under Reorganization Holding Company Structure. After giving effect to the IPO, % of the limited partner interests of the Apollo Operating Group entities will be held by Apollo Global Management, LLC through intermediate holding companies, and the remaining % of the limited partner interests of the Apollo Operating Group entities will be owned directly by Holdings, an entity 100% owned, directly and indirectly, by our managing partners and contributing partners. The limited partner interests that the company and Holdings own in the Apollo Operating Group entities represent the company s and Holdings economic interests in the Apollo Operating Group. With limited exceptions, the Apollo Operating Group owns each of the operating entities included in our historical consolidated and combined financial statements as described below under Reorganization Our Assets. Prior to the Reorganization, our business was conducted through a number of entities as to which there was no single holding entity but that were separately owned by our managing partners. In order to facilitate the Rule 144A Offering, which closed on August 8, 2007, we effected the Reorganization to form a new holding company structure. Additional entities were formed in 2008 to create our current holding company structure.

Apollo Global Management, LLC is owned by its Class A and Class B shareholders. Holders of our Class A shares and Class B share vote as a single class on all matters presented to the shareholders, although the Strategic Investors do not have voting rights in respect of any of their Class A shares. We have issued to BRH a single Class B share solely for purposes of granting voting power to BRH. BRH is the general partner of Holdings and is a Cayman Islands exempted company owned and controlled by our managing partners. The Class B share does not represent an economic interest in Apollo Global Management, LLC. The voting power of the Class B share will, however, increase or decrease with corresponding changes in Holdings economic interest in the Apollo Operating Group.

Our shareholders vote together as a single class on the limited set of matters on which shareholders have a vote. Such matters include a proposed sale of all or substantially all of our assets, certain mergers and consolidations, certain amendments to our operating agreement and an election by our manager to dissolve the company.

The diagram below depicts our current organizational structure after giving effect to the IPO.[(1)]

(1) Adjusted numbers giving effect to the IPO assume that Class A shares are offered and sold by Apollo Global Management, LLC, and the net proceeds thereof are contributed to the Apollo Operating Group, thereby increasing the economic interest held by our Class A shareholders, taken as a whole, in the Apollo Operating Group from % to %.

(2) After giving effect to the IPO, the Public Investors will hold % of the Class A shares, the CS Investor will hold % of the Class A shares, and the Strategic Investors will hold % of the Class A shares. After giving effect to the IPO, the Class A shares held by the Public Investors will represent % of the total voting power of our shares entitled to vote and % of the economic interests in the Apollo Operating Group. After giving effect to the IPO, Class A shares held by the CS Investor will represent % of the total voting power of our shares entitled to vote and % of the economic interests in the Apollo Operating Group. Class A shares held by the Strategic Investors do not have voting rights and after giving effect to the IPO, will represent % of the economic interests in the Apollo Operating Group. Such Class A shares will become entitled to vote upon transfers by a Strategic Investor in accordance with the agreements entered into in connection with the Strategic Investors Transaction.

(3) Our managing partners own BRH, which in turn holds our only outstanding Class B share. After giving effect to the IPO, the Class B share will represent % of the total voting power of our shares entitled to vote but no economic interest in Apollo Global Management, LLC. Our managing partners economic interests are instead represented by their indirect ownership, through Holdings, of % of the limited partner interests in the Apollo Operating Group after giving effect to the IPO.

(4) Through BRH Holdings, L.P., our managing partners own limited partnership interests in Holdings.

(5) After giving effect to the IPO, will represent % of the limited partner interests in each Apollo Operating Group entity. The Apollo Operating Group units held by Holdings are exchangeable for Class A shares, as described below under Reorganization Equity Interests Retained by Our Managing Partners and Contributing Partners. Our managing partners, through their interest in BRH and Holdings, will own % of the Apollo Operating Group units after giving effect to the IPO. Our contributing partners, through their ownership interests in Holdings, will own % of the Apollo Operating Group units after giving effect to the IPO.

(6) BRH is the sole member of AGM Management, LLC, our manager. The management of Apollo Global Management, LLC is vested in our manager as provided in our operating agreement. See Description of Shares Operating Agreement for a description of the authority that our manager exercises.

(7) After giving effect to the IPO, will represent % of the limited partner interests in each Apollo Operating Group entity, held through intermediate holding companies. Apollo Global Management, LLC also indirectly owns 100% of the general partner interests in each Apollo Operating Group entity.

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(1) Apollo Principal Holdings I, L.P. holds 100% of the non-economic general partner interests in the domestic general partners set forth below its name in the chart above. It also holds between 50% and 67% (depending on the fund) of all limited partner interests in the domestic general partners set forth below its name. The remaining limited partner interests in these domestic general partners are held by certain of our current and former professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations. Apollo Principal Holdings I, L.P. is also the sole owner of the domestic general partner of a real estate fund. Apollo Principal Holdings I, L.P. also holds 100% of the limited partner interests in Apollo Co-Investors VI (D), L.P. and Apollo Co-Investors VII (D), L.P. The general partner interest in Apollo Co-Investors VI (D), L.P. and Apollo Co-Investors VII (D), L.P. is held by Apollo Co-Investors Manager, LLC, which is solely owned by one of our managing partners.

(2) Apollo Principal Holdings III, L.P. holds 100% of the non-economic general partner interests in the foreign general partners set forth below its name in the chart above other than AAA Guernsey Limited and the general partner of AAA Associates, L.P. Apollo Principal Holdings III, L.P. also holds 45% of the non-economic general partner interests in AAA Guernsey Limited and the general partner of AAA Associates, L.P. The remaining 55% non-economic general partner interest of AAA Guernsey Limited and the general partner of AAA Associates, L.P. is owned by an individual who is not an affiliate of Apollo. Apollo Principal Holdings III, L.P. also holds between 54% and 100% (depending on the fund) of all limited partner interests in the foreign general partners set forth below its name. The remaining limited partner interests in these foreign general partners are held by certain of our current and former professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations. Apollo Principal Holdings III, L.P. also holds 100% of the limited partner interests in the foreign private equity co-invest vehicles set forth below its name in the chart above. The general partner interest in these vehicles is held by Apollo Co-Investors Manager, LLC, which is solely owned by one of our managing partners.

(3) Apollo Principal Holdings VII, L.P. holds 100% of the non-economic general partner interests in the foreign general partners set forth below its name in the chart above. It also holds between 59% and 67% (depending on the fund) of all limited partner interests in the foreign general partners set forth below its name. The remaining limited partner interests in these foreign general partners are held by certain of our current and former professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations. Apollo Principal Holdings VII, L.P. holds 100% of the limited partner interests in the foreign private equity and foreign capital markets co-invest vehicles set forth below its name. The general partner interest in these vehicles is held by Apollo Co-Investors Manager, LLC, which is solely owned by one of our managing partners. Apollo Principal Holdings VII, L.P. is also the sole owner of the general partner of a capital markets fund.

(4) Apollo Principal Holdings IX, L.P. holds 100% of the non-economic general partner interests in the domestic general partners set forth below its name in the chart above. It also holds between 65% and 100% (depending on the fund) of all limited partner interests in the domestic general partners set forth below its name. The remaining limited partner interests in these domestic general partners are held by certain of our current and former professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations.

(5) Apollo Principal Holdings II, L.P. holds 100% of the non-economic general partner interests in the domestic general partners set forth below its name in the chart above. It also holds between 65% and 100% (depending on the fund) of all limited partner interests in the domestic general partners set forth below its name. The remaining limited partner interests in these domestic general partners are held by certain of our current and former professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations.

(6) Apollo Principal Holdings IV, L.P. holds 100% of the non-economic general partner interests in the foreign general partners set forth below its name in the chart above. It also holds between 95% and 100% (depending on the fund) of the limited partner interests in the foreign general partners set forth below its name. The remaining limited partner interests in the foreign general partners are held by certain of our professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations.

(7) Apollo Principal Holdings VI, L.P. holds 100% of the non-economic general partner interests in the domestic general partners set forth below its name in the chart above. It also holds between 59% and 67% (depending on the fund) of all limited partner interests in the domestic general partners set forth below its name. The remaining limited partner interests in these domestic general partners are held by certain of our current and former professionals and are reflected as profit sharing expense associated with carried interest income earned from our funds within Compensation and Benefits in our consolidated and combined statements of operations. Apollo Principal Holdings VI, L.P. also holds 100% of the limited partner interests in the domestic private equity co-invest vehicles set forth below its name. The general partner interest in these vehicles is held by Apollo Co-Investors Manager, LLC, which is solely owned by one of our Managing Partners. Apollo Principal Holdings VI, L.P. is also the sole owner of the domestic capital markets co-invest vehicles set forth below its name and the holding company set forth below its name, which holds the general partners of the legacy real estate funds.

(8) Apollo Principal Holdings VIII, L.P. holds 100% of the limited partner interests in the foreign capital markets co-invest vehicles set forth below its name in the chart above. The general partner interest in Apollo EPF Co-Investors (B), L.P. is held by Apollo EPF Administration, Limited, which is solely owned by one of our managing partners. The general partner interest in Apollo AIE II Co-Investors (B), L.P. is held by Apollo Co-Investors Manager, LLC, which is solely owned by one of our managing partners.

(9) Apollo Management Holdings, L.P. holds 100% of the management companies comprising the investment advisors of all of Apollo s funds including AIC, AIE I and AAA; however, a portion of the management fees, incentive income and other fees payable to these investment advisors are allocated to certain of our current and former professionals and are reflected as profit sharing expense within Compensation and Benefits in our consolidated and combined statements of operations (included elsewhere in this prospectus), as described in more detail under Reorganization Our Assets.

(10) Apollo Advisors IV, L.P. is the general partner of Fund IV, Apollo Advisors V, L.P. is the general partner of Fund V, Apollo Advisors VI, L.P. is the general partner of Fund VI and Apollo Advisors VII, L.P. is the general partner of Fund VII. Certain offshore vehicles that comprise the foregoing funds also have an administrative general partner, which is an affiliate of the foregoing general partner. AGRE CMBS GP LLC is the sole general partner of AGRE CMBS Fund L.P.

(11) Apollo Advisors V (EH Cayman), L.P. is the sole general partner of Fund V s Cayman Islands alternative investment vehicles. Apollo Advisors VI (EH), L.P. is the sole general partner of certain of Fund VI s Cayman Islands alternative investment vehicles. Apollo Advisors VII (EH), L.P. is the sole general partner of one of Fund VII s Cayman Islands alternative investment vehicle. AAA Associates, L.P. is the sole general partner of AAA Investments, the limited

partnership through which AAA s investments are made. AAA Guernsey Limited is the sole general partner of AAA.

(12) Apollo Advisors VI (APO FC), L.P. is the general partner (or the member of the general partner) of certain alternative investment vehicles and special purpose vehicles formed in connection with various investments of Fund VI. Apollo Advisors VII (APO FC), L.P. is

the general partner (or the member of the general partner) of certain alternative investment vehicles and special purpose vehicles formed in connection with various investments of Fund VII.

(13) Apollo Credit Opportunity Advisors I, L.P. is the sole general partner of COF I. Apollo Credit Opportunity Advisors II, L.P. is the sole general partner of COF II. Apollo Credit Advisors, L.P. is the sole general partner of Apollo/Palmetto Loan Portfolio, L.P.

(14) Apollo SVF Advisors, L.P. is the general partner of SVF. Apollo Asia Advisors, L.P. is the general partner of AAOF. Apollo Credit Liquidity Advisors, L.P. is the sole general partner of ACLF. Apollo Value Advisors, L.P. is the general partner of VIF. Apollo SOMA Advisors, L.P. is the sole general partner of SOMA. A/A Capital Management, LLC is the sole general partner of Artus. Apollo Palmetto Advisors, L.P. is the general partner of Palmetto. Certain offshore vehicles that comprise the foregoing funds also have an administrative general partner, which is an affiliate of the foregoing general partners.

(15) Apollo EPF Advisors, L.P. is the sole general partner of EPF. Apollo Europe Advisors, L.P. is the sole general partner of AIE II.

(16) Apollo Advisors VI (APO DC), L.P. is the general partner (or the member of the general partner) of certain alternative investment vehicles and special purpose vehicles formed in connection with various investments of Fund VI. Apollo Advisors VII (APO DC), L.P. is the general partner (or the member of the general partner) of certain alternative investment vehicles and special purpose vehicles formed in connection with various investments of Fund VII.

Reorganization

Holding Company Structure

Apollo Global Management, LLC, through three intermediate holding companies (APO Corp., APO Asset Co., LLC and APO (FC), LLC), will own % of the economic interests of, and operate and control all of the businesses and affairs of, the Apollo Operating Group and its subsidiaries after giving effect to the IPO. Holdings will own the remaining % of the economic interests in the Apollo Operating Group after giving effect to the IPO. Apollo Global Management, LLC consolidates the financial results of the Apollo Operating Group and its consolidated subsidiaries. Holdings ownership interest in the Apollo Operating Group is reflected as a minority interest in Apollo Global Management, LLC s consolidated financial statements.

The Apollo Operating Group consists of the following partnerships: Apollo Principal Holdings I, L.P. (a Delaware limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings II, L.P. (a Delaware limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings III, L.P. (a Cayman Islands exempted limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings IV, L.P. (a Cayman Islands exempted limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings V, L.P. (a Delaware limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings VI, L.P. (a Delaware limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings VII, L.P. (a Cayman Islands exempted limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings VIII, L.P. (a Cayman Islands exempted limited partnership that is a partnership for U.S. Federal income tax purposes), Apollo Principal Holdings IX, L.P. (a Cayman Islands exempted limited partnership that is a partnership for U.S. Federal income tax purposes), and Apollo Management Holdings, L.P. (a Delaware limited partnership that is a partnership for U.S. Federal income tax purposes).

Apollo Global Management, LLC conducts all of its material business activities through the Apollo Operating Group. Substantially all of our expenses, including substantially all expenses solely incurred by or attributable to Apollo Global Management, LLC are borne by the Apollo Operating Group; provided that obligations incurred under the tax receivable agreement by Apollo Global Management, LLC or its wholly-owned subsidiaries (which currently consist of our three intermediate holding companies, APO Corp., APO Asset Co., LLC and APO (FC), LLC), income tax expenses of Apollo Global Management, LLC and its wholly-owned subsidiaries and indebtedness incurred by Apollo Global Management, LLC and its wholly-owned subsidiaries are borne solely by Apollo Global Management, LLC and its wholly-owned subsidiaries.

Each of the Apollo Operating Group partnerships holds interests in different businesses or entities organized in different jurisdictions. Apollo Principal Holdings I, L.P. holds certain of our domestic general partners of our private equity funds and our domestic co-invest vehicles of our private equity funds as well as the domestic general partner of one of our real estate funds; Apollo Principal Holdings VI, L.P. holds certain of our domestic general partners of our private equity funds and our domestic co-invest vehicles of our private equity funds and

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certain of our capital markets funds; Apollo Principal Holdings II, L.P. holds certain of our domestic general partners of capital markets funds; Apollo Principal Holdings III, L.P. and Apollo Principal Holdings VII, L.P. generally hold our foreign general partners of private equity funds, including the foreign general partner of AAA Investments, our private equity foreign co-invest vehicles, one of our capital markets foreign co-invest vehicles, and one of our capital markets domestic co-invest vehicles; Apollo Principal Holdings IV, L.P. holds our foreign general partners of capital markets funds; Apollo Principal Holdings VIII, L.P. holds two capital markets foreign co-invest vehicles; Apollo Principal Holdings IX, L.P. holds the domestic general partner of certain of our capital markets funds; and AMH holds the management companies for each of our private equity funds (including AAA), our capital markets funds and our real estate funds.

In summary:

- Apollo Global Management, LLC is a holding company;
- Through its intermediate holding companies, Apollo Global Management, LLC, holds equity interests in, and is the sole general partner of, each of the Apollo Operating Group partnerships;
- Each of the Apollo Operating Group partnerships has an identical number of partnership units outstanding;
- Apollo Global Management, LLC holds, through wholly-owned subsidiaries, a number of Apollo Operating Group units equal to the number of Class A shares that Apollo Global Management, LLC has issued;
- The Apollo Operating Group units that are held by Apollo Global Management, LLC s wholly-owned subsidiaries are economically identical in all respects to the Apollo Operating Group units that are held by the managing partners and contributing partners through Holdings; and
- Apollo Global Management, LLC conducts all of its material business activities through the Apollo Operating Group partnerships.

Accordingly, and similar in many respects to the structure referred to as an umbrella partnership real estate investment trust, or UPREIT, that is frequently used in the real estate industry:

- Our business is conducted through limited partnerships of which Apollo Global Management, LLC, indirectly through wholly-owned subsidiaries, is the sole general partner;
- Our managing partners and contributing partners, through Holdings, hold equity interests in these limited partnerships that are exchangeable for the Class A shares of Apollo Global Management, LLC; and
- If and when any managing partner or contributing partner, through Holdings, exchanges an Apollo Operating Group unit for a Class A share of Apollo Global Management, LLC, the relative economic ownership positions of the exchanging managing partner or contributing partner and of the other equity owners of Apollo (whether held at Apollo Global Management, LLC or at the Apollo Operating Group) will not be altered.

We intend to cause the Apollo Operating Group to make distributions to its partners, including Apollo Global Management, LLC s wholly-owned subsidiaries, in order to fund any distributions Apollo Global Management, LLC may declare on its Class A shares. If the Apollo Operating Group makes such distributions, the limited partners of the Apollo Operating Group will be entitled to receive distributions pro rata based on their partnership interests in the Apollo Operating Group.

The partnership agreements of the Apollo Operating Group partnerships provide for cash distributions, which we refer to as tax distributions, to the partners of such partnerships if the wholly-owned subsidiaries of Apollo Global Management, LLC that wholly own the general partners of the Apollo Operating Group partnerships determine that the taxable income of the relevant partnership will give rise to taxable income for its partners. Generally, these tax distributions will be computed based on our estimate of the net taxable income of

the relevant partnership allocable to a partner multiplied by an assumed tax rate equal to the highest effective marginal combined U.S. Federal, state and local income tax rate prescribed for an individual or corporate resident in New York, New York (taking into account the nondeductibility of certain expenses and the character of our income). The Apollo Operating Group partnerships will make tax distributions only to the extent distributions from such partnerships for the relevant year are otherwise insufficient to cover such tax liabilities.

Our Manager

Our operating agreement provides that so long as the Apollo Group (as defined below) beneficially owns at least 10% of the aggregate number of votes that may be cast by holders of outstanding voting shares, our manager, which is 100% owned by BRH, will conduct, direct and manage all activities of Apollo Global Management, LLC. We refer to the Apollo Group s beneficial ownership of at least 10% of such voting power as the Apollo control condition. So long as the Apollo control condition is satisfied, our manager will manage all of our operations and activities and will have discretion over significant corporate actions, such as the issuance of securities, payment of distributions, sales of assets, making certain amendments to our operating agreement and other matters, and our board of directors will have no authority other than that which our manager chooses to delegate to it. See Description of Shares.

For purposes of our operating agreement, the Apollo Group means (i) our manager and its affiliates, including their respective general partners, members and limited partners, (ii) Holdings and its affiliates, including their respective general partners, members and limited partners, (iii) with respect to each managing partner, such managing partner and such managing partner s group (as defined in Section 13(d) of the Exchange Act), (iv) any former or current investment professional of or other employee of an Apollo employer (as defined below) or the Apollo Operating Group (or such other entity controlled by a member of the Apollo Operating Group), (v) any former or current executive officer of an Apollo employer or the Apollo Operating Group (or such other entity controlled by a member of the Apollo Operating Group); and (vi) any former or current director of an Apollo employer or the Apollo Operating Group (or such other entity controlled by a member of the Apollo Operating Group). With respect to any person, Apollo employer means Apollo Global Management, LLC or such other entity controlled by Apollo Global Management, LLC or its successor as may be such person s employer.

Holders of our Class A shares and Class B share have no right to elect our manager, which is controlled by our managing partners through BRH. Although our manager has no business activities other than the management of our businesses, conflicts of interest may arise in the future between us and our Class A shareholders, on the one hand, and our managing partners, on the other. The resolution of these conflicts may not always be in our best interests or those of our Class A shareholders. We describe the potential conflicts of interest in greater detail under Risk Factors Risks Related to Our Organization and Structure Potential conflicts of interest may arise among our manager, on the one hand, and us and our shareholders on the other hand. Our manager and its affiliates have limited fiduciary duties to us and our shareholders, which may permit them to favor their own interests to the detriment of us and our shareholders. We will reimburse our manager and its affiliates for all costs incurred in managing and operating us, and our operating agreement provides that our manager will determine the expenses that are allocable to us. Our operating agreement does not limit the amount of expenses for which we will reimburse our manager and its affiliates.

Our Assets

Prior to the Private Offering Transactions, our managing partners contributed to the Apollo Operating Group their interests in each of the entities included in our historical consolidated and combined financial statements, but excluding the excluded assets described below under Excluded Assets. As discussed further below, the managing partners received partnership interests in Holdings (representing an indirect ownership interest of an equivalent number of Apollo Operating Group units) in respect of the interests they contributed to the Apollo Operating Group.

More specifically, prior to the Private Offering Transactions, our managing partners contributed to the Apollo Operating Group the intellectual property rights associated with the Apollo name and the indicated equity interests in the following businesses (other than the excluded assets), which we refer to collectively as the Contributed Businesses :

100% of the investment advisors of all of Apollo s funds, which provide investment management services to, and are entitled to any management fees and incentive income payable in respect of, these funds, as well as transaction, advisory and other fees that may be payable by these funds portfolio companies, other than the percentage of fees that has been allocated or that we determine to allocate to our professionals, as described below.

With respect to Fund IV, Fund V, Fund VI and AAA, which constituted all of our private equity funds that were either actively investing or had a meaningful amount of unrealized investments:

100% of the entire non-economic general partner interests in the general partners of such funds, which non-economic interests give the Apollo Operating Group control of these funds;

100% of the economic interests in the managing general partner of AAA; and

46% to 57% (depending on the particular fund investment) of all limited partner interests in the general partners of such funds, representing 46% to 57% of the carried interest earned in relation to investments by such funds; this includes all of the carried interest in these funds that had been allocated to our managing partners, with the remainder of such carried interest continuing to be held by certain of our professionals.

With respect to a number of our capital markets funds (the Value Funds, AAOF, SOMA and EPF):

100% of the entire non-economic general partner interests in the general partners of these funds, which non-economic interests give the Apollo Operating Group control of these funds; and

54% to 100% (depending on the particular fund investment) of all limited partner interests in the general partners of these funds, representing 54% to 100% of the incentive income earned in relation to investments by these funds; this includes all of the incentive income in these funds that had been allocated to our managing partners, with the remainder of such incentive income continuing to be held by certain of our professionals.

In addition, prior to the Private Offering Transactions, our contributing partners contributed to the Apollo Operating Group a portion of their points. We refer to such contributed points as partner-contributed interests. In return for a contribution of points, each contributing partner received an interest in Holdings (representing an indirect, unit-for-unit ownership interest of an equivalent number of Apollo Operating Group units).

Prior to the exchange, the points held by each managing partner and contributing partner were designated values based upon the estimated 2007 cash flows of each entity that was contributed to the Apollo Operating Group and from which such partner was to receive management fees and incentive income. The 2007 estimated cash flow of the entities contributed was agreed between the managing partners and the contributing partners to be the best proxy for measuring of the total value of the interests that were contributed by each partner to the Apollo Operating Group. The partnership interests in Holdings that were granted to each managing partner and contributing partner, correspond to the aggregate value of the points such partner contributed. Specifically, for purposes of determining the number of Apollo Operating Group units each managing partner and contributing partner was to receive, the aggregate value of the points contributed by a given partner was divided by the aggregate value of all points contributed by all of the managing partners and contributing partners to determine a percentage of the ownership such partner had in the Apollo Operating Group prior to the completion of the Private Offering Transactions and the Strategic Investors

Transaction (for each managing partner and contributing partner, his or her AOG Ownership Percentage). In order to achieve the offering size targeted in the Private Offering Transactions within the proposed offering price range per Class A share, the managing partners also determined the aggregate amount of units that the Apollo Operating Group should issue and have outstanding immediately prior to the completion of the Private Offering Transactions and Strategic

Investors Transaction. This aggregate amount of Apollo Operating Group units was then allocated to each managing partner and contributing partner based upon their respective AOG Ownership Percentage. For example, if a partner contributed points constituting an AOG Ownership Percentage of 10% of the aggregate value of all points contributed to the Apollo Operating Group, such partner received 10% of the aggregate amount of Apollo Operating Group units issued and outstanding prior to the completion of the Private Offering Transactions and Strategic Investors Transaction.

Each contributing partner continues to own directly those points that such partner did not contribute to the Apollo Operating Group or sell to the Apollo Operating Group in connection with the Strategic Investors Transaction. Each contributing partner remained entitled (on an individual basis and not through ownership interests in Holdings) to receive payments in respect of his partner-contributed interests with respect to fiscal year 2007 based on the date his partner-contributed interests were contributed or sold as described below under Distributions to Our Managing Partners and Contributing Partners Related to the Reorganization. The Strategic Investors similarly received a pro rata portion of our net income prior to the date of the Private Offering Transactions for our fiscal year 2007, calculated in the same manner as for the managing partners and contributing partners, as described in more detail under Strategic Investors Transaction. In addition, we issued points in Fund VII, and intend to issue points in future funds, to our contributing partners and other of our professionals.

As a result of these contributions and the contributions of our managing partners, the Apollo Operating Group and its subsidiaries generally are entitled to:

- all management fees payable in respect of all our current and future funds as well as transaction and other fees that may be payable by these funds portfolio companies (other than fees that certain of our professionals have a right to receive, as described below);

- 50% 66% (depending on the particular fund investment) of all incentive income earned from the date of contribution in relation to investments by both our current private equity and capital markets funds (with the remainder of such incentive income continuing to be held by certain of our professionals);

- all incentive income earned from the date of contribution in relation to investments made by our future private equity and capital markets funds, other than the percentage we determine to allocate to our professionals, as described below; and

- all returns on current or future investments of our own capital in the funds we sponsor and manage.

With respect to our existing funds that are currently investing as well as any future funds that we may sponsor, we intend to continue to allocate a portion of the management fees, transaction and advisory fees and incentive income earned in relation to these funds to our professionals, including the contributing partners, in order to better align their interests with our own and with those of the investors in these funds. Our current estimate is that approximately 30% to 50% of carried interest income earned in relation to our funds will be allocated to our investment professionals, although these percentages may fluctuate up or down over time. When apportioning carried interest income to our professionals, we typically cause our general partners in the underlying funds to issue these professionals limited partner interests, thereby causing our percentage ownership of the limited partner interests in these general partners to fluctuate. Our managing partners will not receive any allocations of carried interest income, and all of their rights to receive carried interest income earned in relation to our actively investing funds and future funds will be solely through their ownership of Apollo Operating Group units until July 13, 2012.

In addition, we expect to continue to pay approximately 35% to 50% of management fees and transaction and advisory fees to our employees for salary, bonus and benefit costs, excluding equity-based compensation. These percentages may fluctuate over time based on our actual performance each year.

The income of the Apollo Operating Group (including management fees, transaction and advisory fees, and carried interest income) benefits Apollo Global Management, LLC to the extent of its equity interest in the Apollo Operating Group. See Business Fees, Carried Interest, Redemption and Termination.

Excluded Assets

Excluded assets consist of any direct or indirect interest in the following, whether existing now or in the future:

- any personal investment or co-investment in any fund or co-investment vehicle by any managing partner or a related group member, as defined below (including any future personal investments or co-investments and investments funded through any Apollo management fee waiver program, which allows each of our managing partners to waive the right to receive any future distribution that he would otherwise be entitled to receive on a periodic basis from AMH in respect of management fees from certain private equity funds in exchange for a profits interest in the applicable Apollo fund, which satisfies his obligation to make a capital contribution to such fund in the amount of the waived management fee), although no managing partner may waive compensation that would not otherwise be paid to the managing partner, directly or indirectly, from the members of the Apollo Operating Group;

- amounts owed, directly or indirectly, to any managing partner or a related group member by an Apollo fund pursuant to any fee deferral arrangement in an investment management agreement;

- any direct or indirect amounts owed to any managing partner or a related group member pursuant to any escrow of Fund VI carried interest payments, or escrowed carry, to secure the obligation of the general partner of Fund VI pursuant to its organizational documents;

- Apollo Real Estate or Ares, which are funds formerly managed by us but in which neither we nor our managing partners continue to exert any managerial control although our managing partners continue to have minority interests in such entities, including their general partners and management companies;

- the general partners of Funds I, II and III;

- compensation and benefits paid or given to a managing partner consistent with the terms of his employment agreement;

- director options issued prior to January 1, 2007 by any portfolio company;

- Hamlet Holdings, LLC, an entity partially owned by our managing partners (without any economics) that has 100% voting control over the investment of Fund VI in Caesars Entertainment and that will remain exclusively in the personal control of the managing partners; and

- other miscellaneous, non-core assets.

The excluded assets were not contributed to the Apollo Operating Group; however, due to the existence of a common control group, Funds I, II and III and the general partner are consolidated in our historical financial statements for the periods prior to July 13, 2007.

With respect to our contributing partners, excluded assets includes all points not contributed to the Apollo Operating Group or purchased in connection with the Strategic Investors Transaction, any personal investment or co-investment in any fund or co-investment vehicle by any contributing partner, the right to receive escrowed carry and all other assets not specifically described in this prospectus as being contributed to the Apollo Operating Group.

Related group member means, with respect to each of our managing partners, (i) such managing partner s spouse, (ii) a lineal descendant of such managing partner s parents, the spouse of any such descendant or a lineal descendent of any such spouse, (iii) a charitable institution controlled by such managing partner or one of his related group members, (iv) a trustee of a trust (whether inter vivos or testamentary), all of the current beneficiaries and presumptive remaindermen of which are one or more of such managing partners and persons described in clauses (i) through (iii) of this definition, (v) a corporation, limited liability company or partnership, of which all of the outstanding shares of capital stock or interests therein are owned by one or more of such managing partners and persons described in clauses (i) through (iv) of this definition, (vi) an individual mandated

under a qualified domestic relations order, or (vii) a legal or personal representative of such managing partner in the event of his death or disability; for purposes of this definition, (x) lineal descendants shall not include individuals adopted after attaining the age of 18 years and such adopted person s descendants, (y) presumptive remaindermen shall refer to those persons entitled to a share of a trust s assets if it were then to terminate, and (z) no managing partner shall ever be deemed a related group member of another managing partner.

Equity Interests Retained by Our Managing Partners and Contributing Partners

Our managing partners, through their interests in BRH and Holdings, will own % of the Apollo Operating Group units and, through their ownership of BRH, the Class B share that we have issued to BRH, in each case after giving effect to the IPO. The Agreement Among Managing Partners provides that each managing partner s interest in the Apollo Operating Group units that he holds indirectly through his interest in Holdings is subject to vesting. Each of Messrs. Harris and Rowan vests in his interest in the Apollo Operating Group units in 60 equal monthly installments, and Mr. Black vests in his interest in the Apollo Operating Group units and in 72 equal monthly installments. Although the Agreement Among Managing Partners was entered into on July 13, 2007, for purposes of its vesting provisions, our managing partners are credited for their employment with us since January 1, 2007. In the event that a managing partner terminates his employment with us for any reason, he will be required to forfeit the unvested portion of his Apollo Operating Group units to the other managing partners. The number of Apollo Operating Group units that must be forfeited upon termination depends on the cause of the termination. See Certain Relationships and Related Party Transactions Agreement Among Managing Partners. However, this agreement may be amended and the terms and conditions of the agreement may be changed or modified upon the unanimous approval of the managing partners. We, our shareholders (other than our Strategic Investors, as set forth under Certain Relationships and Related Party Transactions Lenders Rights Agreement Amendments to Managing Partner Transfer Restrictions) and the Apollo Operating Group have no ability to enforce any provision of this agreement or to prevent the managing partners from amending the agreement or waiving any of its obligations.

Pursuant to the Managing Partner Shareholders Agreement, no managing partner may voluntarily effect transfers of his Equity Interests for a period of two years after the registration effectiveness date, subject to certain exceptions, including an exception for certain transactions entered into by one or more managing partners the results of which are that the managing partners no longer exercise control over us or the Apollo Operating Group or no longer hold at least 50.1% of the economic interests in us or the Apollo Operating Group. The transfer restrictions applicable to Equity Interests held by our managing partners and the exceptions to such transfer restrictions are described in more detail under Certain Relationships and Related Party Transactions Managing Partner Shareholders Agreement Transfer Restrictions. Our managing partners and contributing partners also were granted demand, piggyback and shelf registration rights through Holdings which are exercisable six months after the registration effectiveness date.

Our contributing partners, through their interests in Holdings, will own % of the Apollo Operating Group units after giving effect to the IPO. Pursuant to the Roll-Up Agreements, no contributing partner may voluntarily effect transfers of his Equity Interests for a period of two years after the registration effectiveness date. The transfer restrictions applicable to Equity Interests held by our contributing partners are described in more detail under Certain Relationships and Related Party Transactions Roll-Up Agreements.

Subject to certain procedures and restrictions (including the vesting schedules applicable to our managing partners and any applicable transfer restrictions and lock-up agreements described above), upon 60 days written notice prior to a designated quarterly date, each managing partner and contributing partner will have the right to cause Holdings to exchange the Apollo Operating Group units that he owns through his partnership interest in Holdings for Class A shares, to sell such Class A shares at the prevailing market price (or at a lower price that such managing partner or contributing partner is willing to accept) and to distribute the net proceeds of such sale to such managing partner or contributing partner. We have reserved for issuance 240,000,000 Class A shares, corresponding to the number of existing Apollo Operating Group units held indirectly through Holdings by our managing partners and contributing partners. Upon receipt of the notice described above, APO Corp., one of our

intermediate holding companies, will purchase from us the number of Class A shares that are exchangeable for the Apollo Operating Group units to be surrendered by the managing partner or contributing partner. To effect the exchange, a managing partner or contributing partner, through Holdings, must then simultaneously exchange one Apollo Operating Group unit, being an equal limited partner interest in each Apollo Operating Group entity, for each Class A share received from our intermediate holding companies. As a managing partner or contributing partner exchanges his Apollo Operating Group units, our interest in the Apollo Operating Group units will be correspondingly increased and the voting power of the Class B share will be correspondingly decreased. If and when any managing partner or contributing partner, through Holdings, exchanges an Apollo Operating Group unit for a Class A share of Apollo Global Management, LLC, the relative economic ownership positions of the exchanging managing partner or contributing partner and of the other equity owners of Apollo (whether held at Apollo Global Management, LLC or at the Apollo Operating Group) will not be altered. We considered whether this redemption feature results in accounting implications under U.S. GAAP which requires securities with redemption features that are not solely within the control of the issuer to be classified outside of permanent equity. The extent of our obligation is to (i) exchange physical Class A shares for Apollo Operating Group units and (ii) sell the shares at the prevailing market price on behalf of the holder. We never have any future cash obligations to the unit holders. Specifically, in the event we are unable to sell the Class A shares, we are not required to provide liquidity to the holders of Apollo Operating Group units in any manner. Rather, in the event that we were unable to sell the Class A shares, the transaction would essentially be unwound and the Class A shares would be converted back to Apollo Operating Group units. Based on U.S. GAAP and the terms of this feature, we are deemed to control settlement by delivery of our own shares, and as noted above, we have reserved for issuance a sufficient number of shares to settle any contracts. As such, Non-Controlling Interest is reported in the consolidated and combined financial statements of the company within shareholders equity, separately from the total Apollo Global Management, LLC shareholders equity.

Deconsolidation of Apollo Funds

Certain of our private equity funds and capital markets funds have historically been consolidated into our financial statements, due to our controlling interest in certain funds notwithstanding that we have only a non-controlling equity interest in these funds. Consequently, our pre-Reorganization financial statements do not reflect our ownership interest at fair value in these funds, but rather reflect on a gross basis the assets, liabilities, revenues, expenses and cash flows of our funds. We amended the governing documents of most of our funds to provide that a simple majority of the funds unaffiliated investors have the right to liquidate that fund. These amendments, which became effective on either August 1, 2007 or November 30, 2007, deconsolidated these funds that have historically been consolidated in our financial statements. Accordingly, we no longer reflect the share that other parties own in total assets and Non-Controlling Interests in these respective funds. The deconsolidation of these funds will present our financial statements in a manner consistent with how Apollo evaluates its business and the related risks. Accordingly, we believe that deconsolidating these funds will provide investors with a better understanding of our business. We did not seek or receive any consideration from the investors in our funds for granting them these rights. There was no change in either our equity or net income as a result of the deconsolidation.

Distribution to Our Managing Partners Prior to the Private Offering Transactions

On April 20, 2007, AMH, one of the entities in the Apollo Operating Group, entered into the AMH credit facility, under which AMH borrowed a $1.0 billion variable-rate term loan. We used these borrowings to make a $986.6 million distribution to our managing partners and to pay related fees and expenses. This distribution was a distribution of prior undistributed earnings, and an advance on possible future earnings, of AMH. As a result, this distribution caused the managing partners accumulated equity basis in AMH to become negative. The AMH credit facility is guaranteed by Apollo Management, L.P.; Apollo Capital Management, L.P.; Apollo International Management, L.P.; Apollo Principal Holdings II, L.P.; Apollo Principal Holdings IV, L.P.; Apollo Principal Holdings V, L.P.; Apollo Principal Holdings IX, L.P.; and AAA Holdings, L.P. and matures on April 20, 2014. It is secured by (i) a first priority lien on substantially all assets of AMH and the guarantors and (ii) a pledge of the equity interests of each of the guarantors, in each case subject to customary carveouts.

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Distributions to Our Managing Partners and Contributing Partners Related to the Reorganization

We made distributions to our managing partners and contributing partners that represented all of the undistributed earnings generated by the businesses contributed to the Apollo Operating Group prior to July 13, 2007. For this purpose, income attributable to carried interest on private equity funds related to either carry-generating transactions that closed prior to July 13, 2007 or carry-generating transactions in respect of which a definitive agreement was executed, but that did not close, prior to July 13, 2007 were treated as having been earned prior to that date. Undistributed earnings of the contributed businesses through the date of the Reorganization that were attributable to the managing partners and contributing partners for the sold portion of their interest were $238.4 million and $148.6 million, respectively. As of September 30, 2010 and December 31, 2009, the undistributed earnings that were attributable to the managing partners for the sold portion of their interest were zero. As of September 30, 2010 and December 31, 2009, the undistributed earnings that were attributable to the contributing partners for the sold portion of their interest were zero. The undistributed earnings attributable to the managing partners and contributing partners were recorded in the consolidated and combined financial statements as a component of due to affiliates and profit sharing payable, respectively.

In addition, we have also entered into a tax receivable agreement with our managing partners and contributing partners which requires us to pay them 85% of any tax savings received by APO Corp. from our step-up in tax basis. In our condensed consolidated financial statements, the item due to affiliates includes $499.0 million and $514.0 million that was payable to our managing partners and contributing partners in connection with the tax receivable agreement as of both September 30, 2010 and December 31, 2009, respectively.

As part of the Reorganization, the managing partners and the contributing partners received the following:

- Apollo Operating Group units having a fair value per unit of $24 and $20 issued to the managing partners and contributing partners, respectively on issuance date with a total approximate value of $5.6 billion (subject to five- or six-year forfeiture);

- $1.2 billion in cash in July 2007, excluding any potential contingent consideration;

- In January 2008 and April 2008, a preliminary and final distribution related to a contingent consideration of $37.7 million. The determination of the amount and timing of the distribution were based on net income with discretionary adjustments, all of which were determined by Apollo Management Holdings GP, LLC. Included in the distribution were AAA RDUs valued at approximately $12.7 million and a distribution of interests in Apollo VIF Co-Investors, LLC in settlement of deferred compensation units in Apollo Value Investment Offshore Fund, Ltd. of approximately $0.8 million; and

- The fair value of carried interest related to the sale of portfolio companies where definitive sales contracts were executed but had not closed at July 13, 2007. We accrued an estimated payment of approximately $387.0 million at December 31, 2007, of which $200.2 million was distributed during the year ended December 31, 2008. The definitive sales contract in respect of which the remaining $186.8 million was accrued, was terminated during the fourth quarter of 2008 and as a result, no amounts were accrued at September 30, 2010 and December 31, 2009.

Strategic Investors Transaction

On July 13, 2007, we sold securities to the Strategic Investors in return for a total investment of $1.2 billion. The Strategic Investors are two of the largest alternative asset investors in the world and have been significant investors with us in multiple funds, covering a variety of strategies. In total, from our inception through the date hereof, the Strategic Investors have invested or committed to invest approximately $7.6 billion of capital in us and our funds. The Strategic Investors have been significant supporters of our integrated platform, having invested in multiple private equity and capital markets funds. The Strategic Investors have no obligation to invest further in our funds, and any future investments by the Strategic Investors in our funds or other alternative investment categories will likely depend on the performance of our funds, the performance of each Strategic Investor s overall investment portfolio and other investment opportunities available to them.

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Through our intermediate holding companies, we used all of the proceeds from the issuance of the securities to the Strategic Investors to purchase from our managing partners 17.4% of their Apollo Operating Group units for an aggregate purchase price of $1,068 million, and to purchase from our contributing partners a portion of their points for an aggregate purchase price of $156.4 million, excluding any potential contingent consideration. Upon completion of the Private Offering Transactions, the securities sold to the Strategic Investors converted into non-voting Class A shares, which will represent % of our issued and outstanding Class A shares and % of the economic interest in the Apollo Operating Group, in each case, after giving effect to the IPO. Based on our agreement with the Strategic Investors, we were obligated to distribute to the Strategic Investors the greater of 7% on the convertible notes issued or a pro rata portion of our net income for our fiscal year 2007, based on (i) their proportionate interests in Apollo Operating Group units during the period after the Strategic Investors Transaction and prior to the date of the Private Offering Transactions, and (ii) the number of days elapsed during such period. For this purpose, income attributable to carried interest on private equity funds related to either carry-generating transactions that closed prior to the date of the Private Offering Transactions or carry-generating transactions in respect of which a definitive agreement was executed, but that did not close, prior to the date of the Private Offering Transactions was treated as having been earned prior to the date of the Private Offering Transactions. On August 8, 2007, we paid approximately $6 million in interest expense on the convertible notes and as a result of our net loss we have no further obligations for 2007 to pay the Strategic Investors.

In connection with the sale of securities to the Strategic Investors, we entered into the Lenders Rights Agreement with the Strategic Investors. For a more detailed summary of the Lenders Rights Agreement, see Certain Relationships and Related Party Transactions Lenders Rights Agreement.

Tax Considerations

We believe that under current law, Apollo Global Management, LLC will be treated as a partnership and not as a corporation for U.S. Federal income tax purposes. An entity that is treated as a partnership for U.S. Federal income tax purposes is not a taxable entity and incurs no U.S. Federal income tax liability. Instead, each partner is required to take into account its allocable share of items of income, gain, loss and deduction of the partnership in computing its own U.S. Federal income tax liability, regardless of whether cash distributions have been made. Investors in this offering will be deemed to be limited partners of Apollo Global Management, LLC for U.S. Federal income tax purposes. See Material Tax Considerations Material U.S. Federal Tax Considerations for a summary discussing certain U.S. Federal income tax considerations related to the purchase, ownership and disposition of our Class A shares as of the date of this offering.

On May 28, 2010, the House of Representatives passed the American Jobs and Closing Tax Loopholes Act of 2010 that would, if enacted in its present form, cause Apollo Global Management, LLC to become taxable as a corporation, which would cause significant adverse tax consequences for us and/or the holders of Class A shares. Such legislation does provide a transition rule that could defer corporate treatment for 10 years. See Risk Factors Risks Related to Taxation The U.S. Federal income tax law that determines the tax consequences of an investment in Class A shares is under review and is potentially subject to adverse legislative, judicial or administrative change, possibly on a retroactive basis, including possible changes that would result in the treatment of our long-term capital gains as ordinary income, that would cause us to become taxable as a corporation and/or have other adverse effects and Risk Factors Risks Related to Our Organization and Structure Members of the U.S. Congress have introduced and the House of Representatives has passed legislation that would, if enacted, preclude us from qualifying for treatment as a partnership for U.S. Federal income tax purposes under the publicly traded partnership rules. If this or any similar legislation or regulation were to be enacted and apply to us, we would incur a substantial increase in our tax liability and it could well result in a reduction in the value of our Class A shares and Material Tax Considerations Material U.S. Federal Tax Considerations Administrative Matters Possible New Legislation or Administrative or Judicial Action.

Private Offering Transactions

The CS Investor purchased from us in a private placement that closed on August 8, 2007, concurrently with the Rule 144A Offering an aggregate of $180 million of the Class A shares at a price per share equal to $24, or 7,500,000 Class A shares, representing % of the total number of our Class A shares outstanding after giving effect to the IPO.

Apollo Global Management, LLC contributed the net proceeds it received in the Private Offering Transactions to its wholly-owned subsidiaries, APO Asset Co., LLC and APO Corp. These wholly-owned subsidiaries then contributed the funds to the Apollo Operating Group.

Amounts contributed to the Apollo Operating Group concurrently with the Private Offering Transactions diluted (i) the percentage ownership interests of our managing partners (held indirectly through Holdings) in those entities by 7.4% to 62.4%, and (ii) the percentage ownership interests of our contributing partners (held indirectly through Holdings) in those entities by 1.1% to 9.1%. The relative percentage ownership interests in the Apollo Operating Group held by Apollo Global Management, LLC, our managing partners and our contributing partners will continue to change over time including as a result of the IPO. Potential future events that would result in a relative increase in the number of Apollo Operating Group units held by Apollo Global Management, LLC, and result in a corresponding dilution of our managing partners and contributing partners percentage ownership interest in the Apollo Operating Group include (i) issuances of Class A shares (assuming that the proceeds of any such issuance is contributed to the Apollo Operating Group), (ii) the conversion by our managing partners or contributing partners of their Apollo Operating Group units for Class A shares and (iii) any offers, from time to time, at the discretion of our manager, to purchase from our managing partners and contributing partners their Apollo Operating Group units.

As a result of the Reorganization, the Strategic Investors Transaction and the Private Offering Transactions:

- Apollo Global Management, LLC, through its wholly-owned subsidiaries, will hold % of the outstanding Apollo Operating Group units after giving effect to the IPO;

- our managing partners, through BRH and Holdings, will hold % of the outstanding Apollo Operating Group units after giving effect to the IPO;

- our contributing partners, through Holdings, will hold % of the outstanding Apollo Operating Group units after giving effect to the IPO;

- the Strategic Investors own 60,000,001 of our non-voting Class A shares will represent % of our Class A shares outstanding after giving effect to the IPO, which will represent % of the economic interests in the Apollo Operating Group units;

- the Public Investors and the CS Investor will hold Class A shares after giving effect to the IPO, which will represent % of our Class A shares outstanding and % of the economic interests in the Apollo Operating Group units;

- our managing partners, through BRH, own the single Class B share of Apollo Global Management, LLC;

- on those few matters that may be submitted for a vote of the shareholders of Apollo Global Management, LLC, our Class A shareholders (other than the Strategic Investors) will collectively have % of the voting power of, and our Class B shareholder will have % of the voting power of, Apollo Global Management, LLC, in each case after giving effect to the IPO;

- APO Corp., APO Asset Co., LLC or APO (FC), LLC, as applicable, is the sole general partner of each of the entities that constitute the Apollo Operating Group; accordingly, we operate and control the businesses of the Apollo Operating Group and its subsidiaries;

and

net profits, net losses and distributions of the Apollo Operating Group are generally allocated and made to its partners on a pro rata basis in accordance with their respective Apollo Operating Group units; accordingly, net profits and net losses allocable to Apollo Operating Group partners will initially be allocated, and distributions will initially be made, approximately % indirectly to us, approximately % indirectly to our managing partners and approximately % indirectly to our contributing partners, in each case after giving effect to the IPO.

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USE OF PROCEEDS

We are registering these Class A shares for resale pursuant to the registration rights granted to the selling shareholders in connection with the Rule 144A Offering and the Private Placement. We will not receive any proceeds from the sale of the Class A shares offered by this prospectus. The net proceeds from the sale of the Class A shares by this prospectus will be received by the selling shareholders.

CASH DIVIDEND POLICY

Dividend Policy for Class A Shares

Our intention is to distribute to our Class A shareholders on a quarterly basis substantially all of our net after-tax cash flow from operations in excess of amounts determined by our manager to be necessary or appropriate to provide for the conduct of our businesses, to make appropriate investments in our businesses and our funds, to comply with applicable law, to service our indebtedness or to provide for future distributions to our Class A shareholders for any ensuing quarter.

On April 4, 2008, we announced our first cash distribution amounting to $0.33 per Class A share, resulting from the first quarter 2008 quarterly distribution of $0.16 per Class A share plus a special distribution of $0.17 per Class A share primarily resulting from the sale by Fund V of Goodman Global, Inc., one of its portfolio companies, to affiliates of another private equity firm, in February 2008. The $111.3 million aggregate distribution was paid to the owners of the Apollo Operating Group. Of this amount, $32.2 million was received by Apollo Global Management, LLC and distributed to its Class A shareholders of record on April 18, 2008. Additionally, on July 15, 2008, we declared a cash distribution amounting to $0.23 per Class A share, resulting from our second quarter 2008 quarterly distribution of $0.16 per Class A share plus a special distribution of $0.07 per Class A share primarily resulting from realizations from (i) portfolio companies of Fund IV, Sky Terra Communications, Inc. and United Rentals, Inc., (ii) dividend income from a portfolio company of Fund VI, and (iii) interest income related to debt investments of Fund VI. This $77.6 million aggregate distribution was paid to the owners of the Apollo Operating Group. Of this amount, $22.4 million was received by Apollo Global Management, LLC and distributed on July 25, 2008, to its Class A shareholders of record on July 18, 2008. On May 14, 2010, we declared a cash distribution amounting to $0.07 per Class A share, which was paid on May 27, 2010 to our Class A shareholders of record as of May 20, 2010. In addition, on August 2, 2010, we declared a cash distribution amounting to $0.07 per Class A share, which was paid on August 25, 2010 to our Class A shareholders of record as of August 13, 2010. Because we will not know what our actual available cash flow from operations will be for any year until sometime after the end of such year, we expect that a fourth quarter dividend payment may be adjusted to take into account actual net after-tax cash flow from operations for that year.

The declaration, payment and determination of the amount of our quarterly dividend will be at the sole discretion of our manager, which may change our dividend policy at any time. We cannot assure you that any dividends, whether quarterly or otherwise, will or can be paid. In making decisions regarding our quarterly dividend, our manager will take into account general economic and business conditions, our strategic plans and prospects, our businesses and investment opportunities, our financial condition and operating results, working capital requirements and anticipated cash needs, contractual restrictions and obligations, legal, tax and regulatory restrictions, restrictions and other implications on the payment of dividends by us to our common shareholders or by our subsidiaries to us and such other factors as our manager may deem relevant.

Because we are a holding company that owns intermediate holding companies, the funding of each dividend, if declared, will occur in three steps, as follows.

First, we will cause one or more entities in the Apollo Operating Group to make a distribution to all of its partners, including our wholly-owned subsidiaries APO Corp., APO Asset Co., LLC and APO (FC), LLC (as applicable), and Holdings, on a pro rata basis;

Second, we will cause our intermediate holding companies, APO Corp., APO Asset Co., LLC and APO (FC), LLC (as applicable), to distribute to us, from their net after-tax proceeds, amounts equal to the aggregate dividend we have declared; and

Third, we will distribute the proceeds received by us to our Class A shareholders on a pro rata basis.

If Apollo Operating Group units are issued to other parties, such as investment professionals, such parties would be entitled to a portion of the distributions from the Apollo Operating Group as partners described above.

We believe that the payment of dividends will provide transparency to our Class A shareholders and will impose upon us an investment discipline with respect to new products, businesses and strategies.

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Payments that any of our intermediate holding companies make under the tax receivable agreement will reduce amounts that would otherwise be available for distribution by us on Class A shares.

The Apollo Operating Group intends to make periodic distributions to its partners (that is, Holdings and our intermediate holding companies) in amounts sufficient to cover hypothetical income tax obligations attributable to allocations of taxable income resulting from their ownership interest in the various limited partnerships making up the Apollo Operating Group, subject to compliance with any financial covenants or other obligations. Tax distributions will be calculated assuming each shareholder was subject to the maximum (corporate or individual, whichever is higher) combined U.S. Federal, New York State and New York City tax rates, without regard to whether any shareholder was subject to income tax liability at those rates. Because tax distributions to partners are made without regard to their particular tax situation, tax distributions to all partners, including our intermediate holding companies, will be increased to reflect the disproportionate income allocation to our managing partners and contributing partners with respect to built-in gain assets at the time of the Private Offering Transactions. Tax distributions will be made only to the extent all distributions from the Apollo Operating Group for such year are insufficient to cover such tax liabilities and all such distributions will be made to all partners on a pro rata basis based upon their respective interests in the applicable partnership; provided that for 2009 and 2010, as a result of the Special Allocation, which is described under Certain Relationships and Related Party Transactions Special Allocation of AMH Income, any tax distributions made by AMH with respect to its income for 2009 and 2010 will be limited to the actual tax liabilities of the partners of AMH. On January 8, 2009, we declared a special tax distribution amounting to $0.05 per Class A share. The distribution was paid on January 15, 2009 to Class A shareholders of record on January 12, 2009. No such tax distribution will necessarily be required to be distributed by us for future periods and there can be no assurance that we will pay cash dividends on the Class A shares in an amount sufficient to cover any tax liability arising from the ownership of Class A shares.

Under Delaware law we are prohibited from making a distribution to the extent that our liabilities, after such distribution, exceed the fair value of our assets. Our operating agreement does not contain any restrictions on our ability to make distributions, except that we may only distribute Class A shares to holders of Class A shares. The AMH credit facility, however, restricts the ability of AMH to make cash distributions to us by requiring mandatory collateralization and restricting payments under certain circumstances. AMH will generally be restricted from paying dividends, repurchasing stock and making distributions and similar types of payments if any default or event of default occurs, if it has failed to deposit the requisite cash collateralization or does not expect to be able to maintain the requisite cash collateralization or if, after giving effect to the incurrence of debt to finance such distribution, its debt to EBITDA ratio would exceed specified levels. Instruments governing indebtedness that we or our subsidiaries incur in the future may contain further restrictions on our or our subsidiaries ability to pay dividends or make other cash distributions to equityholders.

In addition, the Apollo Operating Group s cash flow from operations may be insufficient to enable it to make required minimum tax distributions to its partners, in which case the Apollo Operating Group may have to borrow funds or sell assets, and thus our liquidity and financial condition could be materially adversely affected. Furthermore, by paying cash distributions rather than investing that cash in our businesses, we might risk slowing the pace of our growth, or not having a sufficient amount of cash to fund our operations, new investments or unanticipated capital expenditures, should the need arise.

Our dividend policy has certain risks and limitations, particularly with respect to liquidity. Although we expect to pay dividends according to our dividend policy, we may not pay dividends according to our policy, or at all, if, among other things, we do not have the cash necessary to pay the intended 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 borrow funds to pay dividends. By paying cash dividends rather than investing that cash in our future growth, we risk slowing that pace of our growth, or not having a sufficient amount of cash to fund our operations or unanticipated capital expenditures, should the need arise.

As of September 30, 2010, approximately 18.1 million RSUs granted to Apollo employees (net of forfeited awards) were entitled to distribution equivalents, to be paid in the form of cash compensation.

Distributions to Our Managing Partners and Contributing Partners

We made a distribution to our managing partners in April 2007 in respect of their ownership of AMH totaling $986.6 million, which was paid out of the net proceeds of borrowings under the AMH credit facility. In addition, we used all of the proceeds received from the Strategic Investors Transaction to purchase Apollo Operating Group units from our managing partners and points from our contributing partners.

We made distributions to our managing partners and contributing partners representing all of the undistributed earnings generated by the businesses contributed to the Apollo Operating Group prior to July 13, 2007. For this purpose, income attributable to carried interest on private equity funds related to either carry-generating transactions that closed prior to July 13, 2007 or carry-generating transactions in respect of which a definitive agreement was executed, but that did not close, prior to July 13, 2007 were treated as having been earned prior to that date. Undistributed earnings of the contributed businesses through the date of the Reorganization that were attributable to the managing partners and contributing partners for the sold portion of their interest were $238.4 million and $148.6 million, respectively. As of September 30, 2010 and December 31, 2009, the undistributed earnings that were attributable to the managing partners and contributing partners for the sold portion of their interest were zero. The undistributed earnings attributable to the managing partners and contributing partners were recorded in the consolidated and combined financial statements as a component of due to affiliates and profit sharing payable, respectively.

In addition, we have also entered into a tax receivable agreement with our managing partners and contributing partners which requires us to pay them 85% of any tax savings received by APO Corp. from our step-up in tax basis. In our condensed consolidated financial statements, the item due to affiliates includes $499.0 million and $514.0 million that was payable to our managing partners and contributing partners in connection with the tax receivable agreement as of both September 30, 2010 and December 31, 2009, respectively.

As part of the Reorganization, the managing partners and the contributing partners received the following:

- Apollo Operating Group units having a fair value per unit of $24 and $20 issued to the managing partners and contributing partners, respectively, on issuance date with a total approximate value of $5.6 billion (subject to five- or six-year forfeiture);

- $1.2 billion in cash in July 2007, excluding any potential contingent consideration;

- In January 2008 and April 2008, a preliminary and final distribution related to a contingent consideration of $37.7 million. The determination of the amount and timing of the distribution were based on net income with discretionary adjustments, all of which were determined by Apollo Management Holdings GP, LLC. Included in the distribution were AAA RDUs valued at approximately $12.7 million and a distribution of interests in Apollo VIF Co-Investors, LLC in settlement of deferred compensation units in Apollo Value Investment Offshore Fund, Ltd. of approximately $0.8 million; and

- The fair value of carried interest related to the sale of portfolio companies where definitive sales contracts were executed but had not closed at July 13, 2007. We accrued an estimated payment of approximately $387.0 million at December 31, 2007, of which $200.2 million was distributed during the year ended December 31, 2008. The definitive sales contract in respect of which the remaining $186.8 million was accrued, was terminated during the fourth quarter of 2008 and as a result, no amounts were accrued at September 30, 2010 and December 31, 2009.

Prior to the Apollo Operating Group Formation, 100% of the Apollo Operating Group was owned by our managing partners and contributing partners. Accordingly, all decisions regarding the amount and timing of distributions were made in prior periods by our managing partners with regard to their personal financial and tax situations and their assessments of appropriate amounts of distributions, taking into account Apollo s capital needs as well as actual and potential earnings and borrowings.

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CAPITALIZATION

The following table sets forth our capitalization and cash and cash equivalents as of September 30, 2010:

- on an actual basis; and
- on an as adjusted basis after giving effect to the IPO at an assumed offering price that is the midpoint of the estimated offering price range of $ and $ and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

This table should be read in conjunction with Our Structure, Management s Discussion and Analysis of Financial Condition and Results of Operations and the financial statements and notes thereto included in this prospectus.

	As of September 30, 2010	
	Actual	As Adjusted
	(in thousands)	
Cash and cash equivalents	$ 590,134	$
Cash and cash equivalents of variable interest entities	9,780	
Total cash and cash equivalents	$ 599,914	$
Debt	$ 932,686	$
Debt obligation of variable interest entities	900,480	
Total shareholders equity	2,162,734	
Total capitalization	$ 3,995,900	$

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DILUTION

Dilution is the amount by which the offering price paid by the purchasers of the Class A shares to be sold in the IPO exceeds the net tangible book value per share of the Class A shares after the IPO. Net tangible book value per share is determined at any date by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of Class A shares deemed to be outstanding at that date.

Our net tangible book value as of September 30, 2010 was approximately $ million, or $ per share based on Class A shares outstanding as of September 30, 2010.

After giving effect to the receipt and our intended use of approximately $ million of estimated net proceeds from our sale of Class A shares in the IPO at an assumed offering price of $ per share (the midpoint of the estimated offering price range of $ and $), our adjusted net tangible book value as of September 30, 2010 would have been approximately $ million, or $ per share. This represents an immediate increase in the adjusted net tangible book value of $ per share to existing Class A shareholders and an immediate dilution of $ per share to new investors purchasing Class A shares in the IPO. The following table illustrates this substantial and immediate per share dilution to new investors:

	Per Class A Share
Assumed initial public offering price per share	$
Net tangible book value per share as of September 30, 2010	
Increase in net tangible book value per share attributable to the IPO	
As adjusted net tangible book value per share after giving effect to the IPO	
Dilution of net tangible book value per share to new investors	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated offering price range of $ and $) would increase (decrease) our adjusted net tangible book value by $, the adjusted net tangible book value per share after the IPO by $ per share and the dilution per share to new investors in the IPO by $, assuming the number of Class A shares offered by us in the IPO, as set forth in Prospectus Summary The Offering, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us in the IPO.

If the underwriters exercise their option to purchase additional Class A shares in full, the adjusted net tangible book value per share after the IPO would be $ per share, and the dilution in the adjusted net tangible book value per share to new investors in the IPO would be $ per share.

The following table summarizes on an as adjusted basis as of September 30, 2010, giving effect to:

- the total number of Class A shares sold in the IPO;
- the total consideration paid to us in the IPO, assuming an initial public offering price of $ per share (before deducting the estimated underwriting discount and commissions and offering expenses payable by us in connection with the IPO); and
- the average price per share paid by existing shareholders and by new investors purchasing Class A shares in the IPO.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	

Existing shareholders[1]	%	$	%	$
Investors in the IPO[2]				
Total	100%	$	100%	$

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(1) Excludes the Class A shares being sold by the selling shareholders in the IPO. The average price per share is computed based on the total Class A shares of existing shareholders prior to the IPO of Class A shares, which includes the Class A shares being sold by the selling shareholders.

(2) Includes Class A shares being sold by the selling shareholders in the IPO.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share (the midpoint of the estimated offering price range of $ and $) would increase (decrease) total consideration paid by existing shareholders, total consideration paid by new investors and the average price per share by $, $ and $, respectively, assuming the number of Class A shares offered by us and the selling shareholders in the IPO, as set forth in Prospectus Summary The Offering, remains the same, and without deducting underwriting discounts and commissions and estimated expenses payable by us in the IPO.

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SELECTED FINANCIAL DATA

The following selected historical consolidated and combined financial and other data of Apollo Global Management, LLC should be read together with Our Structure, Management s Discussion and Analysis of Financial Condition and Results of Operations and the historical financial statements and related notes included elsewhere in this prospectus.

The selected historical consolidated and combined statements of operations data of Apollo Global Management, LLC for each of the years ended December 31, 2009, 2008 and 2007 and the selected historical consolidated and combined statements of financial condition data as of December 31, 2009 and 2008 have been derived from our consolidated and combined financial statements which are included elsewhere in this prospectus.

We derived the selected historical consolidated and combined statements of operations data of Apollo Global Management, LLC for the year ended December 31, 2005 and the selected consolidated and combined statements of financial condition data as of December 31, 2006 from our audited consolidated and combined financial statements which are not included in this prospectus. We derived the selected historical consolidated and combined statements of operations data for the year ended December 31, 2005 and the consolidated and combined statements of financial condition data as of December 31, 2006 and 2005 from our unaudited consolidated and combined statements of financial statements which are not included in this prospectus. The unaudited consolidated and combined financial statements have been prepared on substantially the same basis as the audited combined financial statements and include all adjustments that we consider necessary for a fair presentation of our combined financial position and results of operations for all periods presented.

We derived the selected historical condensed consolidated statement of operations of Apollo Global Management, LLC for the three and nine months ended September 30, 2010 and 2009 and the selected historical consolidated statement of financial condition data as of September 30, 2010 from our condensed consolidated financial statements, which are included elsewhere in this prospectus. The condensed consolidated financial statements of Apollo Global Management, LLC have been prepared in accordance with U.S. GAAP for interim financial information and Rule 10-01 of Regulation S-X under the Exchange Act. Management believes it has made all necessary adjustments (consisting of normal recurring items) so that the condensed consolidated financial statements are presented fairly and that estimates made in preparing Apollo Global Management, LLC s condensed consolidated financial statements are reasonable and prudent.

The selected historical financial data are not indicative of our expected future operating results. In particular, after undergoing the Reorganization on July 13, 2007 and providing liquidation rights to limited partners of certain of the funds we manage on either August 1, 2007 or November 30, 2007, Apollo Global Management, LLC no longer consolidated in its financial statements certain of the funds that have historically been consolidated in our financial statements.

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	Three Months Ended September 30,		Nine Months Ended September 30,		Year Ended December 31,				
	2010	2009	2010	2009	2009	2008	2007[e]	2006[e]	2005
	(in thousands, except per share amounts)								
Statement of Operations Data									
Revenues:									
Advisory and transaction fees from affiliates	$ 19,505	$ 21,582	$ 57,418	$ 37,480	$ 56,075	$ 145,181	$ 150,191	$ 147,051	$ 80,926
Management fees from affiliates	106,720	103,680	316,636	293,218	406,257	384,247	192,934	101,921	33,492
Carried interest income (loss) from affiliates	332,426	88,423	387,471	181,421	504,396	(796,133)	294,725	97,508	69,347
Total Revenues	458,651	213,685	761,525	512,119	966,728	(266,705)	637,850	346,480	183,765
Expenses:									
Compensation and benefits:									
Equity-based compensation	281,914	275,122	835,520	824,630	1,100,106	1,125,184	989,849		
Salary, bonus and benefits	60,446	50,114	180,505	157,184	227,356	201,098	149,553	76,380	74,170
Profit sharing expense	119,357	21,133	125,307	48,771	161,935	(482,682)	307,739	185,007	235,065
Incentive fee compensation	2,136	1,934	11,395	1,934	5,613		3,189	5,385	
Total Compensation and Benefits	463,853	348,303	1,152,727	1,032,519	1,495,010	843,600	1,450,330	266,772	309,235
Interest expense	7,340	12,272	27,664	38,377	50,252	62,622	105,968	8,839	1,405
Interest expense beneficial conversion feature							240,000		
Professional fees	9,661	8,626	32,065	23,009	33,889	76,450	81,824	31,738	45,687
Litigation settlement[a]						200,000			
General, administrative and other	14,186	20,797	45,689	43,585	61,066	71,789	36,618	38,782	25,955
Placement fees	(793)	631	3,748	4,396	12,364	51,379	27,253		47,028
Occupancy	5,882	7,837	16,690	21,207	29,625	20,830	12,865	7,646	5,993
Depreciation and amortization	5,874	6,071	18,020	18,169	24,299	22,099	7,869	3,288	2,304
Total Expenses	506,003	404,537	1,296,603	1,181,262	1,706,505	1,348,769	1,962,727	357,065	437,607
Other Income (Loss):									
Net gains (losses) from investment activities	101,210	336,066	201,926	449,134	510,935	(1,269,100)	2,279,263	1,620,554	1,970,770
Net gains from investment activities of consolidated variable interest entities	32,910		32,645						
Income (loss) from equity method investments	27,480	30,033	33,648	53,167	83,113	(57,353)	1,722	1,362	412
Interest income	359	329	1,021	1,030	1,450	19,368	52,500	38,423	33,578
Gain from repurchase of debt[b]				36,193	36,193				
Dividend income from affiliates							238,609	140,569	25,979
Other income (loss), net	48,581	541	70,487	39,692	41,410	(4,609)	(36)	3,154	2,832

Total Other Income (Loss)	210,540	366,969	339,727	579,216	673,101	(1,311,694)	2,572,058	1,804,062	2,033,571
Income (Loss) Before Income Tax (Provision) Benefit	163,188	176,117	(195,351)	(89,927)	(66,676)	(2,927,168)	1,247,181	1,793,477	1,779,729
Income tax (provision) benefit	(30,856)	(18,017)	(47,638)	(25,133)	(28,714)	36,995	(6,726)	(6,476)	(1,026)
Net Income (Loss)	132,332	158,100	(242,989)	(115,060)	(95,390)	(2,890,173)	1,240,455	1,787,001	1,778,703
Net (income) loss attributable to Non-Controlling Interests[(c)(d)]	(108,192)	(204,771)	131,323	(45,165)	(59,786)	1,977,915	(1,810,106)	(1,414,022)	(1,577,459)
Net Income (Loss) Attributable to Apollo Global Management, LLC	$ 24,140	$ (46,671)	$ (111,666)	$ (160,225)	$ (155,176)	$ (912,258)	$ (569,651)	$ 372,979	$ 201,244
Dividends Declared per Class A share	$ 0.07	$	$ 0.14	$ 0.05	$ 0.05	$ 0.56	$	N/A	N/A