

Tides of Change: Navigating the Future of Credit

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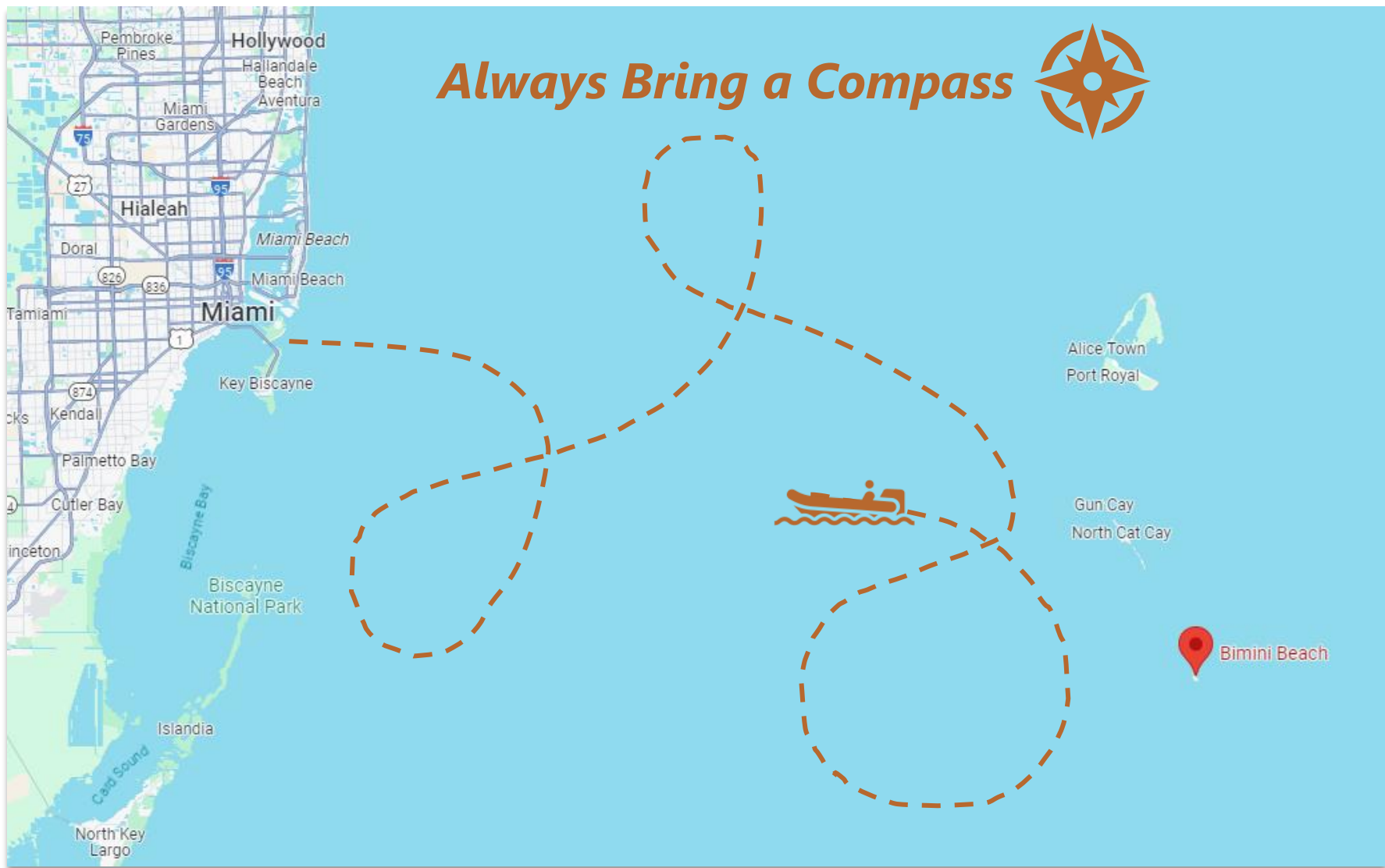


Unless otherwise noted, information as of January 2025.

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LOST AT SEA



No Direction

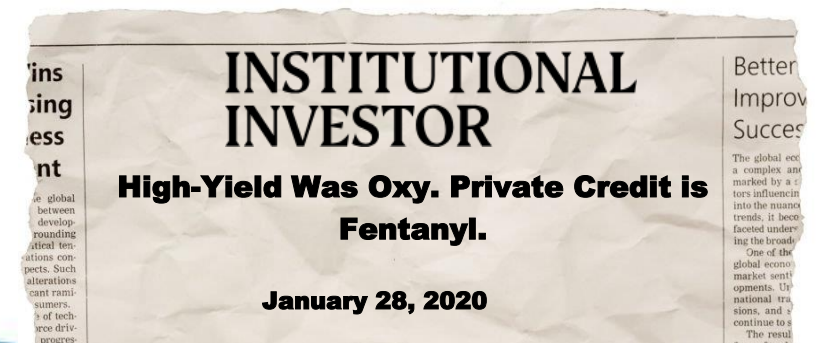
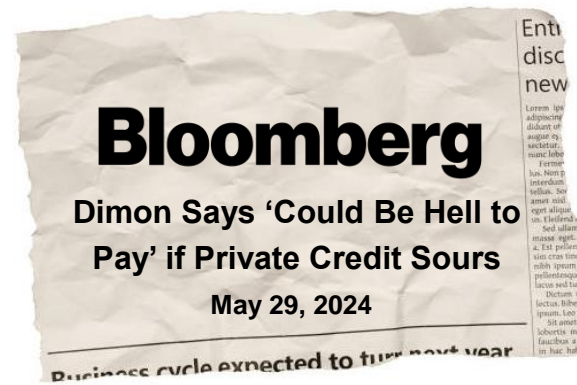


No Vision



Unprepared

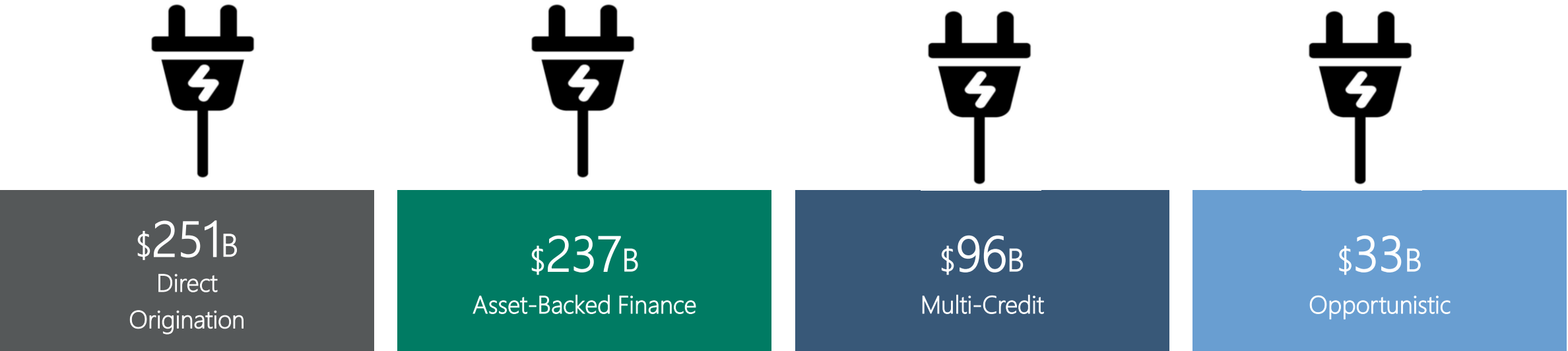
Is Private Credit Lost at Sea?



The Industry is Racing to Buy What We Have Organically Built

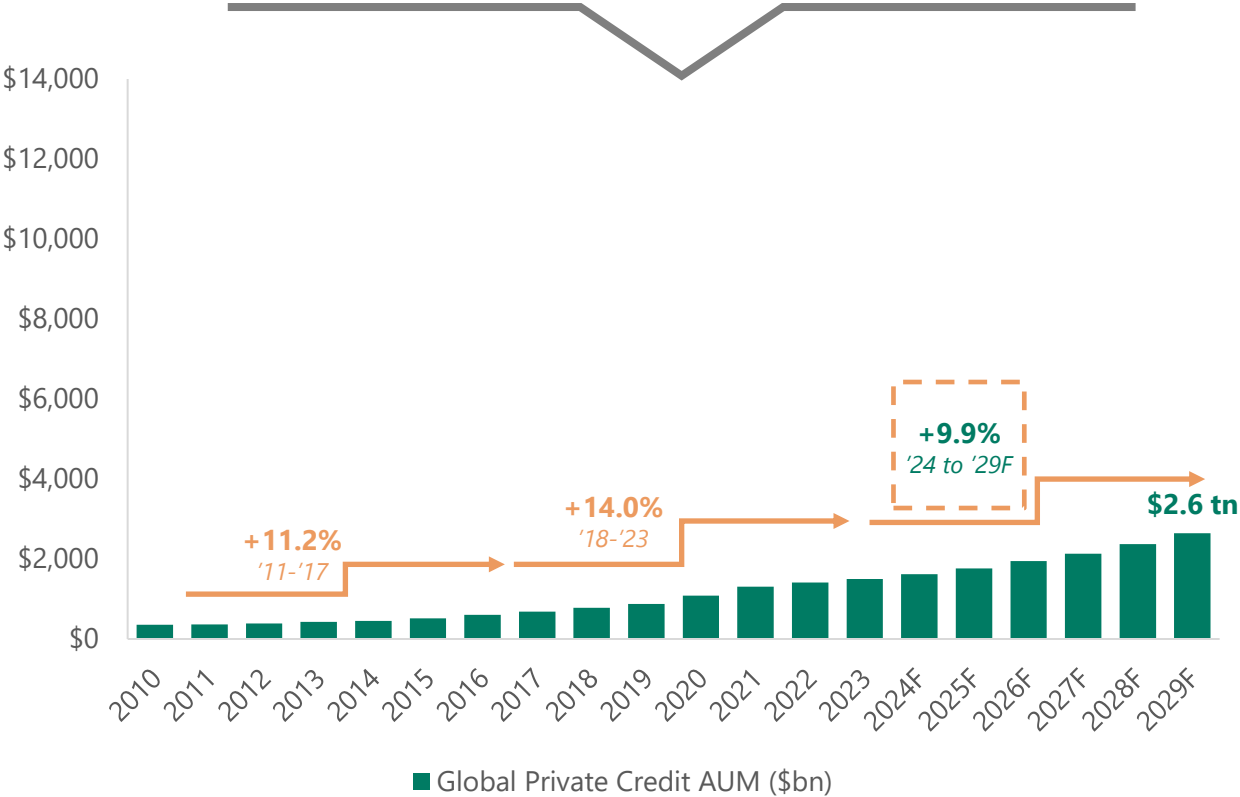


Our Organic Build



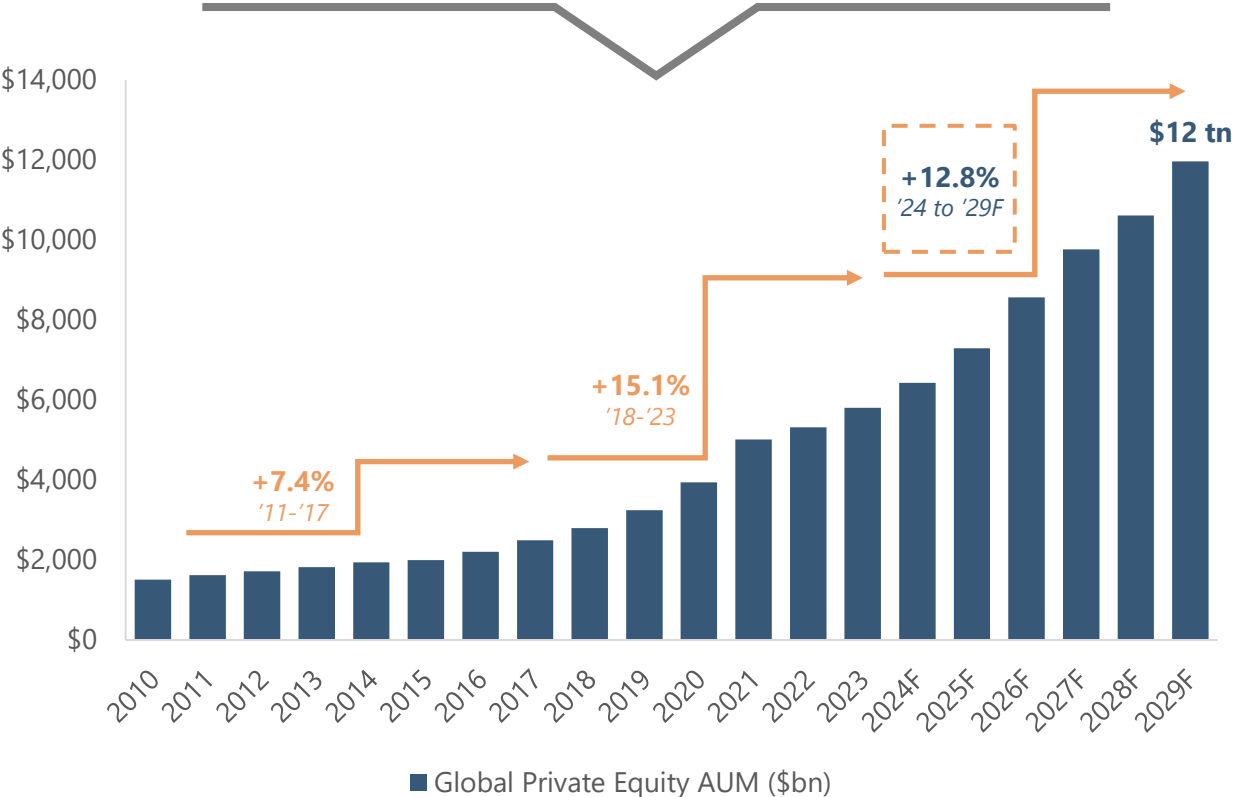
No Real Bubble Here...

Private Credit



-or-

Private Equity



Source: Preqin as of 3Q 2024. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of future events or results.

Who is Really Lost at Sea?

Option A:

Cash Collateralized Senior Bond

12-14% IRR

5Y Maturity

9.5% Fixed Coupon with Step-Ups

1L on all assets

2x Covered by Cash Alone

-or-

Option B:

PIK Perpetual Preferred

16% IRR

No Collateral Backing

Subordinated

12% PIK Coupon

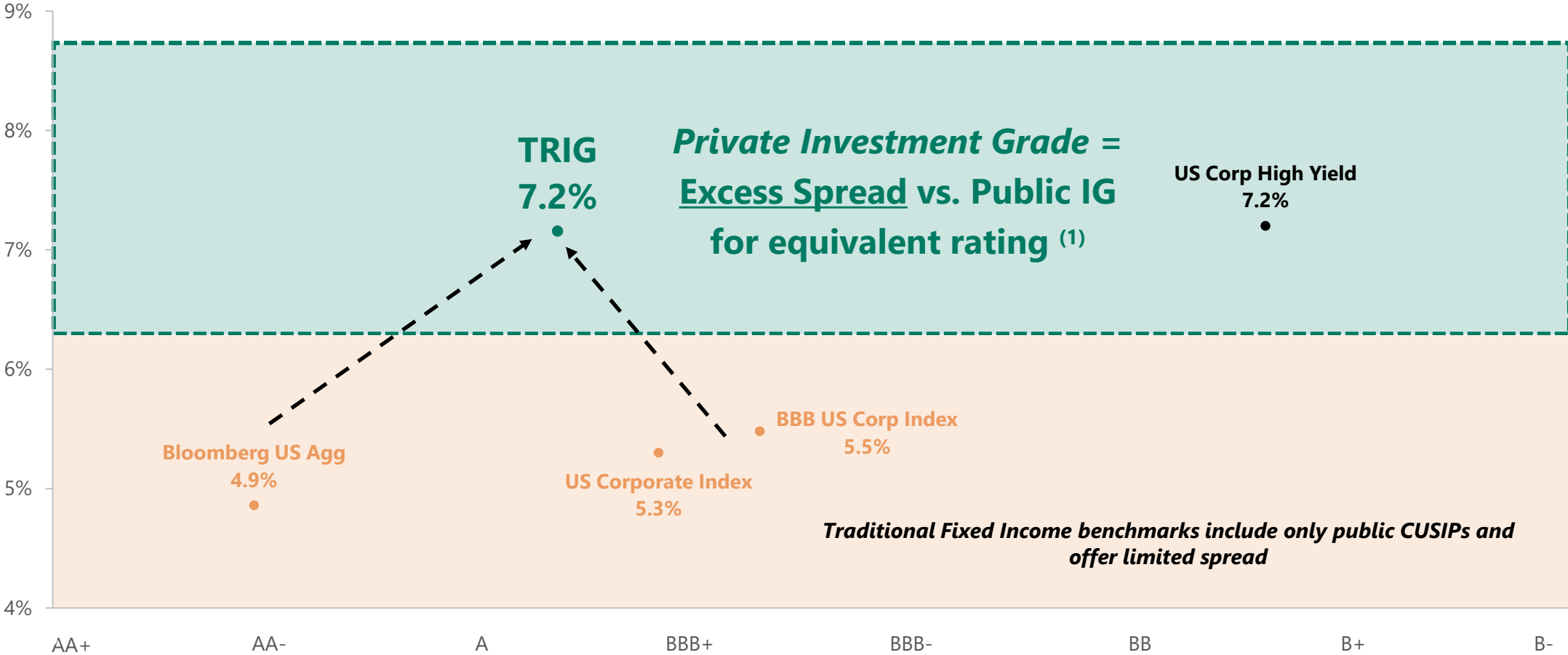
*Industry is
Overreliant
on IRR*

Navigating Without a Compass

Fixed Income:



Fixed Income Replacement:



Data as of January 31, 2025. For illustrative and discussion purposes. Represents the views and opinions of Apollo Analysts. Subject to change at any time. Credit ratings are statements of opinions and not statements of facts or recommendations to purchase, hold or sell securities. Fund ratings are based on the underlying investment ratings using S&P, Kroll, Moody's, and Apollo Analysts. There is no guarantee that similar allocations or investments will be available in the future. Future results may vary substantially. Please refer to the Legal Disclaimer for additional information relating to forward looking statements, credit ratings and the use of index comparisons. There can be no assurance that Apollo will be success in implementing its investment strategy or that investment objectives will be achieved. Diversification does not ensure profit or protect against loss. Please see the Legal Disclaimer for additional information on credit ratings. (1) Excess spread represents differential between Fund asset yield and duration equivalent yield of Bloomberg US Corporate Bond Index.

Funding Structure:

The Intel logo, featuring the word "intel" in a blue, lowercase, sans-serif font, with a small blue square above the "i" and a registered trademark symbol (®) to the right of the "l".

-VS-

~\$11 billion
~8%
30 Year Capital

Rest of the Industry:

~10%

10 Year Capital

Infra + RE Equity Funds

*Capital partners are not truly
long-term if fund structures
demand people to sell*

Asset-Backed Finance:

16

proprietary asset
origination
platforms

~\$8B

equity capital invested
into platforms over
past decade

\$128B

AUM
across
platforms⁽¹⁾

30+

product offerings across
the full breadth of our
origination capabilities

4,000+

origination
platform
employees



20+

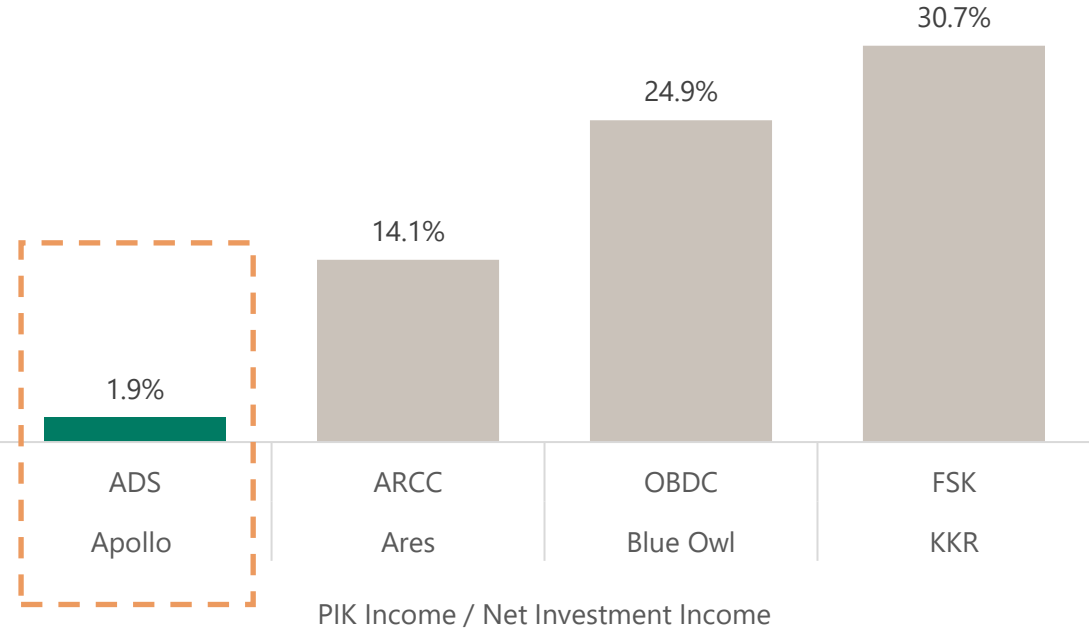
Origination Partnerships ⁽²⁾

Originating assets for the Apollo Asset-Backed and Ecosystem

As of December 31, 2024. Note: Represents all current Apollo origination platforms. Origination platforms are portfolio companies of funds managed by Apollo. (1) Represents total assets managed at the origination platform level, which may deviate from total assets reported in Apollo's AUM. Please refer to Apollo Capital Management L.P.'s Form ADV Part 2A for additional information regarding platform arrangements. Please refer to the end of this presentation for the definition of AUM. (2) We are contractually prohibited from disclosing certain origination partnerships by name.

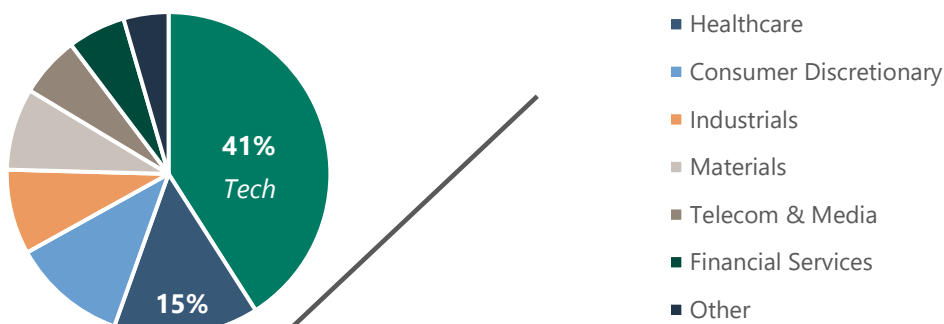
Direct Lending:

Rise of Payment-in-Kind ("PIK") Income

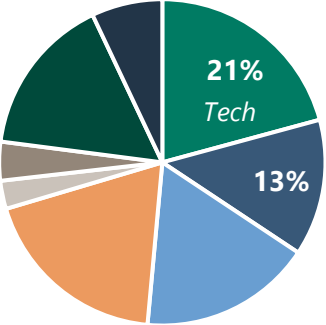


Technology and Healthcare Sector Heavy

Average Private Credit Sector Allocation



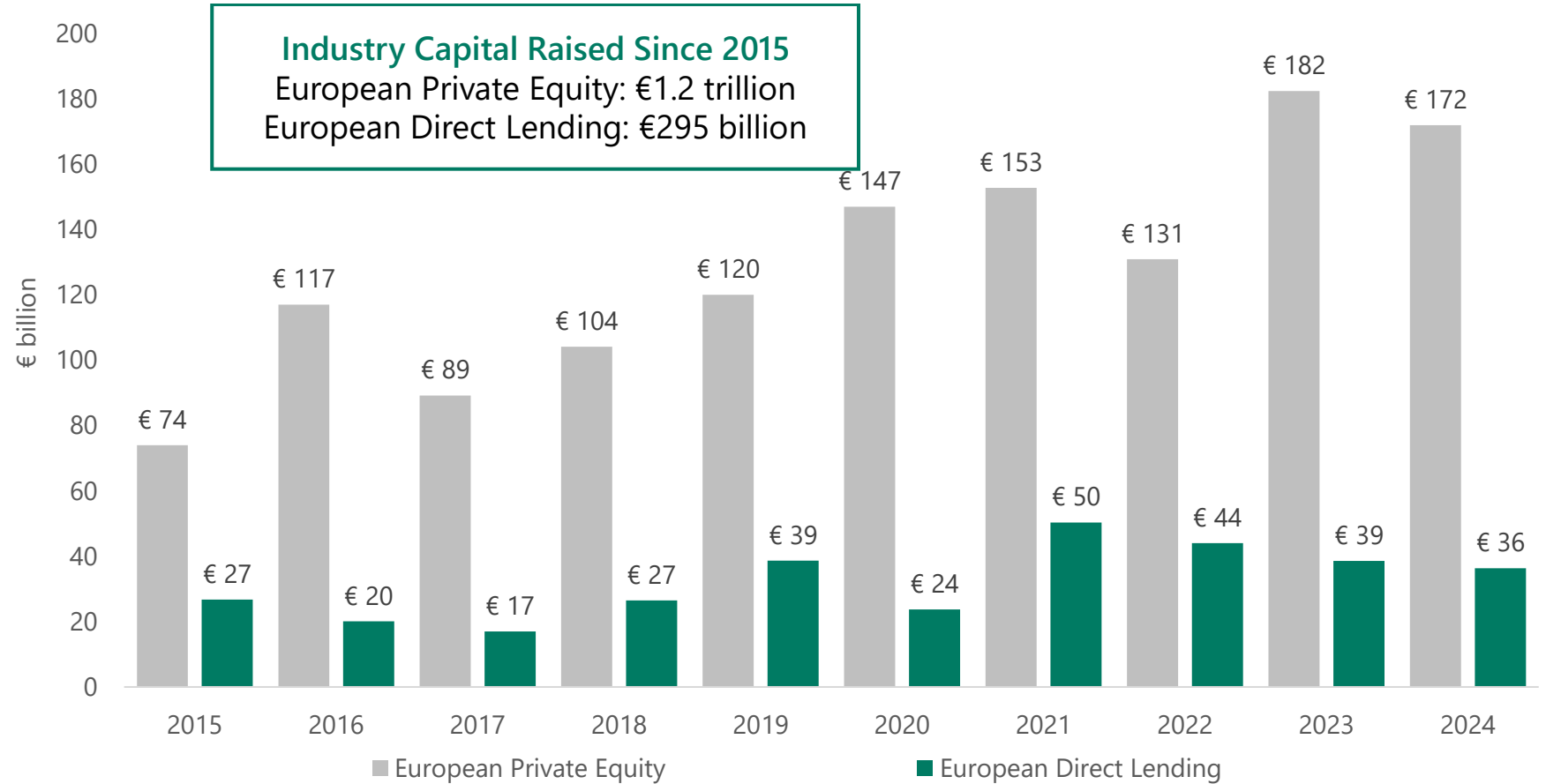
Apollo ADS BDC Sector Allocation¹



Source: (Left) J.P. Morgan, BDC Filings as of 3Q 2024. (Right) Bloomberg, Preqin, S&P Capital IQ, and IMF staff calculations. Average private credit sector allocations reflects the breakdown of private credit borrowers by sector based on last three-year deal volume (percent share by global deal volume). (1) ADS BDC sector allocations as of September 30, 2024. There is no guarantee that similar allocations or investments will be available in the future. Please refer to ADS's prospectus for additional information on ADS's terms, provisions, and risk factors.

Europe:

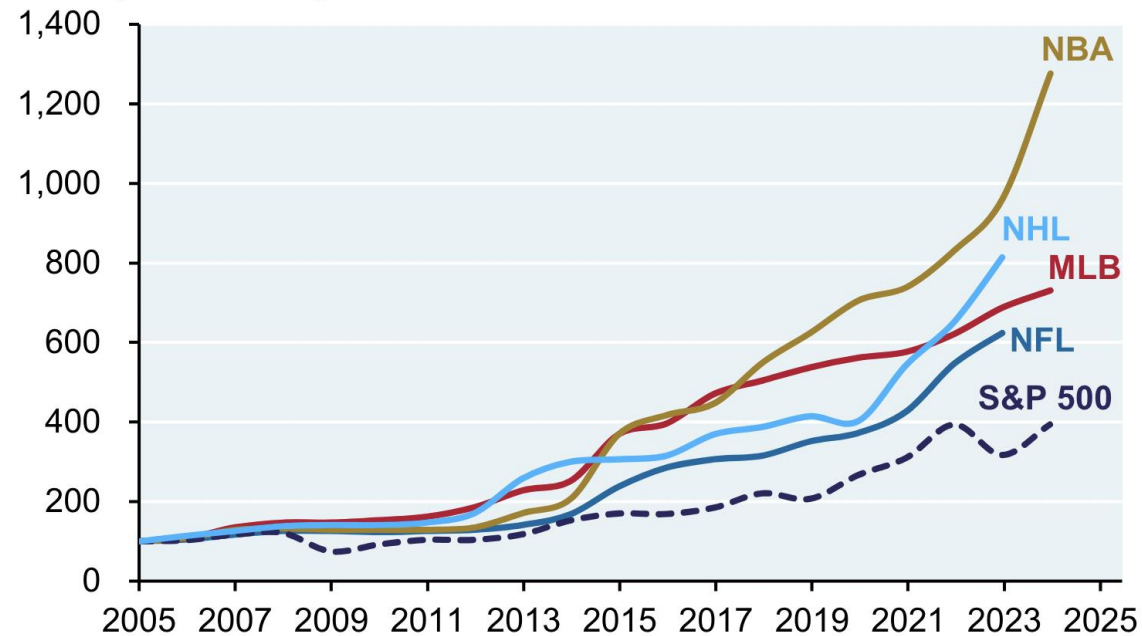
**European
Private Credit
Remains
Undersized**



Sports:

Sport team valuations vs equity markets

Index (100 = 2005)



Source: JP Morgan Sports Coverage Team, Forbes, Bloomberg, 2024

***Mismatch Between
Supply of Financing for
Professional Sports and
Demand***



Credit Secondaries is Not Equity Secondaries...





FULL STEAM AHEAD

- ✓ ***Aligned***
- ✓ ***Focused***
- ✓ ***Ready***

Definitions

Assets Under Management (“AUM”) - The assets of the funds, partnerships and accounts to which Apollo provides investment management, advisory, or certain other investment-related services, including, without limitation, capital that such funds, partnerships and accounts have the right to call from investors pursuant to capital commitments. Our AUM equals the sum of:

1. the net asset value, plus used or available leverage and/or capital commitments, or gross assets plus capital commitments, of the credit and certain equity funds, partnerships and accounts for which we provide investment management or advisory services, other than certain collateralized loan obligations, collateralized debt obligations, and certain perpetual capital vehicles, which have a fee-generating basis other than the mark-to-market value of the underlying assets; for certain perpetual capital vehicles in credit, gross asset value plus available financing capacity;
2. the fair value of the investments of equity and certain credit funds, partnerships and accounts Apollo manages or advises, plus the capital that such funds, partnerships and accounts are entitled to call from investors pursuant to capital commitments, plus portfolio level financings;
3. the gross asset value associated with the reinsurance investments of the portfolio company assets Apollo manages or advises; and
4. the fair value of any other assets that Apollo manages or advises for the funds, partnerships and accounts to which Apollo provides investment management, advisory, or certain other investment-related services, plus unused credit facilities, including capital commitments to such funds, partnerships and accounts for investments that may require pre-qualification or other conditions before investment plus any other capital commitments to such funds, partnerships and accounts available for investment that are not otherwise included in the clauses above.

Apollo’s AUM measure includes Assets Under Management for which Apollo charges either nominal or zero fees. Apollo’s AUM measure also includes assets for which Apollo does not have investment discretion, including certain assets for which Apollo earns only investment-related service fees, rather than management or advisory fees. Apollo’s definition of AUM is not based on any definition of Assets Under Management contained in its governing documents or in any management agreements of the funds Apollo manages. Apollo considers multiple factors for determining what should be included in its definition of AUM. Such factors include but are not limited to (1) Apollo’s ability to influence the investment decisions for existing and available assets; (2) Apollo’s ability to generate income from the underlying assets in the funds it manages; and (3) the AUM measures that Apollo uses internally or believes are used by other investment managers. Given the differences in the investment strategies and structures among other alternative investment managers, Apollo’s calculation of AUM may differ from the calculations employed by other investment managers and, as a result, this measure may not be directly comparable to similar measures presented by other investment managers. Apollo’s calculation also differs from the manner in which its affiliates registered with the SEC report “Regulatory Assets Under Management” on Form ADV and Form PF in various ways.

Apollo uses AUM, Gross capital deployment and Dry powder as performance measurements of its investment activities, as well as to monitor fund size in relation to professional resource and infrastructure needs.

Definitions

Important Note on Index Comparisons: Index performance is shown for illustrative purposes only and have limitations when used for comparison or for other purposes due to, among other matters, volatility, credit or other factors (such as number of investments, recycling or reinvestment of distributions, and types of assets). It may not be possible to directly invest in one or more of these indices and the holdings of the Fund may differ markedly from the holdings of any such index in terms of levels of diversification, types of securities or assets represented and other significant factors. Indices are unmanaged, do not charge any fees or expenses, assume reinvestment of income and do not employ special investment techniques such as leveraging or short selling. **No such index is indicative of the future results of the Fund. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of future events or results.**

"Leveraged Loans" represented by the Morningstar LSTA US Leveraged Loan 100 Index, which is designed to measure the performance of the 100 largest facilities in the US leveraged loan market. Index constituents are market-value weighted, subject to a single loan facility weight cap of 2%.

"High Yield Corporate" represented by the ICE BofA US High Yield Index, which is market capitalization weighted and is designed to measure the performance of U.S. dollar denominated below investment grade (commonly referred to as "junk") corporate debt publicly issued in the U.S. domestic market. The index includes securities rated below investment grade (based on an average of Moody's Investors Service, Inc., Fitch, Inc., and S&P Global Ratings) with at least 18 months remaining to final maturity at the time of issuance and at least one-year remaining term to final maturity as of the Index's rebalancing date. In addition, individual securities of qualifying issuers must have a fixed coupon schedule and a minimum amount outstanding of \$250 million.

"US Investment Grade Corporate" represented by the Bloomberg US Corporate Index, which measures the investment grade, fixed rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility, and financial issuers. The index is a component of the US Credit and US Aggregate Indices, and provided the necessary inclusion rules are met, US Corporate Index securities also contribute to the multi-currency Global Aggregate Index. The index includes securities with remaining maturity of at least one year

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Investing in a Fund is speculative and involves a substantial degree of risk. Risks include, but are not limited to, the fact that each of the Funds has or may have: a limited or no operating history; volatile performance; leverage use; limited liquidity with no secondary market expected and restrictions on transferring interests; high fees and expenses; and a dependence on Apollo, which will have exclusive authority to select and manage a Fund's investments. Prospective investors should carefully consider all risks described in the applicable Offering Materials in determining whether an investment in a Fund is suitable. There can be no assurance that the investment objectives described herein will be achieved. Nothing herein is intended to imply that a Fund's investment methodology may be considered "conservative," "safe," "risk free," or "risk averse". Economic, market and other conditions could also cause a Fund to alter its investment objectives, guidelines and restrictions. Investment losses may occur.

Past performance is not indicative nor a guarantee of future returns.

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Target returns are presented solely for the purpose of providing insight into the Fund’s investment objectives, detailing the Fund’s anticipated risk and reward characteristics in order to facilitate comparisons with other investments and for establishing a benchmark for future evaluation of the Fund’s performance. The target returns presented are not a prediction, projection or guarantee of future performance. The targeted returns are based upon estimates and assumptions that a potential investment will yield a return equal or greater than the target. There can be no assurance that Apollo’s targets will be realized or that Apollo will be successful in finding investment opportunities that meet these anticipated return parameters. Apollo’s target of potential return from a potential investment is not a guarantee as to the quality of the investment or a representation as to the adequacy of Apollo’s methodology for estimating returns. Accordingly, the Fund’s target return should not be used as a primary basis for an investor’s decision to invest in the Fund.

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