APOLLO

ALTERNATIVE ASSETS

AP ALTERNATIVE ASSETS, L.P.
Financial Report

As of and for the years ended December 31, 2017 and 2016

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Certain Information

Statement of Responsibility

The portions of this financial report that relate to AP Alternative Assets, L.P. (“AP Alternative Assets” or “AAA”), including the financial statements and other financial information of AP Alternative Assets contained herein, are the responsibility of and have been approved by AAA Guernsey Limited as the Managing General Partner of AP Alternative Assets. AAA Guernsey Limited is responsible for preparing such portions of this financial report to give a true and fair view of the state of affairs of AP Alternative Assets at the end of the period and of the profit or loss for such period, as well as, for preparing such financial statements in accordance with applicable Guernsey law, applicable Dutch law, and accounting principles generally accepted in the United States of America (“U.S. GAAP”). In accordance with their responsibilities, AAA Guernsey Limited has prepared the financial statements of AP Alternative Assets contained herein to give a true and fair view of the state of affairs of AP Alternative Assets at the end of the fiscal period and has prepared such financial statements in accordance with U.S. GAAP, and the board of directors of AAA Guernsey Limited has approved the financial statements.

The portions of this financial report that relate to AAA Investments, L.P. (“Investment Partnership”), including the consolidated financial statements and other financial information of the Investment Partnership, contained herein, are the responsibility of and have been approved by AAA MIP Limited, as the General Partner of AAA Associates, L.P., which serves as the general partner of the Investment Partnership. AAA MIP Limited is responsible for preparing such portions of this financial report to give a true and fair view of the state of affairs of AAA Investments, L.P., at the end of the period and of the profit or loss for such period, as well as, for preparing such consolidated financial statements in accordance with applicable Guernsey law and U.S. GAAP.

In preparing their financial reports, both AAA Guernsey Limited and AAA MIP Limited are required to (i) select suitable accounting policies and apply them consistently; (ii) make judgments and estimates that are reasonable and prudent; (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and (iv) prepare the financial statements on a going-concern basis, unless it is inappropriate to presume that AP Alternative Assets and the Investment Partnership will continue in business. The directors are responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the Partnerships and to enable them to ensure that the financial statements comply with applicable Guernsey law and U.S. GAAP. They are also responsible for safeguarding the assets of the Partnerships and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Certain Information

Directors and Advisors

The board of directors of AAA Guernsey Limited currently consists of Gernot Lohr, Beno Suchodolski, Paul Guilbert and Rupert Dorey. The address for these individuals is c/o AAA Guernsey Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands, GY1 3QL. Effective March 20, 2017, Imran Siddiqui tendered his resignation from the board of directors of AAA Guernsey Limited.

The board of directors of AAA MIP Limited currently consists of Gernot Lohr and William B. Kuesel. The address for these individuals is c/o AAA MIP Limited, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands, GY1 3QL. Effective March 20, 2017 and April 3, 2017, Imran Siddiqui and Richard Gordon, respectively, tendered their resignations from the board of directors of AAA MIP Limited.

Northern Trust International Fund Administration Services (Guernsey) Limited has been retained to serve as the Guernsey administrator for AP Alternative Assets and the Investment Partnership. The address of Northern Trust International Fund Administration Services (Guernsey) Limited is Trafalgar Court, Les Banques, St. Peter Port, Guernsey, Channel Islands, GY1 3QL.

The purpose of this Financial Report is to comply with the requirements of the Guernsey Financial Services Commission.

Deloitte LLP has been retained to serve as the independent auditor for AP Alternative Assets and the Investment Partnership. The address of Deloitte LLP in Guernsey is Regency Court, Glategny Esplanade, St. Peter Port, Guernsey, Channel Islands, GY1 3HW.

Apollo Alternative Assets, L.P. provides investment management, operational and financial services to AP Alternative Assets and the Investment Partnership under a services agreement. The address of Apollo Alternative Assets, L.P. is Walker House, P.O. Box 908GT, Mary Street, George Town, Grand Cayman, Cayman Islands.

The website address for AP Alternative Assets is www.apolloalternativeassets.com.

About AP Alternative Assets

Overview

AP Alternative Assets commenced operations on June 15, 2006, and is a closed-end limited partnership established by Apollo, as defined below, under the laws of Guernsey. AP Alternative Assets is managed by Apollo Alternative Assets, L.P. ("Apollo Alternative Assets" or "the Manager") and is currently invested in an opportunistic investment sponsored by Apollo Global Management, LLC and its subsidiaries (collectively "Apollo"). Apollo Alternative Assets implements our investment policies and procedures and carries out the day-to-day management and operations of our business pursuant to a services agreement. Apollo is a leading global alternative investment manager with over 27 years of experience investing across the capital structure of leveraged companies.

Our investment mandate is to invest substantially all of our capital in Apollo-sponsored entities, funds and private equity transactions. As of December 31, 2017, our portfolio consisted of a single opportunistic investment in the economic equity of Athene Holding Ltd. ("Athene Holding" and together with its subsidiaries "Athene"), which was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements.

Athene Holding became an effective registrant on December 9, 2016 under the U.S. Securities Exchange Act of 1934, as amended. Athene Holding trades on the New York Stock Exchange (NYSE) under the symbol "ATH".

The net asset value of AP Alternative Assets as of December 31, 2017 was approximately $1,180.0 million.

Competitive Strengths

We believe our competitive strengths include:

- **the strong long-term track record of Apollo in targeted investment classes**
- **the active involvement of Apollo's experienced and cohesive investment team in our investments**
- **our ability to benefit from Apollo's integrated and collaborative investment platform and flexible approach towards investing across market cycles**

About AP Alternative Assets

About Apollo

Founded in 1990, Apollo is a leading global alternative investment manager with a track record of successful private equity, credit and real estate investing. Apollo is led by its managing partners Leon Black, Joshua Harris and Marc Rowan. At December 31, 2017, Apollo had a team of 1,047 employees, including 384 investment professionals. Apollo has offices in New York, Los Angeles, Houston, Chicago, Ballwin, Bethesda, Toronto, London, Frankfurt, Madrid, Luxembourg, Mumbai, Delhi, Singapore, Hong Kong and Shanghai.

The private equity business is a key component of Apollo's investment activities. We believe Apollo has demonstrated the ability to adapt quickly to changing market environments and capitalize on market dislocations through its traditional and distressed investment approach. In prior periods of strained financial liquidity and economic recession, Apollo has made attractive private equity investments by buying the distressed debt of quality businesses, converting that debt to equity, creating value through active management and ultimately monetizing the investment. Apollo's combination of traditional buyout investing with a "distressed option" has been successful throughout prior economic cycles and has allowed its funds to achieve attractive long-term rates of return in different economic and market environments.

Apollo's investment approach is value-oriented and often contrarian in nature. The firm focuses on nine core industries in which it has considerable knowledge while emphasizing downside protection and the preservation of capital. Apollo has successfully applied this investment philosophy in flexible and creative ways over its 27 year history, allowing it to find attractive investment opportunities, deploy capital across the balance sheet of industry leading, or "franchise," businesses and create value throughout economic cycles.

Apollo's credit operations commenced in 1990 as a complement to its private equity investment activity. Apollo's credit platform is organized by several functional groups including U.S. performing credit, structured credit, opportunistic credit, non-performing loans and European credit. Within these groups Apollo manages a diverse range of credit-oriented investments that take advantage of the same disciplined, value-oriented investment philosophy employed with respect to Apollo's private equity investment activities.

Apollo's investment professionals frequently collaborate and share information across disciplines including market insight, management, banking and consultant contacts, as well as, potential investment opportunities, which Apollo believes enables it to more successfully invest across a company's capital structure.

AP Alternative Assets has one investment comprised of the entire limited partner's interest in AAA Investments, L.P.

About AP Alternative Assets

Overview of Investment Results

As of December 31, 2017, the net asset value of AP Alternative Assets was approximately $1,180.0 million, or $15.46 per common unit. This reflects a net decrease in net assets after distributions of approximately $(1,917.5) million, or $(25.12) per common unit during the year ended December 31, 2017. The decrease in net asset value during the period was driven by partners' capital distributions of $2,334.0 million, partially offset by an increase in net assets resulting from operations of $416.5 million.

Figure 1: Net Asset Value per Unit

Overview of Investment Portfolio

The following portfolio allocation includes the fair value of the Investment Partnership's investment portfolio as of December 31, 2017.

Figure 2: Portfolio Allocation

(in thousands)	Fair Value
Opportunistic Investment - Athene	$ 1,353,955
Total Investments	$ 1,353,955

About AP Alternative Assets

Figure 3: Investments as of December 31, 2017

As of December 31, 2017 our portfolio consisted of a single opportunistic investment in Athene.

Opportunistic Investment		
ATHENE HOLDING	**Financial & Business Services**	We are the largest equity holder in Athene Holding, which was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction

The following discussion contains forward-looking statements that involve numerous risks and uncertainties. Our actual results could differ materially from those discussed in the "Forward-Looking Statements" as a result of these risks and uncertainties, including those set forth under "Forward-Looking Statements" and "Risk Factors," below. For a more detailed description of our business and related risks, refer to our Prospectus which is available on the website (www.apolloalternativeassets.com). The following discussion should also be read in conjunction with our financial statements and related notes, as well as, the consolidated financial statements and related notes of the Investment Partnership, which are included elsewhere in this report.

We have prepared this report using a number of conventions, which you should consider when reading the information contained herein. Unless the context suggests otherwise, references to:

- "we", "us", "our" and "our partnership" are to AP Alternative Assets, L.P. ("AAA", "AP Alternative Assets" or the "Partnership"), a Guernsey limited partnership;
- our "Managing General Partner" are to AAA Guernsey Limited, a Guernsey limited company, which serves as our general partner;
- the "Investment Partnership" are to AAA Investments, L.P. ("AAA Investments"), a Guernsey limited partnership and its subsidiaries through which our investments are made;
- the "Investment Partnership's General Partner" are to AAA Associates, L.P., a Guernsey limited partnership, which serves as the general partner of the Investment Partnership;
- the "Managing Investment Partner" are to AAA MIP Limited, a Guernsey limited company, which serves as the general partner of the Investment Partnership's General Partner; and
- "Apollo" are, as the context may require, to Apollo Global Management, LLC and its subsidiaries including any entity formed to act as manager of an Apollo fund, and to any other persons that, directly or indirectly through one or more intermediaries, control, are controlled by or are under common control with Apollo Alternative Assets, L.P. ("Apollo Alternative Assets"), the investment manager to AAA and to the Investment Partnership, which provides certain investment management, operational and financial services to us and others involved in our investments.

Additionally, unless the context suggests otherwise, we use the term "our investments" to refer both to AP Alternative Assets' limited partner interest in the Investment Partnership, which is the only investment that we record in our statement of assets and liabilities, and to investments that are made through the Investment Partnership. Although the investments that the Investment Partnership makes with our capital do not appear as investments in the Partnership's financial statements, AAA is the primary beneficiary of such investments and bears substantially all the risk of loss.

Our financial statements and the consolidated financial statements of the Investment Partnership were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are presented in U.S. dollars. On May 31, 2007, the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten, "AFM") sent us a letter in which it approved the preparation of our financial statements in accordance with U.S. GAAP instead of the Dutch financial reporting rules or International Financial Reporting Standards ("IFRS"). Pursuant to article 5:25v of the Dutch Financial Supervision Act (Wet op het Financieel Toezicht, "FSA"), currently no further dispensation is necessary for the preparation of our financial statements in accordance with U.S. GAAP.

Management's Discussion and Analysis of Financial Condition and Results of Operations

We are subject to the ongoing supervision of the Guernsey Financial Services Commission. The Partnership is also registered with the AFM as an investment institution domiciled in a designated state as referred to in Article 2:66(1) of the FSA, on the basis of which the Partnership is exempted from the requirement to obtain a license under the FSA, but is subject to certain ongoing obligations, including reporting obligations.

AAA is regulated by the Authorized Closed-ended Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission ("GFSC") with effect from December 15, 2008 under The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended (the "New Rules"). Effective October 29, 2008, AAA became regulated under the New Rules and is deemed to be an authorized closed-ended investment scheme under the New Rules.

We utilize an annual reporting schedule comprised of four three-month quarters, with an annual accounting period ending on December 31. Our quarterly periods end on March 31, June 30, September 30 and December 31. The financial results presented herein include activity for the years ended December 31, 2017 and 2016.

This financial report includes information required in accordance with Article 5:25e of the FSA and contains a discussion on the material events and transactions which relate to the period from January 1, 2017 through January 31, 2018. Other than as discussed in this financial report, there have been no other material events or transactions during this period which have impacted the financial position of AP Alternative Assets or its group partnerships.

Forward-Looking Statements

This report contains certain forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made and relate to expectations, beliefs, projections (including anticipated economic performance and financial condition), future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts and are subject to risks and uncertainties including, but not limited to, statements as to:

- our future operating results;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;
- the ability of our portfolio companies to achieve their objectives;
- our expected financings and investments;
- the adequacy of our cash resources and working capital; and
- the timing of cash flows, if any, from the operations of our portfolio companies.

In some cases, you can identify forward-looking statements by terms such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "potential", "should", "will", and "would", or the negative of those terms or other comparable terminology.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. These beliefs, assumptions and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us or are within our control. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Factors and events that could cause our business, financial condition, liquidity and results of operations to vary materially include, among other things, factors and events that affect Athene's business, operations, financial condition, liquidity and prospects, general economic conditions, securities market conditions, private equity market conditions, the level and volatility of interest rates and equity prices, competitive conditions, liquidity of global markets, international and regional political conditions, regulatory and legislative developments, monetary and fiscal policy, investor sentiment, availability and cost of capital, technological changes and events, outcome of legal proceedings, changes in currency values, inflation, credit ratings and the size, volume and timing of transactions, as well as, other risks described elsewhere in this report and our prospectus.

The foregoing is not a comprehensive list of the risks and uncertainties to which we are subject. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations, or any changes in events, conditions or circumstances on which the forward-looking statement is based. In light of these risks, uncertainties and assumptions, the events described by our forward-looking statements might not occur. We qualify any and all of our forward-looking statements by these cautionary factors.

Business Description

AP Alternative Assets

The Partnership is a Guernsey limited partnership (managed by Apollo Alternative Assets) whose business consists of one investment comprised of the limited partner interests in AAA Investments, L.P.

AAA Investments

The Investment Partnership is a Guernsey limited partnership whose business purpose consists of making investments in and co-investments with, Apollo-sponsored private equity funds, credit funds or opportunistic investments. The Investment Partnership's General Partner is responsible for managing the business and affairs of the Investment Partnership, and in its sole discretion, may allocate assets and liabilities of the Investment Partnership to the relevant class of interests in accordance with the terms and conditions of the Investment Partnership's limited partnership agreement. The Investment Partnership's General Partner also determines the amount of all distributions, profits and losses relating to each class, as well as, corresponding expense allocations to each class. The Investment Partnership held one investment as of December 31, 2017, an investment in the economic equity of Athene Holding.

We, the Managing General Partner, the Investment Partnership, its General Partner and the Managing Investment Partner, have entered into a services agreement with Apollo Alternative Assets pursuant to which Apollo Alternative Assets has agreed to provide us with certain investment, financial advisory, operational and other services. Under the services agreement, Apollo Alternative Assets is also responsible for our day-to-day operations and is subject at all times to the supervision of our respective governing bodies, including the board of directors of the Managing General Partner and the board of directors of the Managing Investment Partner. The Investment Partnership's limited partnership agreement provides that investments made by the Investment Partnership must comply with the investment policies and procedures that are established for the Partnership.

We do not consolidate the results of operations, assets, or liabilities of the Investment Partnership in our financial statements. Therefore, operating expenses of the Investment Partnership are recognized only to the extent that they affect the fair value of the limited partner interests in the Investment Partnership. Our operating expenses are limited to the expenses that we directly incur in connection with our direct operations. These expenses consist primarily of expenses of Apollo Alternative Assets and its affiliates that are attributable to our operations and reimbursable under our services agreement, the directors' fees that our Managing General Partner pays its independent directors, the fees and expenses of our Guernsey administrator, professional fees and other general and administrative costs.

Operating expenses of the Investment Partnership consist primarily of its share of the management fees that are payable under our services agreement, the expenses of certain Apollo entities that are directly attributed to its operations and reimbursable under our services agreement, certain transaction and other costs incurred when making investments and other professional fees, allocated overhead costs and administrative costs.

In general, the purchases and sales made by the Investment Partnership of non-cash and non-temporary investments are with related parties and direct expenses for management fees, broken deal costs, allocated overhead costs and incentive fees are paid to related parties.

Overview and Outlook

As of December 31, 2017 and 2016, the net asset value of AP Alternative Assets was $1,180.0 million, or $15.46 per common unit, and $3,097.6 million, or $40.58 per common unit, respectively. For the years ended December 31, 2017 and 2016, the net (decrease) increase in net assets of AP Alternative Assets was $(1,917.5) million, or $(25.12) per common unit, and $317.8 million, or $4.16 per common unit, respectively. The decrease in net asset value during the year ended December 31, 2017 was driven by partners' capital distributions of $2,334.0 million, partially offset by an increase in net assets resulting from operations of $416.5 million.

Portfolio and Investment Activity

Capital is currently deployed in a single opportunistic investment that we believe meets or exceeds our risk-reward standards. Consistent with the amended investment criteria outlined for the Partnership, as of December 31, 2017, the Investment Partnership had a concentration invested in this opportunistic investment.

On October 31, 2012, the Investment Partnership closed on an agreement to contribute substantially all of its investments to Athene Holding in exchange for common shares of Athene Holding, cash and a short term promissory note (the "Transaction").

On April 4, 2014, Athene Holding (together with its subsidiaries, "Athene") completed an initial closing of a private placement offering of common equity in which it raised $1.048 billion of primary commitments from third-party institutional and certain existing investors in Athene Holding (the "Athene Private Placement"). In connection with the Athene Private Placement, Athene raised an additional $80 million of third party capital at $26 per share, all of which was used to buy back a portion of the shares of one of its existing investors at a price of $26 per share in a transaction that was consummated on April 29, 2014. As announced on June 24, 2014, a second closing of the Athene Private Placement occurred in which Athene Holding raised $170 million of commitments primarily from employees of Athene and its affiliates at a price per common share of Athene Holding of $26. The Athene Private Placement offering was concluded in the first quarter of 2015 with a final closing of $60 million of additional commitments from affiliates of Athene. The Investment Partnership did not purchase any additional common shares of Athene Holding as part of the Athene Private Placement.

In accordance with the services agreement among AAA, the Investment Partnership and the other service recipients party thereto and Apollo Alternative Assets (the "Services Agreement"), Apollo Alternative Assets received a management fee for managing the assets of the Investment Partnership. In connection with each of the consummation of the Transaction on October 31, 2012, and the initial closing of the Athene Private Placement on April 4, 2014, the Services Agreement was amended. Pursuant to the amendments, there were no management fees paid by the Investment Partnership with respect to the common shares of Athene Holding that were newly acquired by the Investment Partnership in the Transaction, which are those shares in excess of the shares of Athene Holding that prior to the Transaction, the Investment Partnership owned, or had committed to purchase (the "Excluded Athene Shares"). The Investment Partnership agreed to continue to pay Apollo Alternative Assets the same management fee on the Investment Partnership's investment in Athene (other than with respect to the Excluded Athene Shares), except that Apollo Alternative Assets agreed that the Investment Partnership's obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020).

In connection with the Athene Private Placement, the AAA limited partnership agreement was amended to provide that AAA will distribute to its shareholders their pro rata portion of the common shares of Athene Holding (or proceeds thereof) as such shares are released from their contractual lock-up over a period beginning 7.5 months after Athene's IPO and ending 15 months following Athene's IPO pursuant to the Athene registration rights agreement.

On March 16, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Athene Class A common shares (the "Follow-on Offering"). AAA unitholders entitled to receive Athene shares on the record date were given the opportunity by Athene to sell into the Follow-on Offering, and any lockup restrictions related to the shares distributed in connection with the Follow-on Offering were waived in order for AAA unitholders to participate. On March 28, 2017, Athene announced the base Follow-on Offering size of 27,500,000 Athene shares at a price of $48.50 per share, which was subsequently increased to 31,625,000 Athene shares after the underwriters' exercise of a 15% over allotment option. In total, 12,391,703 Athene shares were distributed to AAA unitholders. In addition to the distribution to AAA unitholders, the Investment Partnership distributed 962,484 Athene shares to AAA Associates, L.P. in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders, and 7,022 Athene shares in respect of the General Partnership's approximate 0.055% equity ownership interest in the Investment Partnership.

On May 22, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Athene Class A common shares (the "Second Follow-on Offering"). AAA unitholders entitled to receive Athene shares on the record date were given the opportunity by Athene to sell into the Second Follow-on Offering, and any lockup restrictions related to the shares distributed in connection with the Second Follow-on Offering were waived in order for AAA unitholders to participate. On June 6, 2017, Athene announced the base Second Follow-on Offering size of 16,200,000 Athene shares at a price of $49.00 per share, which was subsequently increased to 18,630,000 Athene shares after the underwriters' exercise of a 15% over allotment option. In total, 10,767,217 Athene shares were distributed to AAA unitholders in connection with the Second Follow-on Offering. In addition to the distribution to AAA unitholders, the Investment Partnership distributed 844,164 Athene shares to AAA Associates, L.P., its general partner, in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders, and 5,417 Athene shares in respect of the general partner's approximate 0.055% equity ownership interest in the Investment Partnership.

On December 6, 2017, AAA announced a distribution of freely tradeable common shares of Athene to its unitholders as part of the 12-month Athene Share unlock release. The board of directors of AAA Guernsey

Limited and the Board of Directors of AAA MIP Limited approved the distribution of up to 24,746,227 freely tradeable common shares of Athene for distribution on December 8, 2017 ("the 12-Month Unlock Distribution"). In total, 22,965,061 Athene Shares were distributed by AAA to AAA unitholders and 12,531 Athene Shares were distributed by the Investment Partnership to AAA Associates, its General Partner, in respect of its approximate 0.055% equity ownership interest in the Investment Partnership. The Investment Partnership also retained 1,768,635 Athene Shares, at a value in accordance with the Investment Partnership's Limited Partnership Agreement of $87.8 million, as an estimate of AAA Associates' carried interest in connection with the distribution.

In connection with the Athene Private Placement, Athene Holding amended its registration rights agreement to provide (i) investors who are party to such agreement, including the Investment Partnership, the potential opportunity for liquidity on their shares of Athene Holding through sales in registered public offerings over a 15 month period beginning on the date of Athene Holding's initial public offering (the "Athene IPO") and (ii) Athene Holding the right to cause certain investors who are party to the registration rights agreement to include in such offerings a certain percentage of their common shares of Athene Holding subject to the terms and conditions set forth in the agreement. With respect to the remaining 26,630,755 Athene shares held by the Investment Partnership as of December 31, 2017, 24,862,120 Athene shares will unlock 15 months following Athene's IPO date. The Investment Partnership intends to distribute such Athene Shares (or equivalent cash value) no later than the lock-up release dates, net of Athene Shares held to cover the Investment Partnership's and AAA's expenses and carried interest and other obligations. AAA, in turn, intends to distribute the Athene shares it receives from the Investment Partnership at each unlock date to its unitholders. However, pursuant to the registration rights agreement, any shares of Athene Holding held by Apollo (other than shares distributed to the Investment Partnership's General Partner in payment of carried interest to be sold for cash) will not be subject to such arrangements and instead will be subject to a lock-up period of two years following the effective date of the registration statement relating to the Athene IPO, but Athene Holding will not have the right to cause any shares owned by Apollo to be included in any follow-on offering.

In addition, the Investment Partnership's General Partner, is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses including borrowing costs) on the investments of AAA Investments. The Investment Partnership's General Partner will not be entitled to receive any carried interest with respect to the Excluded Athene Shares. As of December 31, 2017 and December 31, 2016, 11,246,235 and 33,738,702 of the Investment Partnership's Athene shares with a total cost basis of $117.3 million and $351.9 million, respectively, were subject to a carried interest allocation to its General Partner. The Investment Partnership's General Partner may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the then fair market value); and if the General Partner elects to receive payment of such carry in cash, then common shares of Athene Holding shall be distributed to the General Partner and immediately sold by the General Partner to pay for such carry in cash.

As of December 31, 2017 and December 31, 2016, the Investment Partnership's economic ownership in Athene was 14.0% and 39.4%, respectively, (calculated without giving effect to restricted common shares issued under Athene's management equity plan), and effectively 45% of the voting power. The decrease in economic ownership for the year ended December 31, 2017, resulted from the distributions of Athene shares associated with the Follow-on Offering, Second Follow-on Offering, and 12-Month Unlock Distribution. The economic ownership is based on the total shares allocable to its General Partner and Limited Partner. The net asset value of AAA excludes the net asset value of AAA Investments that is allocable to its General Partner which may be settled in cash or shares.

The accompanying schedule shows the Investment Partnership's investments as of December 31, 2017 and 2016:

(dollars in thousands)	Shares		Cost		Fair Value	Fair Value as a Percentage of Net Assets
As of December 31, 2017:						
Opportunistic Investment – Athene	**26,630,755**	**$**	**428,894**	**$**	**1,353,955**	**99.4%**
As of December 31, 2016:						
Opportunistic Investment – Athene	**74,586,354**	**$**	**1,178,689**	**$**	**3,318,347**	**99.6%**

(1) Investment in Opportunistic Investment

At December 31, 2017, the Investment Partnership had a total cost basis in Athene of $428.9 million and the fair value of this investment approximated $1,354.0 million, 99.4% of the net asset value of the Investment Partnership, which resulted in a net life-to-date unrealized appreciation of $925.1 million. For the year ended December 31, 2017 the Investment Partnership recorded a net decrease in unrealized appreciation of $(1,214.6) million due to the realization of unrealized appreciation on investments of $1,675.3 million associated with the distribution of Athene shares in connection with the Follow-on Offering, Second Follow-on Offering, and 12-Month Unlock Distribution, offset by an increase in unrealized appreciation on investments of $460.7 million due to an increase in fair value per Athene share.

At December 31, 2016, the Investment Partnership had a total cost basis in Athene of $1,178.7 million and the fair value of this investment approximated $3,318.3 million, 99.6% of the net asset value of the Investment Partnership, which resulted in net life-to-date unrealized appreciation of $2,139.7 million. For the year ended December 31, 2016, the Investment Partnership recognized a net increase in unrealized appreciation of $552.5 million on its investment in Athene.

Results of Operations

Operating Results of AP Alternative Assets

The following table sets forth AP Alternative Assets' operating results for the years ended December 31, 2017 and 2016:

(*in thousands*)	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
NET INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Investment expense	$ (4,121)	$ (5,089)
General and administrative expenses	(1,478)	(2,592)
Net investment loss	(5,599)	(7,681)
NET UNREALIZED GAINS FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Net realized gains from sales/ dispositions on investments	1,674,368	279,176
Net (decrease) increase in unrealized appreciation on investments	(1,252,302)	476,994
Net gain from investments	422,066	756,170
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 416,467	$ 748,489

AAA generates income from its proportional share of the Investment Partnership's investment income, net of investment expenses, and from its share of the unrealized appreciation or depreciation on the Investment Partnership's investments. Under a services agreement, AAA incurs expenses from direct expenses, allocated expenses from the Investment Partnership for professional services, management fees and other general expenses, as well as, expenses of our Managing General Partner's board of directors and other administrative costs.

<u>Net Increase in Net Assets Resulting from Operations</u>— The net increase in net assets resulting from operations was approximately $416.5 million, or $5.46 per common unit, for the year ended December 31, 2017, compared to a net increase of $748.5 million, or $9.81 per common unit, for the year ended December 31, 2016.

Refer to the Operating Results of the Investment Partnership for further details.

Operating Results of the Investment Partnership

The following table sets forth the Investment Partnership's operating results for the years ended December 31, 2017 and 2016:

(in thousands)	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Expenses	$ (4,122)	$ (5,090)
Net investment loss	(4,122)	(5,090)
Net realized gains from sales/ dispositions on investments	1,675,282	279,316
Net (decrease) increase in unrealized appreciation on investments	(1,214,595)	552,549
Net gain from investments	460,687	831,865
Net increase in net assets resulting from operations	$ 456,565	$ 826,775

The Investment Partnership's General Partner is allocated income and expenses related to its initial $1.0 million capital contribution, which it made to the Investment Partnership with respect to its general partner interest.

The Investment Partnership generates income from interest, dividends, realized gains or losses, and unrealized appreciation or depreciation on investments. The Investment Partnership incurs expenses from management fees, interest, broken deals, direct expenses, such as professional fees and administrative expenses, and allocated expenses under the services agreement with Apollo Alternative Assets.

Year Ended December 31, 2017 Compared to Year Ended December 31, 2016

Expenses— For the years ended December 31, 2017 and 2016 expenses approximated $4.1 million and $5.1 million, respectively. For the years ended December 31, 2017 and 2016, these expenses primarily related to management fees, professional fees, and other administrative costs.

Net Realized Gains From Sales/Dispositions on Investments— For the year ended December 31, 2017 net realized gains from sales/dispositions was $1,675.3 million, resulting from the distribution of Athene shares to AAA unitholders and the Investment Partnership's General Partner in connection with the Follow-on Offering, Second Follow-on Offering, and 12-Month Unlock Distribution. For the year ended December 31, 2016 net realized gains from sales/dispositions were $279.3 million, which resulted from the distribution of Athene Shares to AAA unitholders and the Investment Partnership's General Partner in connection with Athene's IPO.

Net (Decrease) Increase in Unrealized Appreciation on Investments— Our investments are valued as described below under "Critical Accounting Policies — Valuation of Limited Partner Interests and Investments." The net decrease in unrealized appreciation for the year ended December 31, 2017 was $(1,214.6) million, due to the reversal of unrealized appreciation on investments of $1,675.3 million associated with the distribution of Athene shares described above, offset by unrealized appreciation on investments of $460.7 million due to the increase in fair value per Athene share of the Investment Partnership's investment in Athene. The net increase in unrealized appreciation for the year ended December 31, 2016 was $552.5 million, due to the net increase in the fair value of the Investment Partnership's investment in Athene of $370.1 million.

Net Gain from Investments— During the year ended December 31, 2017 the net gain from investments primarily resulted from the $1,675.3 million distribution of Athene shares to AAA unitholders and the

Investment Partnership's General Partner in connection with the Follow-on Offering, Second Follow-on Offering, and 12-Month Unlock Distribution partly offset by a reduction of unrealized appreciation on investments of $1,214.6 million, described above. During the year ended December 31, 2016 the net gain from investments primarily resulted from the increase in unrealized appreciation on investments described above.

Net Increase in Net Assets Resulting From Operations— The net increase in net assets resulting from operations was approximately $456.6 million and $826.8 million for the years ended December 31, 2017 and 2016, respectively.

Liquidity and Capital Resources

The Partnership's Sources of Cash and Liquidity Needs

The Partnership's primary uses of cash are to pay for our operating expenses, and as required, to make capital contributions to the Investment Partnership for use in investments, to buyback our units under the unit buyback programs approved by the Board of Directors and to make distributions to our unitholders in accordance with our distribution policy. Distributions to the unitholders will be made only if and as determined by the Managing General Partner in its sole discretion and distributions may in fact not be paid. Although market conditions may currently preclude some or all of these sources of liquidity, we believe that the sources of liquidity described below will be sufficient to fund our working capital requirements within a one year time frame.

Our initial source of liquidity consisted of the capital contributions that we received in connection with the initial offering of common units and related transactions. We contributed all of these net proceeds to the Investment Partnership for use in connection with our investments. As a result, our future liquidity depends primarily on cash distributions made to us by the Investment Partnership, capital contributions that we receive in connection with the issuance of additional equity and the issuance of indebtedness.

We expect to receive cash distributions from the Investment Partnership from time to time to allow us to pay our operating expenses as they become due, buyback our units under the unit purchase programs and to assist us in making cash distributions to our unitholders in accordance with our distribution policy. The ability of the Investment Partnership to make cash distributions to us will depend on a number of factors, including among others, the actual results of operations and financial condition of the Investment Partnership, restrictions on cash distributions that are imposed by applicable law or the charter documents of the Investment Partnership, the timing and amount of cash generated by investments that are made by the Investment Partnership, any contingent liabilities to which the Investment Partnership may be subject, the amount of taxable income generated by the Investment Partnership and other factors that the Managing Investment Partner deems relevant. During the years ended December 31, 2017 and 2016, the Partnership distributed 46,123,981 and 10,766,297 Athene shares to AAA unitholders, respectively.

We may also issue additional common units and other securities to other investors with the objective of increasing our available capital. We generally expect to contribute to the Investment Partnership any cash proceeds that we receive from the issuance of common units or other securities to the extent that such cash is not used to fund distributions to our unitholders, buyback our units under the unit purchase programs, or to pay operating expenses. We expect that such contributions will be used by the Investment Partnership in the ordinary course of business.

Our Investment Manager may, from time to time, directly or through one or more affiliates, purchase our common units in the open market at prevailing prices, which may be used for compensation or other general purposes.

In addition, the Investment Partnership's General Partner, is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses including borrowing costs) on the investments of AAA Investments. The Investment Partnership's General Partner will not be entitled to receive any carried interest with respect to the Excluded Athene Shares. During the year ended December 31, 2017, the Investment Partnership's general partner received 1,806,648 shares as carried interest earned in connection with the distributed shares in the Follow-on Offering and Second Follow-on Offering. During the year ended December 31, 2016, the Investment Partnership's general partner received 771,653 shares as carried interest earned in connection with the distributed shares in the Athene IPO. As of December 31, 2017 and 2016, 11,246,235 and 33,738,702 of the Investment Partnership's Athene shares with a total cost basis of $117.3 million and

$351.9 million, respectively, were subject to a carried interest allocation to its General Partner. The Investment Partnership's General Partner may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the then fair market value); and if the General Partner elects to receive payment of such carry in cash, then common shares of Athene Holding shall be distributed to the General Partner and immediately sold by the General Partner to pay for such carry in cash.

For the reasons described above, as well as, under "The Investment Partnership's Sources of Cash and Liquidity Needs," the Managing Partner has a reasonable expectation that AAA has adequate sources of liquidity to continue to conduct business for at least the twelve months from the approval date of these financial statements. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

The Investment Partnership's Sources of Cash and Liquidity Needs

During the year ended December 31, 2017, the Investment Partnership made partners' capital distributions in cash of $1.5 million in February 2017 related to expense reimbursements. During the year ended December 31, 2016 the Investment Partnership did not make any partners' capital distributions.

During the year ended December 31, 2017 and 2016, cash decreased approximately $2.0 million and $0.4 million, respectively. During the year ended December 31, 2017 and 2016, net cash used in operating activities of the Investment Partnership was approximately $1.0 million and $4.4 million, respectively, which was primarily related to payments for professional fees and other administrative costs. The comparative decrease in cash used in operating activities for the year ended December 31, 2017 is due to the receipt of $1.5 million in amounts due from affiliates related to expense reimbursements in February 2017, described above, partly offset by increases in payments for professional fees and other administrative costs.

The Investment Partnership uses its cash primarily to fund investments, to make distributions to AAA, to pay its operating expenses and to fund any distributions to Apollo affiliates pursuant to the carried interest that is applicable to our investments. Taking into account generally expected market conditions, we believe that the sources of liquidity described below will be sufficient to fund the working capital requirements of the Investment Partnership.

The Investment Partnership used the cash that it received from us in connection with the initial offering and related transactions to fund its initial liquidity needs. Any available cash that is held by the Investment Partnership is temporarily invested in accordance with our cash management policy.

The Investment Partnership receives cash from time to time from the investments that it makes. The source of cash is in the form of dividends on equity investments, payments of interest and principal on fixed income investments and cash consideration received in connection with the disposal or realization of investments. Temporary investments made in connection with our cash management activities provide a more regular source of cash than less liquid investments, but generate returns that are generally lower than returns generated by other investments. Other than amounts that are used to pay expenses or that are distributed to us, any returns generated by investments made by the Investment Partnership are reinvested in accordance with our investment policies and procedures.

We may make further capital contributions to the Investment Partnership from time to time in the future with the objective of increasing the amount of investments that are made on our behalf. We believe that any further capital contributions will consist primarily of the capital contributions that we receive from investors in connection with future issuances of common units.

The Investment Partnership may enter into one or more credit facilities and other financial instruments from time to time with the objective of funding our liquidity needs, increasing the amount of cash that it has available for working capital, or for making additional investments or temporary investments. These debt financing arrangements may include a working capital facility that may be used to fund short-term liquidity needs, warehousing credit facilities under which specific investments will be pledged as collateral to a warehouse lender and repurchase agreements pursuant to which particular investments will be sold to counterparties with an agreement to repurchase the investments at a price equal to the sale price plus an interest factor. The Investment Partnership may also use match-funded, non-recourse debt in the form of securitization transactions, collateralized debt obligations or one or more extendible asset-backed commercial paper programs in order to leverage investments. Depending on the circumstances, other forms of indebtedness may also be used.

In order to meet future operating cash needs, on April 30, 2015 the Investment Partnership entered into a revolving credit agreement (the "AMH Credit Agreement") with Apollo Management Holdings, L.P. ("AMH"), an indirect subsidiary of Apollo Global Management, LLC. Under the terms of the Agreement, AMH shall make available to the Investment Partnership one or more advances at the Investment Partnership's discretion in the aggregate amount not to exceed a balance of $10.0 million at an applicable rate of LIBOR + 1.5% and subject to an annual commitment fee of 0.125% on the unused portion of the loan. The Investment Partnership shall pay the aggregate borrowings plus accrued interest at the earlier of (a) the third anniversary of the closing date, or (b) the date that is fifteen months following the initial public offering of shares of Athene Holding Ltd. (the "Maturity Date"). On January 30, 2018 the Investment Partnership and AMH agreed to extend the Maturity Date of the AMH Credit Agreement to April 30, 2019.

As of December 31, 2017 and 2016, the Investment Partnership had $4.5 million and $4 million outstanding, respectively, under the AMH Credit Agreement.

The Managing Investment Partner has reviewed the Investment Partnership's current cash balance and its future obligations and has a reasonable expectation that the Investment Partnership has adequate sources of liquidity to continue to conduct business for at least the next year. This assessment is based on its expected operating expenses, present sources of liquidity including the AMH Credit Agreement, and the ability to raise cash through sales of the investment and other activities.

As described in additional detail above, the Investment Partnership's General Partner, is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses including borrowing costs and Excluded Athene Shares) on the investments of AAA Investments.

Commitments and Contingencies

As of December 31, 2017 and 2016, the Investment Partnership had no outstanding commitments for future funding.

Legal Proceedings

AAA and the Investment Partnership, may, from time to time, be party to various legal actions arising in the ordinary course of business including claims and litigations, reviews, investigations or proceedings by governmental and self regulatory agencies regarding their respective businesses. It is the opinion of the Managing General Partner and Managing Investment Partner, after consultation with counsel, that there are presently no existing matters that would result in a material adverse effect on the financial condition of the Partnership or the Investment Partnership.

For information concerning legal proceedings affecting Apollo, please refer to the various securities filings of Apollo Global Management, LLC, which are publicly available on the United States Securities and Exchange Commission's website at www.sec.gov.

Risk Factors

Portfolio Risks

As of December 31, 2017, the only portfolio investment of the Investment Partnership consists of an investment in the economic equity of Athene Holding. We make all of our investments through the Investment Partnership and our only significant asset is the limited partner interests in the Investment Partnership. Therefore, the value of the investment is directly linked to the value of Athene. Should we experience a loss on a portion or all of the Athene investment, or on any investment that represented a significant portion of our portfolio, such an event would have a material adverse effect on our business, financial condition and results of operation and may result in a significant loss in the value of your investment in us. An investment in Athene involves risks. You should carefully consider the following material risks as well as other information made available to you, including Athene's consolidated financial statements and related notes. A number of important factors could affect Athene's business, operations, financial condition, results of operations, liquidity and prospects. Additionally, there may be events that occur that affect Athene that could have a material and adverse effect on your investment in us. Accordingly, you should carefully consider the numerous factors discussed in the section titled "Risk Factors" in the Athene Holding Prospectus dated December 8, 2016 filed with the U.S. Securities and Exchange Commission ("SEC") as part of a registration statement on Form S-1, as well as any subsequent filings by Athene Holding pursuant to the informational requirements of the U.S. Securities Exchange Act of 1934, as amended. Such risks include, but are not limited to, risks relating to Athene business, risks related to Athene's investment manager, risks related to insurance and other regulatory matters, risks relating to taxation, and risks relating to an investment in common shares of Athene Holding.

The SEC maintains a website (http://www.sec.gov) that contains the registration statement, filings and other information that Athene Holding files electronically with the SEC. The registration statement, reports and other information Athene Holding files with the SEC can be read and copied at the SEC's Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. You may obtain information regarding the operation of the public reference room by calling 1-800-SEC-0330. Nothing contained in this report shall constitute an offer to sell or the solicitation of an offer to buy securities of Athene Holding. The information contained in the Athene Holding registration statement, reports and other information filed with the SEC was prepared by Athene Holding, and we have not independently verified such information.

Market Risks

We are exposed to a number of market risks due to the types of investments that we make, the assets of the companies in which we invest and the manner in which we and the Investment Partnership raise capital. Our exposure to market risks include declines in the values of our investments, movements in prevailing interest rates, changes in foreign currency exchange rates and controls, availability of credit, inflation rates and government regulation. These market risks are outside of 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 risks. We may seek to mitigate such market risks through the use of hedging arrangements and derivative instruments, which may or may not be effective and could subject us to additional market risk. Additionally, the entities in which we invest or co-invest alongside may also seek to hedge or otherwise mitigate such risks, subject to their internal policies, which may or may not be effective and could result in increased risks. Additionally, we are exposed to concentration risk since Athene is our only portfolio investment. Apollo Alternative Assets, as the service provider under our services agreement, is responsible for monitoring all market risks and for carrying out risk management activities relating to our investments.

Global Financial Environment

Events during the past few years in the global capital markets illustrate that the market environment can present extraordinary uncertainty and volatility for financial services companies and other market participants and that such uncertainty and volatility has had, and could continue to have, a material adverse effect on the functioning of capital markets, and on the business and operations of asset management businesses and other market participants, worldwide. In light of uncertainty in the financial services industry, our financial condition may be materially adversely affected, and we may become subject to new legal or regulatory requirements, suffer reputational harm or encounter unforeseen risks that could have a material adverse effect on our business and operations and those of the Investment Partnership. We may be affected by reduced opportunities to exit and realize value from our investments, and by lower than expected returns on investments. In light of volatile market and economic conditions, the companies in which we invest (either directly or through investments in affiliated funds) may experience decreased revenues, financial losses, credit rating downgrades, difficulty in obtaining access to financing and increased funding costs. The companies may also have difficulty in expanding their businesses and operations or be unable to meet their debt service obligations or other expenses as they become due, including expenses payable to us. Significant market volatility may result in lower investment returns, which would further adversely affect our net income. Such events, and their underlying causes, are likely to be the catalyst for changes in financial regulation, and may result in major and unavoidable losses or additional costs to the Investment Partnership.

The vote by the United Kingdom to exit the EU has created significant volatility in the global financial markets and the effect of Brexit on our investment portfolio at this time is uncertain. This uncertainty will likely continue as negotiations commence to determine the future terms of the United Kingdom's relationship with the EU. Brexit is likely to continue to adversely affect European and worldwide economic conditions and could contribute to greater instability in the global financial markets before and after the terms of the United Kingdom's future relationship with the EU are settled.

Securities Market Risks

The Investment Partnership's investments, and the assets of the companies in which it invests, may include investments in publicly traded securities. The market prices and values of publicly traded securities may be volatile and are likely to fluctuate due to a number of factors beyond our control. These factors include actual or anticipated fluctuations in the quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation, shortfalls in operating results from levels forecast by securities analysts, the general state of the securities markets and other material events, such as significant management changes, refinancings, acquisitions and dispositions. The Investment Partnership is required to value investments based on current market prices at the end of each accounting period, which may lead to significant changes in the net asset values and operating results that it reports from quarter to quarter.

The Investment Partnership's investments and the assets of the companies in which it invests may include investments that are not publicly traded. The value of these investments may also fluctuate due to the factors described in the preceding paragraph, which are largely beyond our control. In addition to these factors, these investments are subject to additional risks. For example, in many cases (including publicly traded securities), we may be prohibited by contract or by applicable securities laws from selling privately held securities for a period of time. We generally cannot sell these securities unless their sale is registered under applicable securities laws, or unless an exemption from such registration requirements is available. The ability to dispose of an investment may be heavily dependent on the public equity markets. Furthermore, we may only be able to dispose of large holdings (even of publicly traded equity securities) and holdings of investments in illiquid over-the-counter markets over a substantial period of time, exposing the investment returns to risks of downward movement in market prices during the disposition period. In addition, in periods of extreme market volatility, it may be difficult to sell privately held or illiquid investments even at their current valuation.

Prime Brokers

The Investment Partnership's assets, and the assets of the companies in which it invests, may be held in one or more accounts maintained by prime brokers, which may be located in various jurisdictions. Such brokers, as brokerage firms or commercial banks, are subject to various laws and regulations in various jurisdictions that are designed to protect their customers in the event of their insolvency. However, the practical effect of these laws and their application to the Investment Partnership's assets are subject to substantial limitations and uncertainties. Because of the large number of entities and jurisdictions involved and the range of possible factual scenarios involving the insolvency of a prime broker or any of its sub-custodians, agents or affiliates, or a local broker, it is impossible to generalize about the effect of their insolvency on the Investment Partnership and its assets. Investors should assume that the insolvency of any of the prime brokers or such other service providers would result in a loss to the Investment Partnership, which could be material.

Structure of Ownership Risks

Under AAA's limited partnership agreement, AAA unitholders are not entitled to vote on matters relating to the Partnership or to participate in the management or control of the business. In particular, AAA unitholders do not have the right to cause the Partnership's Managing General Partner to withdraw from the partnership, to cause a new general partner to be admitted to the Partnership, to appoint new directors to AAA's Managing General Partner's board of directors, to remove existing directors from AAA's Managing General Partner's board of directors, to prevent a change of control of AAA's Managing General Partner or to propose changes to or otherwise approve the Investment Partnership's investment policies and procedures. As a result, unlike holders of common stock of a corporation, AAA unitholders are not able to influence the direction of the business and affairs, including investment policies and procedures, or to cause a change in management, even if they are unsatisfied with the performance of the Partnership's Managing General Partner.

In addition, the Partnership's Managing General Partner's board of directors has broad discretion to change the investment policies and procedures which may result in a significant change from the investment objectives described in the Partnership's prospectus. AAA unitholders do not have any right to refuse to consent to a change in the Investment Partnership's investment policies and procedures.

Critical Accounting Policies

The preparation of financial statements in conformity with U.S. GAAP requires making certain estimates and assumptions that could materially affect the amounts reported in the financial statements and related notes. For a description of our significant accounting policies, refer to Note 2 to the financial statements of the Partnership and the Investment Partnership. Critical accounting policies are those policies that are the most important to the financial statements and/or those that require significant management judgment related to matters that are uncertain. The following valuation policies are considered critical accounting policies due to the judgment and significance involved in their applications. The development and selection of these policies and their related disclosures have been reviewed by the board of directors of our Managing General Partner and the board of directors of the Managing Investment Partner.

Valuation of Investments

Our Managing General Partner's board of directors is responsible for reviewing and approving valuations of investments that are shown as assets in our financial statements, and the board of directors of the Managing Investment Partner is responsible for reviewing and approving valuations of investments that are shown as assets in the Investment Partnership's consolidated financial statements. Because valuing investments requires the application of valuation principles to the specific facts and circumstances of the investments, in satisfying their responsibilities, each board of directors utilizes the services of Apollo Alternative Assets and its affiliates to estimate the investment values. An investment for which a market quotation is readily available is valued using a market price or a quoted price from an active market which is either directly or indirectly observable for the investment as of the end of the applicable accounting period. An investment for which a market quotation is not readily available is valued at the investment's fair value as of the end of the applicable accounting period as determined in good faith. While there is no single method for determining fair value in good faith, the methodologies described below are generally followed when the fair value of an individual investment is determined.

Value of Limited Partner Interest in the Investment Partnership

Our limited partner interest in the Investment Partnership does not have a readily available market value and is valued using fair value pricing which is based on the net asset value of the Investment Partnership. Such limited partner interest is generally valued at an amount that is equal to the aggregate value of the assets of the Investment Partnership that would be received if such assets were sold or transferred in an orderly transaction between market participants as of a measurement date, and the distribution of the net proceeds from such sales were distributed to our partnership in accordance with the Investment Partnership's limited partnership agreement. This amount is generally expected to be equal to the Investment Partnership's net asset value as of the valuation date, as adjusted to reflect the allocation of net assets to the Investment Partnership's General Partner. The Investment Partnership's net asset value is expected to increase or decrease from time to time based on the amount of investment income, operating expenses and realized gains and losses on the sale or repayment of investments, if any, that it records and the net changes in the appreciation/depreciation of the investments that it carries as assets in its consolidated financial statements. Such investments may consist of limited partner interests in Apollo-sponsored private equity funds, co-investments in portfolio companies of Apollo-sponsored private equity funds, opportunistic investments and temporary investments, which are valued using market prices or fair value pricing as described below. As of December 31, 2017, the Investment Partnership had one investment, an opportunistic investment in Athene Holding as described below.

Value of Opportunistic Investment in Athene

The opportunistic investment in Athene held by the Investment Partnership represents common shares in Athene which did not have a readily determinable market value prior to Athene's IPO and such shares, post Athene's IPO, remain subject to certain sales restrictions which must be considered in determining fair value.

As of December 31, 2017 the fair value of the Investment Partnership's interest in Athene was estimated using the closing market price of Athene shares of $51.71 less a discount due to a lack of marketability ("DLOM") of 1.8%. The DLOM was derived based on the average remaining lock up restrictions of the Athene shares held by the Investment Partnership (2.3 months) and the estimated volatility in such shares. Due to the limited trading history in Athene shares, the historical share price volatility of a representative set of Athene's publicly traded insurance peers was calculated over an equivalent period to the remaining average lock up on the Athene shares held by the Investment Partnership and used as a proxy to estimate the projected volatility in Athene's shares. The fair value of the Investment Partnership's 24,862,120 restricted Athene shares after the application of the DLOM was estimated at a price of $50.78 per share, and the fair value of the Investment Partnership's 1,768,635 freely tradeable shares was estimated using Athene's closing market price of $51.71 per share.

As of December 31, 2016 the fair value of the Investment Partnership's interest in Athene was estimated using the closing market price of Athene shares of $47.99 less a DLOM of 7.3%. The DLOM was derived based on the average remaining lock up restrictions of the Athene shares held by the Investment Partnership (10.8 months) and the estimated volatility in such shares. Due to the limited trading history in Athene shares, the historical share price volatility of a representative set of Athene's publicly traded insurance peers was calculated over an equivalent period to the remaining average lock up on the Athene shares held by the Investment Partnership and used as a proxy to estimate the projected volatility in Athene's shares.

As of December 31, 2016, AAA changed the valuation method used to value the opportunistic investment in Athene from the GAAP book value multiple approach to the use of Athene's closing market price, adjusted for a DLOM in order to reflect the post IPO sales restriction on such shares. The DLOM is calculated based on the remaining length of such sales restrictions and the estimated market price volatility of the associated shares.

Taxes and Maintenance of Status as Partnerships for U.S. Federal Tax Purposes

AAA and the Investment Partnership are not taxable entities in Guernsey, have made protective elections to be treated as partnerships for U.S. federal income tax purposes and incur no U.S. federal income tax liability. Each unitholder 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 made.

Our investment policies and procedures provide that our investments must be made in a manner that permits AAA and the Investment Partnership to continue to be treated as partnerships for U.S. federal income tax purposes. To maintain compliance with this requirement, under current U.S. federal income tax laws, 90% or more of each partnership's respective gross income (determined by reference to gross income included in determining taxable income for U.S. federal income tax purposes) for every taxable year, including any short year resulting from a termination under Section 708 of the U.S. Internal Revenue Code, will be required to consist of "qualifying income" as defined in Section 7704 of the U.S. Internal Revenue Code. Qualifying income generally includes, among other things:

- interest not derived in the conduct of a financial or insurance business or excluded from the term "interest" under section 856(f) of the U.S. Internal Revenue Code;
- dividends; and

- any gain from the disposition of a capital asset held for the production of qualifying interest or dividends.

Recent Accounting and Reporting Developments

In May 2014, the FASB issued guidance to establish a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity's revenue across industries, transactions, and geographies. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As such, this new guidance could impact the timing of revenue recognition. The new guidance also requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The new guidance will apply to all entities. In August 2015, FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amended guidance defers the effective date of the new guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017. Public business entities are permitted to apply the new guidance early, but not before the original effective date (i.e., interim periods within annual periods beginning after December 15, 2016). The Partnership and Investment Partnership are in the process of evaluating but do not expect the application of this guidance to have a material impact on its financial statements.

In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain cash receipts and payments are classified in the statement of cash flows, including debt prepayment or extinguishment costs, the settlement of contingent liabilities arising from a business combination, proceeds from insurance settlements, and distributions from certain equity method investments. The guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. The Partnership and Investment Partnership early adopted the guidance during the fourth quarter of 2017. Adoption of this guidance did not have an impact on the Partnership' or Investment Partnership's financial statements.

Financial Statements of AP Alternative Assets, L.P.

Index to Financial Statements

Independent Auditors' Report to the General Partner of AP Alternative Assets, L.P.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:
- **give a true and fair view of the state of the Partnership's affairs as at 31 December 2017 and of its profit for the year then ended;**
- **have been properly prepared in accordance with accounting principles generally accepted in the United States of America; and**
- **have been prepared in accordance with the requirements of the Limited Partnerships (Guernsey) Law, 1995**

We have audited the financial statements of AP Alternative Assets, L.P (the 'Partnership') which comprise:
- the Statement of Assets and Liabilities as of December 31, 2017;
- the Statement of Operations for the year ended December 31, 2017;
- the Statement of Changes in Net Assets for the year ended December 31, 2017;
- the Statement of Cash Flows for the years ended December 31, 2017; and
- the related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and accounting principles generally accepted in the United States of America ("US GAAP").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We confirm that the non-audit services prohibited by the FRC's Ethical Standard were not provided to the Partnership.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Valuation of Limited Partner Interest
Materiality	The materiality that we used in the current year was $46,000,000 which was determined on the basis of 2% of Average Net Assets.
Scoping	Audit Work to respond to the risk of material misstatement was performed directly by the audit engagement team.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where: • the General Partners' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or • the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.	**We have nothing to report in respect of these matters.**

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Limited Partner Interest	
Key audit matter description	The Partnership's investments are held at fair value. They comprise of an investment in AAA Investments L.P ("the Investment Partnership") which amounts to $1,18 billion (2016:$3,10 billion). This investment is valued at the Net Asset Value of the Investment Partnership. The Partnership's investment in the Investment Partnership does not have a readily available market price and is valued by the General Partner and recorded at the determined fair value. The decrease in the valuation is due to the distributions that have occurred during the year. The most material asset held by the Investment Partnership is an investment in Athene Holdings ("Athene"), which is valued based on the publicly traded price of Athene as adjusted for a discount for lack of marketability to reflect the lock up restrictions placed on the shares held. Whilst the determination of fair value of this investment does not involve significant judgements and estimates to be made by the General Partner, the market value of this investment is highly material to the Partnership and errors in valuation could have a material impact on the financial statements of the Partnership. There is a therefore risk that a material misstatement could exist in the valuation of the investments. Refer to note 2 in the notes to the financial statements.

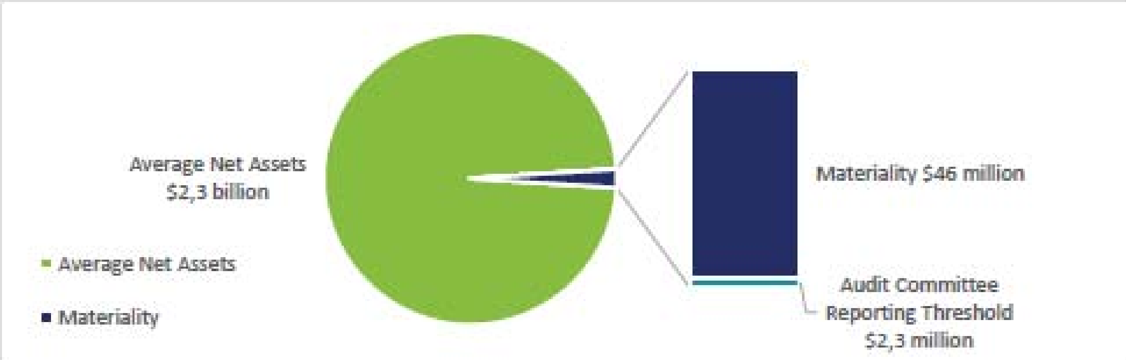
How the scope of our audit responded to the key audit matter	Our procedures on the valuation of the Investment Partnership included; • Evaluating the design and implementation of controls relating to the valuation; • Auditing the valuation of the investment in Athene held by the Investment Partnership. The investment procedures included: 1) Testing significant inputs used in the calculation of the discount for lack of marketability; 2) Testing the listed price of Athene shares to independent pricing sources and observed the trading volumes of the shares; and 3) Involving an Internal Fair Value Specialist to determine if the valuation was prepared using an appropriate valuation technique under U.S. GAAP and the overall reasonableness of the valuation. • Testing the allocation of gains and losses attributable to the Partnership and testing that the carry allocation is calculated in accordance with governing documents; • Agreeing the Partnership's interest in the Investment Partnership to the Investment Partnership's statement of changes in net assets; and • Evaluated the appropriateness of the valuation methodology under US GAAP and whether appropriate disclosures were made.
Key observations	No material misstatements were found.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Partnership materiality	$46,000,000 (2016: $53,000,000)
Basis for determining materiality	2% (2016:2%) of Average Net Assets.
Rationale for the benchmark applied	Net Asset Value ("NAV") is the key performance indicator of the Partnership. The holders of equity are interested in capital appreciation of their investment. During the year there have been distributions to equity holders and as result average NAV is deemed the most appropriate benchmark.



We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of $2,300,000 (2016: $2,650,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Partnership and its environment, including internal control and assessing the risks of material misstatement. Our audit scope included the assessment of the design and implementation of accounting processes and controls in place. Accounting records are located in the United States of America (USA) therefore fieldwork was performed in the USA by staff who are part of the engagement team under the direction and supervision of the UK audit engagement partner.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide and opinion on the financial statements of the Partnership, taking account of the structure of the Partnership.

Other information

The General Partner is responsible for the other information. The other information comprises the information contained in the financial report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of the General Partner

As explained more fully in the General Partners' responsibilities statement, the general partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the general partner determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the general partner is responsible for assessing the Partnership's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the general partner either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

David Becker is the audit partner.

Use of our report

This report is made solely to the partners, as a body, in accordance with Section 18 of the Limited Partnerships (Guernsey) Law, 1995. Our audit work has been undertaken so that we might state to the partners those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Limited Partnerships (Guernsey) Law, 1995 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the Partnership for our audit.; or
- the Partnership financial statements are not in agreement with the accounting records; or
- the general partner's report is inconsistent with the financial statements.

We have nothing to report in respect of these matters.

David Becker
For and on behalf of Deloitte LLP
Recognised Auditor
Guernsey, Channel Islands
31 January 2018

Financial Statements of AP Alternative Assets, L.P.

AP ALTERNATIVE ASSETS, L.P.
STATEMENT OF ASSETS AND LIABILITIES
(in thousands, except per unit amounts)

	As of December 31, 2017	As of December 31, 2016
ASSETS		
Investment in AAA Investments, L.P.	$ 1,183,105	$ 3,100,641
Other assets	192	202
TOTAL ASSETS	1,183,297	3,100,843
LIABILITIES		
Accounts payable and accrued liabilities	353	439
Due to affiliates	2,902	2,828
TOTAL LIABILITIES	3,255	3,267
NET ASSETS	$ 1,180,042	$ 3,097,576
NET ASSETS CONSIST OF:		
Partners' capital contribution (76,328,950 common units outstanding at December 31, 2017 and 2016)	$ 1,621,541	$ 1,621,541
Partners' capital distributions	(2,876,962)	(542,961)
Accumulated increase in net assets resulting from operations	2,435,463	2,018,996
NET ASSETS	$ 1,180,042	$ 3,097,576
Net asset value per common unit	$ 15.46	$ 40.58
Market price per common unit	$ 15.55	$ 39.40

Refer to accompanying notes to financial statements.

AP ALTERNATIVE ASSETS, L.P.
STATEMENT OF OPERATIONS
(in thousands)

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
NET INVESTMENT LOSS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Investment expenses	$ (4,121)	$ (5,089)
EXPENSES		
General and administrative expenses	(1,478)	(2,592)
NET INVESTMENT LOSS	(5,599)	(7,681)
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS (ALLOCATED FROM AAA INVESTMENTS, L.P.)		
Net realized gains from sales/dispositions on investments	1,674,368	279,176
Net (decrease) increase in unrealized appreciation of investment	(1,252,302)	476,994
NET GAIN FROM INVESTMENTS	422,066	756,170
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 416,467	$ 748,489

Refer to accompanying notes to financial statements.

Financial Statements of AP Alternative Assets, L.P.

AP ALTERNATIVE ASSETS, L.P.
STATEMENT OF CHANGES IN NET ASSETS
(in thousands)

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Net investment loss	$ (5,599)	$ (7,681)
Net gain from investments (allocated from AAA Investments, L.P.)	422,066	756,170
Net increase in net assets resulting from operations	416,467	748,489
NET CHANGE FROM CAPITAL TRANSACTIONS		
Partner's capital distributions	(2,334,001)	(430,652)
Net decrease in net assets resulting from capital transactions	(2,334,001)	(430,652)
TOTAL (DECREASE) INCREASE IN NET ASSETS	(1,917,534)	317,837
NET ASSETS — Beginning of period	3,097,576	2,779,739
NET ASSETS — End of period	$ 1,180,042	$ 3,097,576

Refer to accompanying notes to financial statements.

AP ALTERNATIVE ASSETS, L.P.
STATEMENT OF CASH FLOWS
(in thousands)

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase in net assets resulting from operations	$ 416,467	$ 748,489
Adjustments to reconcile net increase in net assets resulting from operations to net cash flows provided by operating activities:		
Net investment loss (allocated from AAA Investments, L.P.)	4,121	5,089
Net gain from investments (allocated from AAA Investments, L.P.)	(422,066)	(756,170)
Changes in operating assets and liabilities:		
Dividend from AAA Investments, L.P.	1,480	—
Decrease in other assets	10	19
(Decrease) increase in accounts payable, accrued liabilities and due to affiliates	(12)	2,573
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITES	—	—
NET CHANGE IN CASH AND CASH EQUIVALENTS	—	—
CASH AND CASH EQUIVALENTS —Beginning of period	—	—
CASH AND CASH EQUIVALENTS —End of period	$ —	$ —

Refer to accompanying notes to financial statements.

Notes to Financial Statements

1. BUSINESS

AP Alternative Assets, L.P. ("AAA" or the "Partnership") is a Guernsey limited partnership whose partners are comprised of (i) AAA Guernsey Limited (the "Managing General Partner"), which holds 100% of the general partner interests in AAA, and (ii) the holders of common units representing limited partner interests in AAA. The common units are non-voting and are listed on Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V., under the symbol "AAA".

The Managing General Partner is a Guernsey limited company and is owned 55% by an individual who is not an affiliate of Apollo Global Management, LLC and its subsidiaries (collectively "Apollo") and 45% by Apollo Principal Holdings III, L.P., an affiliate of Apollo. The Managing General Partner is responsible for managing the business and affairs of AAA. AAA generally makes all of these investments through AAA Investments, L.P. (the "Investment Partnership"), of which AAA is the sole limited partner. The Partnership's investment mandate is to invest in Apollo-sponsored entities, funds and private equity transactions. The Partnership may also invest in additional private equity funds, credit funds and opportunistic investments identified by Apollo Alternative Assets, L.P. ("Apollo Alternative Assets" or the "Manager", the investment manager to both AAA and the Investment Partnership – refer to Note 5, "Relationship with Apollo and Related Party Transactions"), and in temporary investments that are made in connection with cash management activities. As of December 31, 2017, the Investment Partnership's portfolio consisted of a single opportunistic investment in the economic equity of Athene Holding Ltd. ("Athene Holding" and together with its subsidiaries "Athene"). Athene, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements. The consolidated financial statements of the Investment Partnership, including a schedule of investments, are included elsewhere within this report and should be read in conjunction with the Partnership's financial statements.

AAA is regulated under the Authorised Closed-ended Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission ("GFSC") with effect from December 15, 2008 under The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended (the "New Rules"). AAA is deemed to be an authorized closed-ended investment scheme under the New Rules.

On October 31, 2012, the Investment Partnership closed on an agreement to contribute substantially all of its investments to Athene Holding in exchange for common shares of Athene Holding, cash and a short term promissory note (the "Transaction").

Simultaneously with the approval of the Transaction, the Board approved the removal of the diversification requirements within the Investment Partnership's Investment Policies and Procedures (having received the requisite approval of the independent directors) in order for the Investment Partnership to have Athene as its only investment. Refer to "Risk Factors – Portfolio Risks" for a discussion of the risks associated with the Athene investment.

On April 4, 2014, Athene Holding (together with its subsidiaries, "Athene") completed an initial closing of a private placement offering of common equity in which it raised $1.048 billion of primary commitments from third-party institutional and certain existing investors in Athene Holding (the "Athene Private Placement"). In connection with the Athene Private Placement, Athene raised an additional $80 million of third party capital at $26 per share, all of which was used to buy back a portion of the shares of one of its existing investors at a price of $26 per share in a transaction that was consummated on April 29, 2014. As announced on June 24, 2014, a second closing of the Athene Private Placement occurred in which Athene Holding raised $170 million of commitments primarily from employees of Athene and its affiliates at a price per common share of Athene Holding of $26. The Athene Private Placement offering was concluded in the first quarter of 2015 with a final closing of $60 million of additional commitments from affiliates of Athene. The Investment Partnership did not purchase any additional common shares of Athene Holding as part of the Athene Private Placement.

In accordance with the services agreement among AAA, the Investment Partnership and the other service recipients party thereto and Apollo Alternative Assets (the “Services Agreement”), Apollo Alternative Assets received a management fee for managing the assets of the Investment Partnership. In connection with each of the consummation of the Transaction on October 31, 2012, and the initial closing of the Athene Private Placement on April 4, 2014, the Services Agreement was amended. Pursuant to the amendments, there were no management fees paid by the Investment Partnership with respect to the common shares of Athene Holding that were newly acquired by the Investment Partnership in the Transaction, which are those shares in excess of the shares of Athene Holding that prior to the Transaction, the Investment Partnership owned, or had committed to purchase (the “Excluded Athene Shares”). The Investment Partnership agreed to continue to pay Apollo Alternative Assets the same management fee on the Investment Partnership’s investment in Athene (other than with respect to the Excluded Athene Shares), except that Apollo Alternative Assets agreed that the Investment Partnership’s obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020).

In connection with the Athene Private Placement, the AAA limited partnership agreement was amended to provide that AAA will distribute to its shareholders their pro rata portion of the common shares of Athene Holding (or proceeds thereof) as such shares are released from their contractual lock-up over a period beginning 7.5 months after Athene’s IPO and ending 15 months following Athene’s IPO pursuant to the Athene registration rights agreement.

On March 16, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Athene Class A common shares (the "Follow-on Offering"). AAA unitholders entitled to receive Athene shares on the record date were given the opportunity by Athene to sell into the Follow-on Offering, and any lockup restrictions related to the shares distributed in connection with the Follow-on Offering were waived in order for AAA unitholders to participate. On March 28, 2017, Athene announced the base Follow-on Offering size of 27,500,000 Athene shares at a price of $48.50 per share, which was subsequently increased to 31,625,000 Athene shares after the underwriters' exercise of a 15% over allotment option. In total, 12,391,703 Athene shares were distributed to AAA unitholders. In addition to the distribution to AAA unitholders, the Investment Partnership distributed 962,484 Athene shares to AAA Associates, L.P. in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders, and 7,022 Athene shares in respect of the General Partnership's approximate 0.055% equity ownership interest in the Investment Partnership.

On May 22, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Athene Class A common shares (the "Second Follow-on Offering"). AAA unitholders entitled to receive Athene shares on the record date were given the opportunity by Athene to sell into the Second Follow-on Offering, and any lockup restrictions related to the shares distributed in connection with the Second Follow-on Offering were waived in order for AAA unitholders to participate. On June 6, 2017, Athene announced the base Second Follow-on Offering size of 16,200,000 Athene shares at a price of $49.00 per share, which was subsequently increased to 18,630,000 Athene shares after the underwriters' exercise of a 15% over allotment option. In total, 10,767,217 Athene shares were distributed to AAA unitholders. In addition to the distribution to AAA unitholders, the Investment Partnership distributed 844,164 Athene shares to AAA Associates, L.P., its general partner, in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders, and 5,417 Athene shares in respect of the general partner's approximate 0.055% equity ownership interest in the Investment Partnership.

On December 6, 2017, AAA announced a distribution of freely tradeable common shares of Athene to its unitholders as part of the 12-month Athene Share unlock release. The board of directors of AAA Guernsey Limited and the Board of Directors of AAA MIP Limited approved the distribution of up to 24,746,227 freely tradeable common shares of Athene for distribution on December 8, 2017 ("the 12-Month Unlock Distribution"). In total, 22,965,061 Athene Shares were distributed by AAA to AAA unitholders and 12,531 Athene Shares were distributed by the Investment Partnership to AAA Associates, its General Partner, in respect of its approximate 0.055% equity ownership interest in the Investment Partnership. The Investment Partnership also retained 1,768,635 Athene Shares, at a value in accordance with the Investment Partnership's Limited Partnership Agreement of $87.8 million, as an estimate of AAA Associates' carried interest in connection with the distribution.

In connection with the Athene Private Placement, Athene Holding amended its registration rights agreement to provide (i) investors who are party to such agreement, including the Investment Partnership, the potential opportunity for liquidity on their shares of Athene Holding through sales in registered public offerings over a 15 month period beginning on the date of Athene Holding's initial public offering (the "Athene IPO") and (ii) Athene Holding the right to cause certain investors who are party to the registration rights agreement to include in such offerings a certain percentage of their common shares of Athene Holding subject to the terms and conditions set forth in the agreement. With respect to the remaining 26,630,755 Athene shares held by the Investment Partnership as of December 31, 2017, 24,862,120 Athene shares will unlock at 15 months following Athene's IPO date . The Investment Partnership intends to distribute such Athene Shares (or equivalent cash value) no later than the lock-up release dates, net of Athene Shares held to cover the Investment Partnership's and AAA's expenses and carried interest and other obligations. AAA, in turn, intends to distribute the Athene shares it receives from the Investment Partnership at each unlock date to its unitholders. However, pursuant to the registration rights agreement, any shares of Athene Holding held by Apollo (other than shares distributed to the Investment Partnership's General Partner in payment of carried interest to be sold for cash) will not be subject to such arrangements and instead will be subject to a lock-up period of two years following the effective date of the registration statement relating to the Athene IPO, but Athene Holding will not have the right to cause any shares owned by Apollo to be included in any follow-on offering.

In addition, the Investment Partnership's General Partner is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses including borrowing costs) on the investments of AAA Investments with the exception of the Excluded Athene Shares. As of December 31, 2017 and 2016, 11,246,235 and 33,738,702 of the Investment Partnership's Athene shares with a total cost basis of $117.3 million and $351.9 million, respectively, were subject to a carried interest allocation to its General Partner. The Investment Partnership's General Partner may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the then fair market value); and if the General Partner elects to receive payment of such carry in cash, then common shares of Athene Holding shall be distributed to the General Partner and immediately sold by the General Partner to pay for such carry in cash.

As of December 31, 2017 and 2016, the Investment Partnership's economic ownership in Athene was 14.0% and 39.4%, respectively, (calculated without giving effect to restricted common shares issued under Athene's management equity plan), and effectively 45% of the voting power. The decrease in economic ownership for the year ended December 31, 2017 resulted from the distribution of Athene shares associated with the Follow-on Offering, Second Follow-on Offering, and 12-Month Unlock Distribution. The economic ownership is based on the total shares allocable to its General Partner and Limited Partner. The net asset value of AAA excludes the net asset value of AAA Investments that is allocable to its General Partner which may be settled in cash or shares.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—These financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are presented in U.S. dollars. The Partnership and the Investment Partnership follow the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "ASC") as the source of authoritative accounting principles in the preparation of financial statements in conformity with U.S. GAAP.

AAA does not consolidate the results of operations, assets or liabilities of the Investment Partnership in its financial statements. The financial statements of the Investment Partnership, including a schedule of investments, are included elsewhere within this report and should be read in conjunction with the Partnership's financial statements. AAA has recorded its allocated investment income and losses, and realized and unrealized gains and losses from investments from the Investment Partnership within the Statement of Operations. Management has evaluated all subsequent events or transactions for potential recognition or disclosure through January 31, 2018, the issuance date of these financial statements.

AAA utilizes an annual reporting schedule comprised of four three-month quarters, with an annual accounting period ending on December 31. The quarterly periods end on March 31, June 30, September 30 and December 31. The financial results presented herein include activity for the years ended December 31, 2017 and 2016 and its financial position at December 31, 2017 and 2016.

The preparation of financial statements in conformity with U.S. GAAP requires making certain estimates and assumptions that could materially affect the amounts reported in the financial statements and related notes. Actual results could differ materially from these estimates.

The Managing General Partner has reviewed the Partnership's future obligations and expects the Partnership to continue as a going concern for at least the twelve months from the approval date of these financial statements. This assessment is based on the Partnership's expected operating expenses, and because its sources of liquidity depend primarily on distributions by the Investment Partnership. This assessment is also based on the Investment Partnership's present sources of liquidity, borrowing facilities and the ability to raise cash through sales of its investment and other activities.

AAA is, for U.S. GAAP purposes, an investment company and therefore applies the specialized accounting principles of the FASB ASC 946, "Financial Services - Investment Companies." It reflects its investments on the Statement of Assets and Liabilities at their estimated fair value, with unrealized gains and losses resulting from changes in fair value reflected in the net change in unrealized appreciation/depreciation on investments in the Statement of Operations.

Significant accounting policies are those policies that are the most important to the financial statements and/or those that require significant management judgment related to matters that are uncertain. The following valuation policies are considered critical accounting policies due to the judgment and significance involved in their applications. The development and selection of these policies and their related disclosures have been reviewed by the board of directors of the Managing General Partner and the board of directors of AAA MIP Limited (the "Managing Investment Partner").

Valuation of Limited Partner Interests—AAA records its investment in the Investment Partnership at fair value. Valuation of securities held by the Investment Partnership is further discussed in the notes to the Investment Partnership's financial statements, which are included elsewhere in this report.

AAA's investment in the Investment Partnership was valued at $1,183.1 million (100.3% of net assets) and $3,100.6 million (100.1% of net assets) as of December 31, 2017 and 2016, respectively. Such investment's fair value has been estimated by the Managing General Partner's board of directors in the absence of readily available fair values. However, because of the inherent uncertainty of the valuation, the estimated value may differ materially from the value that would have been realized had a disposal of the investment been made between a willing buyer and seller. Additionally, widespread economic uncertainty, slowing capital and consumer spending, indeterminate credit markets, volatile equity returns and other risks described elsewhere in this report could have effects on the fair value of investments in future periods.

An investment for which a market quotation is not readily available is valued at the investment's fair value as of the end of the applicable accounting period as determined in good faith by the Managing General Partner and the Managing Investment Partner. The limited partner interests in the Investment Partnership do not have a readily available market and are valued by the Managing General Partner and recorded at the estimated fair value. Such limited partner interests are generally valued at an amount that is equal to the aggregate unrealized value of the assets of the Investment Partnership that AAA would receive if such assets were sold in orderly dispositions over a reasonable period of time between willing parties other than in a forced or liquidation sale, and the distribution of the net proceeds from such sale were distributed to AAA in accordance with the Investment Partnership's limited partnership agreement. This amount is generally expected to be equal to the Investment Partnership's net asset value as of the valuation date, as adjusted to reflect the allocation of net assets to the Investment Partnership's General Partner. The Investment Partnership's net asset value is expected to increase or decrease from time to time based on the amount of investment income, operating expenses and realized gains and losses on the sale or repayment of investments, if any, that it records and the net changes in the appreciation/depreciation of the investments that it carries as assets in its financial statements.

Fair Value of Financial Instruments—U.S. GAAP requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. AAA's financial instruments are recorded at fair value or at amounts whose carrying value approximates fair value. Refer to the valuation policy for limited partner interests above.

Net Investment (Loss) Income and Net Gain from Investments—The Partnership records its proportionate share of the Investment Partnership's investment income, expenses and realized and unrealized gains and losses on investments.

Expenses—As the results of operations of the Investment Partnership are not consolidated in AAA's financial statements, the general and administrative expenses are limited to the expenses that AAA directly incurs. These expenses consist primarily of professional fees, directors' fees that the Managing General Partner pays to its independent directors, insurance and other administrative costs.

Neither AAA nor its Managing General Partner employs any of the individuals who carry out the day-to-day management and operations of AAA. The investment professionals and other personnel that carry out investment and other activities are members of the Managing General Partner or employees of Apollo. Their services are provided to AAA or for its benefit in accordance with the Services Agreement. None of these individuals, including Apollo Alternative Assets' chief financial officer, are required to be dedicated full-time to the business of the Partnership.

Taxes—The Partnership is not subject to income taxes in Guernsey and is treated as a partnership for U.S. federal and state income tax purposes. As a partnership, AAA incurs no U.S. federal or state income tax liability directly, and instead, each partner is required to take into account its allocable share of items of income, gain, loss and deduction in computing its U.S. federal or state income tax liability. The Partnership has filed U.S. federal and state tax returns for the 2016, 2015 and 2014 tax years. The tax years from 2014 through 2016 are subject to the possibility of an audit until the expiration of the applicable statute of limitations.

The Partnership follows U.S. GAAP when accounting for uncertainty in income taxes recognized in the financial statements. This guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Distribution Policy—The Partnership may make cash distributions (which would be payable to all unitholders) in an amount in U.S. dollars which, if paid, would generally be expected to be sufficient to permit U.S. unitholders to fund their estimated U.S. tax obligations (including any federal, state and local income taxes) with respect to their distributive share of net income or gain, after taking into account any withholding tax imposed on the Partnership. For any particular unitholder, such distributions (if made) may not be sufficient to pay the unitholder's actual U.S. or non-U.S. tax liability. Under AAA's limited partnership agreement, distributions to the unitholders will be made only as determined by the Managing General Partner in its sole discretion. There is no assurance that distributions will be made.

The Managing General Partner shall cause the Partnership to make an in-kind-distribution of common shares of Athene Holding as such shares are released from their contractual lock-up (subject to a hold back for liabilities and expenses).

Recent Accounting Pronouncements—In May 2014, the FASB issued guidance to establish a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity's revenue across industries, transactions, and geographies. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As such, this new guidance could impact the timing of revenue recognition. The new guidance also requires improved disclosures to help users of financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The new guidance will apply to all entities. In August 2015, FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amended guidance defers the effective date of the new guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017. Public business entities are permitted to apply the new guidance early, but not before the original effective date (i.e., interim periods within annual periods beginning after December 15, 2016). The Partnership is in the process of evaluating but does not expect the application of this guidance to have a material impact on its financial statements.

In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain cash receipts and payments are classified in the statement of cash flows, including debt prepayment or extinguishment costs, the settlement of contingent liabilities arising from a business combination, proceeds from insurance settlements, and distributions from certain equity method investments. The guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. The Partnership early adopted the guidance during the fourth quarter of 2017. Adoption of this guidance did not have an impact on the Partnership's financial statements.

3. INVESTMENTS IN LIMITED PARTNER INTERESTS OF THE INVESTMENT PARTNERSHIP

At December 31, 2017 and 2016, AAA's only investment consisted of a limited partner interest in the Investment Partnership. AAA makes all of its investments through the Investment Partnership, and it is expected that AAA's only substantial assets will be limited partner interests in the Investment Partnership. Although investments made with AAA's capital by the Investment Partnership do not appear as investments in AAA's financial statements, AAA is the primary beneficiary of such investments and bears substantially all of the risk of loss.

From time to time, the Investment Partnership makes distributions to or on behalf of AAA to assist AAA in making cash distributions to its unitholders in accordance with AAA's distribution policy and to allow AAA to pay its operating expenses as they become due.

Fair Value Measurements

In accordance with U.S. GAAP, the Partnership prioritizes and ranks the level of market price observability used in measuring its investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level I—Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level I include listed equities, securities and listed derivatives. AAA and the Investment Partnership do not adjust the quoted price for these investments, even in situations where Apollo holds a large position and a sale could reasonably impact the quoted price.

Level II—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level III—Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include private equity, general and limited partner interests in private equity, credit or real estate funds, mezzanine funds, distressed debt, structured debt vehicles and non-investment grade residual interests in securitizations.

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

As of December 31, 2017 and 2016, the Partnership's investment was valued based on its pro rata allocation of net assets of the Investment Partnership (which in turn was based on the Investment Partnership's underlying investment which was valued based on the fair value at which the company believes it could be sold or transferred in an orderly transaction between market participants as of the measurement date).

4. CAPITAL TRANSACTIONS

At December 31, 2017 and 2016, AAA had 76,328,950 common units outstanding.

Apollo Alternative Assets intends to continue monitoring the trading performance of AAA in the market and may, from time to time, seek to purchase units either directly or through one or more affiliates, when regulatory and market conditions permit.

AAA has established a restricted deposit facility for a portion of its common units pursuant to which common units are deposited with a depository bank in exchange for restricted depositary units that are evidenced by restricted depositary receipts, subject to compliance with applicable ownership and transfer restrictions. The restricted depositary units have not been listed on any securities exchange.

During the year ended December 31, 2017 and 2016, the Partnership distributed 46,123,981 and 10,766,297 Athene shares to AAA unitholders, respectively, and the Investment Partnership distributed 1,831,618 and 777,726 Athene shares to its general partner, respectively. This distribution of Athene shares represents a non-cash financing activity. During the year ended December 31, 2017, the Investment Partnership made partners' capital distributions in cash of $1.5 million to facilitate related expense reimbursements by AAA to the Investment Partnership. For the year ended December 31, 2016, the Partnership did not make any partners' capital distributions in cash.

5. RELATIONSHIP WITH APOLLO AND RELATED PARTY TRANSACTIONS

Subject to the supervision of the board of directors of the Managing General Partner and the board of directors of the Managing Investment Partner, Apollo, pursuant to the Services Agreement with Apollo Alternative Assets, is responsible for selecting, evaluating, structuring, performing due diligence, negotiating, executing, monitoring and exiting the investments of AAA, as well as, investments of the Investment Partnership and for managing the uninvested cash of the Investment Partnership. These investment activities are carried out by Apollo's investment professionals and Apollo's investment committee pursuant to the services agreement. Apollo and its affiliates receive management, sub-advisory, monitoring and other fees from Athene related to services provided to Athene. Apollo, and/or its affiliates, also receives directly from portfolio companies in which the Investment Partnership may have direct or indirect investments, transaction, management and other fees related to services provided in connection with acquisitions of such portfolio companies and ongoing management services rendered to such portfolio companies.

Services Agreement and Management Fee—Under the Services Agreement, Apollo Alternative Assets is responsible for the day-to-day operations of the service recipients and is subject at all times to the supervision of their respective governing bodies, including the board of directors of the Managing General Partner and the board of directors of the Managing Investment Partner. Apollo Alternative Assets received a management fee from the service recipients for providing these services.

In connection with each of the consummation of the Transaction on October 31, 2012, and the initial closing of the Athene Private Placement on April 4, 2014, the Services Agreement was amended. Prior to the consummation of the Athene Private Placement, as described below, management fees were paid pursuant to the Services Derivative. In connection with the Athene Private Placement, as described below, the Services Derivative was settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivative was terminated. Following settlement of the Services Derivative, management fees payable to Apollo pursuant to the Services Agreement, as amended, were paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended). Under the original services agreement, AAA, the Investment Partnership and the other service recipients jointly and severally agreed to pay Apollo Alternative Assets a quarterly management fee, payable in arrears, in an aggregate amount equal to one-fourth of (i) all Adjusted Assets (as defined in the service agreement) up to and including $3.0 billion multiplied by 1.25% plus (ii) all Adjusted Assets in excess of $3.0 billion multiplied by 1.0%. Pursuant to the amendments, there will be no management fees paid by the Investment Partnership with respect to the Excluded Athene Shares. The Investment Partnership agreed to continue to pay Apollo Alternative Assets the same management fee on the Investment Partnership's investment in Athene (other than with respect to the Excluded Athene Shares), except that Apollo Alternative Assets agreed that the Investment Partnership's obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020).

The Services Agreement contains certain provisions requiring AAA to indemnify Apollo and its affiliates with respect to all claims, liabilities, losses, costs, expenses or damages arising from the services agreement or the services provided by Apollo Alternative Assets, except to the extent that such claims, liabilities, losses, costs, expenses or damages are finally determined by a court of competent jurisdiction to have resulted from the indemnified person's willful misconduct or gross negligence. The Investment Partnership has historically not incurred any liabilities as a result of these guarantees and does not expect to in the future. Accordingly, no liability has been recorded in the accompanying financial statements.

Due to Affiliates—Due to affiliates at December 31, 2017 and 2016 consisted of \$2.9 million and \$2.8 million, respectively, payable to the Investment Partnership for expense reimbursements.

Personal Interests of Directors— Certain directors of the Managing General Partner and the Managing Investment Partner were AAA unitholders. At December 31, 2017 and 2016, those directors owned approximately 0.5 million and 0.5 million Units of AAA, respectively. As of December 31, 2017 and 2016, Apollo provided employee loans of approximately \$15.0 million and \$25.0 million, respectively, to certain directors who have a direct investment in Athene Holding.

6. FINANCIAL HIGHLIGHTS

Financial highlights for AAA were as follows:

(in thousands, except per unit amounts)	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Per unit operating performance:		
Net asset value at the beginning of period	$40.58	$36.42
Loss from investment operations:		
Net investment loss	(0.07)	(0.10)
Net gain from investments	5.53	9.91
Total gain from investment operations	5.46	9.81
Capital Distributions	(30.58)	(5.65)
Net asset value at end of period	$15.46	$40.58
Total return**	16.46%	26.93%
Percentage and supplemental data:		
Net assets at the end of the period	$1,180,042	$3,097,576
Ratios to average net assets*:		
Expenses	0.22%	0.27%
Net investment loss	(0.22)%	(0.27)%

**These financial highlights are calculated using expense totals that include expenses allocated from the Investment Partnership.*

***The total return calculation assumes all unitholder distributions during the period are reinvested.*

These financial highlights have been calculated using a methodology in accordance with U.S. GAAP. Ratios to average net assets were calculated on a weighted average basis.

7. COMMITMENTS AND CONTINGENCIES

AAA may, from time to time, be party to various legal actions arising in the ordinary course of business including claims and litigations, reviews, investigations or proceedings by governmental and self regulatory agencies regarding their respective businesses. It is the opinion of the Managing General Partner and Managing Investment Partner, after consultation with counsel, that there are presently no existing matters that would result in a material adverse effect on the financial condition of the Partnership. As of December 31, 2017, AAA had no outstanding commitments for future funding.

8. SUPPLEMENTAL FINANCIAL INFORMATION (UNAUDITED)

Quarterly Results

The following represents the Partnership's unaudited quarterly results for the years ended December 31, 2017 and 2016. These quarterly results were prepared in accordance with U.S. GAAP and reflect all adjustments that are, in the opinion of the Managing General Partner, necessary for a fair statement of the results:

(in thousands)	For the Three Months Ended March 31, 2017	For the Three Months Ended June 30, 2017	For the Three Months Ended September 30, 2017	For the Three Months Ended December 31, 2017
Investment expense	$ (892)	$ (1,097)	$ (1,101)	$ (1,031)
General and administrative expenses	(285)	(449)	(462)	(282)
Net investment loss	(1,177)	(1,546)	(1,563)	(1,313)
Net realized gains from sales/disposition of investments	454,260	392,283	—	827,825
Net change in unrealized appreciation/ depreciation on investments	(234,036)	(355,497)	204,826	(867,595)
Net increase (decrease) in net assets resulting from operations	$ 219,047	$ 35,240	$ 203,263	$ (41,083)

(in thousands)	For the Three Months Ended March 31, 2016	For the Three Months Ended June 30, 2016	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016
Investment expense	$ (1,245)	$ (1,141)	$ (1,623)	$ (1,080)
General and administrative expenses	(319)	(465)	(489)	(1,319)
Net investment loss	(1,564)	(1,606)	(2,112)	(2,399)
Net realized gains from sales/disposition of investments	—	—	—	279,176
Net change in unrealized appreciation on investments	(296,724)	466,616	86,120	220,982
Net increase in net assets resulting from operations	$ (298,288)	$ 465,010	$ 84,008	$ 497,759

Consolidated Financial Statements of AAA Investments, L.P.

Index to Consolidated Financial Statements

Independent Auditors' Report to the Managing Investment Partner of AAA Investments, L.P.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the limited partnership's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with accounting principles generally accepted in the United States of America; and
- have been prepared in accordance with the requirements of the Limited Partnerships (Guernsey) Law, 1995.

We have audited the financial statements of AAA Investments L.P (the 'limited partnership') which comprise:

- the consolidated statement of Assets and Liabilities;
- the consolidated schedule of investments;
- the consolidated statement of operations;
- the consolidated statement of changes in equity;
- the consolidated statement of cashflows; and
- the related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and United States of America Accounting Standards, including accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the limited partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the managing partner's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the managing partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The managing partner is responsible for the other information. The other information comprises the information contained in the financial report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of managing partner

As explained more fully in the managing partner's responsibilities statement, the managing partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the managing partner determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the managing partner is responsible for assessing the limited partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the managing partner either intends to liquidate the limited partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited partnership's members, as a body, in accordance with Section 18 of the Limited Partnerships (Guernsey) Law, 1995. Our audit work has been undertaken so that we might state to the limited partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited partnership and the limited partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Limited Partnerships (Guernsey) Law, 1995 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- the managing partner's report is inconsistent with the financial statements; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Deloitte LLP
Guernsey, Channel Islands
31 January 2018

AAA INVESTMENTS, L.P.
CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES
(in thousands)

	As of December 31, 2017	As of December 31, 2016
ASSETS		
Investments:		
Investment in Opportunistic Investment at fair value (cost of $428,894 and $1,178,689 at December 31, 2017 and 2016, respectively)	$ 1,353,955	$ 3,318,347
Cash and cash equivalents	150	2,174
Other assets	10,299	13,677
Due from affiliates	2,902	2,828
TOTAL ASSETS	1,367,306	3,337,026
LIABILITIES		
Accounts payable and accrued liabilities	336	374
Due to affiliates	107	295
Line of Credit due to affiliates	4,500	4,000
TOTAL LIABILITIES	4,943	4,669
NET ASSETS	$ 1,362,363	$ 3,332,357
NET ASSETS CONSIST OF:		
Partners' capital	$ (1,419,796)	$ 1,006,763
Accumulated increase in net assets resulting from operations	2,782,159	2,325,594
NET ASSETS	$ 1,362,363	$ 3,332,357

Refer to accompanying notes to consolidated financial statements.

AAA INVESTMENTS, L.P.
CONSOLIDATED SCHEDULE OF INVESTMENTS
(in thousands)

	Investments by Geography	Investments by Industry	Cost	Fair Value	Fair Value as a Percentage of Net Assets
As of December 31, 2017:					
Opportunistic Investment – Athene	North America	Financial & Business Services	$ 428,894	$ 1,353,955	99.4%
Total Investments			$ 428,894	$ 1,353,955	99.4%
As of December 31, 2016:					
Opportunistic Investment – Athene	North America	Financial & Business Services	$ 1,178,689	$ 3,318,347	99.6%
Total Investments			$ 1,178,689	$ 3,318,347	99.6%

Refer to accompanying notes to consolidated financial statements.

Consolidated Financial Statements of AAA Investments, L.P.

AAA INVESTMENTS, L.P.
CONSOLIDATED STATEMENT OF OPERATIONS
(in thousands)

	For the Year Ended December 31,	
	2017	2016
EXPENSES:		
Management fees	$ (3,369)	$ (3,369)
General and administrative expenses	(753)	(1,721)
NET INVESTMENT LOSS	(4,122)	(5,090)
REALIZED AND UNREALIZED GAINS FROM INVESTMENTS:		
Net realized gains from sales/dispositions on investments	1,675,282	279,316
Net (decrease) increase in unrealized appreciation on investments	(1,214,595)	552,549
NET GAIN FROM INVESTMENTS	460,687	831,865
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	$ 456,565	$ 826,775

See accompanying notes to consolidated financial statements.

Consolidated Financial Statements of AAA Investments, L.P.

AAA INVESTMENTS, L.P.
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
(in thousands)

	General Partner	Limited Partner	Total
For the Year Ended December 31, 2016:			
NET ASSETS — January 1, 2016	$ 187,131	$ 2,780,212	$ 2,967,343
NET INCREASE IN NET ASSETS FROM OPERATIONS:			
Net investment loss	(1)	(5,089)	(5,090)
Net gain from investments	75,695	756,170	831,865
Net increase in net assets resulting from operations:	75,694	751,081	826,775
NET CHANGE FROM CAPITAL TRANSACTIONS:			
Partners' capital distributions	(31,109)	(430,652)	(461,761)
Net change from capital transactions	(31,109)	(430,652)	(461,761)
TOTAL INCREASE IN NET ASSETS	44,585	320,429	365,014
NET ASSETS — December 31, 2016	231,716	3,100,641	3,332,357
For the Year Ended December 31, 2017:			
NET DECREASE IN NET ASSETS FROM OPERATIONS:			
Net investment loss	(1)	(4,121)	(4,122)
Net gain from investments	38,621	422,066	460,687
Net increase in net assets resulting from operations:	38,620	417,945	456,565
NET CHANGE FROM CAPITAL TRANSACTIONS:			
Partners' capital distributions	(91,078)	(2,335,481)	(2,426,559)
Net change from capital transactions	(91,078)	(2,335,481)	(2,426,559)
TOTAL DECREASE IN NET ASSETS	(52,458)	(1,917,536)	(1,969,994)
NET ASSETS — December 31, 2017	$ 179,258	$ 1,183,105	$ 1,362,363

Refer to accompanying notes to consolidated financial statements.

Consolidated Financial Statements of AAA Investments, L.P.

AAA INVESTMENTS, L.P.
CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net increase in net assets resulting from operations	$ 456,565	$ 826,775
Adjustments to reconcile net increase in net assets resulting from operations to net cash flows used in operating activities:		
Net decrease (increase) in unrealized appreciation on investments	1,214,595	(552,549)
Net realized gains from sales/dispositions on investments	(1,675,282)	(279,316)
Changes in operating assets and liabilities:		
Decrease in other assets and due from affiliates	3,304	855
Decrease in accounts payable, accrued liabilities and due to affiliates	(226)	(183)
Net cash flows used in operating activities	(1,044)	(4,418)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under credit revolver	500	4,000
Partners' capital distributions	(1,480)	—
Net cash flows (used in) provided by financing activities	(980)	4,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,024)	(418)
CASH AND CASH EQUIVALENTS — Beginning of period	2,174	2,592
CASH AND CASH EQUIVALENTS — End of period	$ 150	$ 2,174

Refer to accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. BUSINESS

AAA Investments, L.P. (the "Investment Partnership") is a Guernsey limited partnership whose partners are comprised of (i) AAA Associates, L.P. (the "General Partner"), which holds 100% of the general partner interests in the Investment Partnership and is responsible for managing its business and affairs, and (ii) AP Alternative Assets, L.P. ("AAA" or the "Partnership"), which holds 100% of the limited partner interests in the Investment Partnership and does not participate in the management of the business and affairs of the Investment Partnership. Because the General Partner is itself a Guernsey limited partnership, its general partner, AAA MIP Limited (the "Managing Investment Partner"), a Guernsey limited company that is owned 55% by an individual who is not an affiliate of Apollo Global Management, LLC and its subsidiaries (collectively "Apollo"), and 45% by Apollo Principal Holdings III, L.P., an affiliate of Apollo, effectively is responsible for managing the Investment Partnership's business and affairs.

The Investment Partnership is the partnership through which AAA and the General Partner make investments. These investments may include investments in Apollo-sponsored entities, funds and private equity transactions. As of December 31, 2017, the Investment Partnership's portfolio consisted of a single opportunistic investment in the economic equity of Athene Holding Ltd. ("Athene Holding" and together with its subsidiaries, "Athene"), which was founded in 2009 to capitalize on favorable market conditions in the dislocated life insurance sector. Athene, through its subsidiaries, is a leading retirement services company that issues, reinsures and acquires retirement savings products designed for the increasing number of individuals and institutions seeking to fund retirement needs. The products and services offered by Athene include: fixed and fixed indexed annuity products; reinsurance services offered to third-party annuity providers; and institutional products, such as funding agreements.

On October 31, 2012, the Investment Partnership closed on an agreement to contribute substantially all of its investments to Athene Holding in exchange for common shares of Athene Holding, cash and a short term promissory note (the "Transaction").

Simultaneously with the approval of the Transaction, the Board approved the removal of the diversification requirements within the Investment Partnership's Investment Policies and Procedures (having received the requisite approval of the independent directors) in order for the Investment Partnership to have Athene as its only investment. Refer to "Risk Factors – Portfolio Risks" for a discussion of the risks associated with the Athene investment.

On April 4, 2014, Athene Holding completed an initial closing of a private placement offering of common equity in which it raised $1.048 billion of primary commitments from third-party institutional and certain existing investors in Athene Holding (the "Athene Private Placement"). In connection with the Athene Private Placement, Athene raised an additional $80 million of third party capital at $26 per share, all of which was used to buy back a portion of the shares of one of its existing investors at a price of $26 per share in a transaction that was consummated on April 29, 2014. On June 24, 2014, a second closing of the Athene Private Placement occurred in which Athene Holding raised $170 million of commitments primarily from employees of Athene and its affiliates at a price per common share of Athene Holding of $26. The Athene Private Placement offering was concluded in the first quarter of 2015 with a final closing of $60 million of additional commitments from affiliates of Athene. The Investment Partnership did not purchase any additional common shares of Athene Holding as part of the Athene Private Placement.

In accordance with the services agreement among AAA, the Investment Partnership and the other service recipients party thereto and Apollo Alternative Assets (the "Services Agreement") Apollo Alternative Assets received a management fee for managing the assets of the Investment Partnership. In connection with each of the consummation of the Transaction on October 31, 2012, and the initial closing of the Athene Private Placement on April 4, 2014, the Services Agreement was amended. Pursuant to the amendments, the parties agreed that there will be no management fees payable by the Investment Partnership with respect to the common shares of Athene Holding that were newly acquired by the Investment Partnership in the Transaction, which are those shares in excess of the shares of Athene Holding that prior to the Transaction, the Investment Partnership owned, or had committed to purchase (the "Excluded Athene Shares"). The Investment Partnership agreed to continue to pay Apollo Alternative Assets the same management fee on the Investment Partnership's investment in Athene (other than with respect to the Excluded Athene Shares), except that Apollo Alternative Assets agreed that the Investment Partnership's obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020).

In connection with the Athene Private Placement, the AAA limited partnership agreement was amended to provide that AAA will distribute to its shareholders their pro rata portion of the common shares of Athene Holding (or proceeds thereof) as such shares are released from their contractual lock-up over a period beginning 7.5 months after Athene's IPO and ending 15 months following Athene's IPO pursuant to the Athene registration rights agreement.

On March 16, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Athene Class A common shares (the "Follow-on Offering"). AAA unitholders entitled to receive Athene shares on the record date were given the opportunity by Athene to sell into the Follow-on Offering, and any lockup restrictions related to the shares distributed in connection with the Follow-on Offering were waived in order for AAA unitholders to participate. On March 28, 2017, Athene announced the base Follow-on Offering size of 27,500,000 Athene shares at a price of $48.50 per share, which was subsequently increased to 31,625,000 Athene shares after the underwriters' exercise of a 15% over allotment option. In total, 12,391,703 Athene shares were distributed to AAA unitholders. In addition to the distribution to AAA unitholders, the Investment Partnership distributed 962,484 Athene shares to AAA Associates, L.P. in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders, and 7,022 Athene shares in respect of the General Partnership's approximate 0.055% equity ownership interest in the Investment Partnership.

On May 22, 2017, AAA announced a conditional distribution of freely tradeable common shares of Athene to its unitholders. The distribution was conditioned upon the pricing of an underwritten follow-on secondary offering of Athene Class A common shares (the "Second Follow-on Offering"). AAA unitholders entitled to receive Athene shares on the record date were given the opportunity by Athene to sell into the Second Follow-on Offering, and any lockup restrictions related to the shares distributed in connection with the Second Follow-on Offering were waived in order for AAA unitholders to participate. On June 6, 2017, Athene announced the base Second Follow-on Offering size of 16,200,000 Athene shares at a price of $49.00 per share, which was subsequently increased to 18,630,000 Athene shares after the underwriters' exercise of a 15% over allotment option. In total, 10,767,217 Athene shares were distributed to AAA unitholders. In addition to the distribution to AAA unitholders, the Investment Partnership distributed 844,164 Athene shares to AAA Associates, L.P., its general partner, in satisfaction of the carried interest obligation associated with the distribution to AAA unitholders, and 5,417 Athene shares in respect of the general partner's approximate 0.055% equity ownership interest in the Investment Partnership.

On December 6, 2017, AAA announced a distribution of freely tradeable common shares of Athene to its unitholders as part of the 12-month Athene Share unlock release. The board of directors of AAA Guernsey Limited and the Board of Directors of AAA MIP Limited approved the distribution of up to 24,746,227 freely tradeable common shares of Athene for distribution on December 8, 2017 ("the 12-Month Unlock Distribution"). In total, 22,965,061 Athene Shares were distributed by AAA to AAA unitholders and 12,531

Athene Shares were distributed by the Investment Partnership to AAA Associates, its General Partner, in respect of its approximate 0.055% equity ownership interest in the Investment Partnership. The Investment Partnership also retained 1,768,635 Athene Shares, at a value in accordance with the Investment Partnership's Limited Partnership Agreement of $87.8 million, as an estimate of AAA Associates' carried interest in connection with the distribution.

In connection with the Athene Private Placement, Athene Holding amended its registration rights agreement to provide (i) investors who are party to such agreement, including the Investment Partnership, the potential opportunity for liquidity on their shares of Athene Holding through sales in registered public offerings over a 15 month period beginning on the date of Athene Holding's initial public offering (the "Athene IPO") and (ii) Athene Holding the right to cause certain investors who are party to the registration rights agreement to include in such offerings a certain percentage of their common shares of Athene Holding subject to the terms and conditions set forth in the agreement. With respect to the remaining 26,630,755 Athene shares held by the Investment Partnership as of December 31, 2017, 24,862,120 Athene shares will unlock 15 months following Athene's IPO date. The Investment Partnership intends to distribute such Athene Shares (or equivalent cash value) no later than the lock-up release dates, net of Athene Shares held to cover the Investment Partnership's and AAA's expenses and carried interest and other obligations. AAA, in turn, intends to distribute the Athene shares it receives from the Investment Partnership at each unlock date to its unitholders. However, pursuant to the registration rights agreement, any shares of Athene Holding held by Apollo (other than shares distributed to the Investment Partnership's General Partner in payment of carried interest to be sold for cash) will not be subject to such arrangements and instead will be subject to a lock-up period of two years following the effective date of the registration statement relating to the Athene IPO, but Athene Holding will not have the right to cause any shares owned by Apollo to be included in any follow-on offering.

As described in additional detail in note 5 "Relationship with Apollo and Related Party Transactions", the Investment Partnership's General Partner is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses including borrowing costs and Excluded Athene Shares) on the investments of AAA Investments, with the exception of the Excluded Athene Shares. As of December 31, 2017 and 2016, 11,246,235 and 33,738,702 of the Investment Partnership's Athene shares with a total cost basis of $117.3 million and $351.9 million, respectively, were subject to a carried interest allocation to its General Partner. The Investment Partnership's General Partner may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the then fair market value); and if the General Partner elects to receive payment of such carry in cash, then common shares of Athene Holding shall be distributed to the General Partner and immediately sold by the General Partner to pay for such carry in cash.

As of December 31, 2017 and 2016, the Investment Partnership's economic ownership in Athene was 14.0% and 39.4%, respectively, (calculated without giving effect to restricted common shares issued under Athene's management equity plan), and effectively 45% of the voting power. The decrease in economic ownership for the year ended December 31, 2017 resulted from the distribution of Athene shares associated with the Follow-on Offering and Second Follow-on Offering, and 12-Month Unlock Distribution. The economic ownership is based on the total shares allocable to its General Partner and Limited Partner.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and are presented in U.S. dollars. The Partnership and the Investment Partnership follow the Financial Accounting Standards Board ("FASB") Accounting Standards Codification (the "ASC") as the source of authoritative accounting principles in the preparation of consolidated financial statements in conformity with U.S. GAAP.

The consolidated financial statements include the consolidated financial statements of the Investment Partnership and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation. The Investment Partnership utilizes the U.S. dollar as its functional currency.

Management has evaluated all subsequent events or transactions for potential recognition or disclosure through January 31, 2018 the issuance date of these consolidated financial statements.

The Investment Partnership utilizes an annual reporting schedule comprised of four three-month quarters with an annual accounting period ending on December 31. The quarterly periods end on March 31, June 30, September 30 and December 31. The financial results presented herein include the Investment Partnership's activity for the year ended December 31, 2017 and 2016 and its financial position at December 31, 2017 and 2016.

The preparation of consolidated financial statements in conformity with U.S. GAAP requires making certain estimates and assumptions that could materially affect the amounts reported in the consolidated financial statements and related notes. Actual results could differ materially from these estimates.

The Managing Investment Partner has reviewed the current cash balance of the Investment Partnership and its future obligations and expects the Investment Partnership to continue as a going concern for at least the twelve months from the approval date of these financial statements. This assessment is based on the Investment Partnership's expected operating expenses, present sources of liquidity, its borrowing facilities and the ability to raise cash through sales of investments and other activities.

The Investment Partnership is, for U.S. GAAP purposes, an investment company and therefore applies the specialized accounting principles of the FASB ASC 946, "Financial Services - Investment Companies." It reflects its investments on the Statement of Assets and Liabilities at their estimated fair value, with unrealized gains and losses resulting from changes in fair value reflected in the net change in unrealized appreciation/ depreciation on investments in the Statement of Operations.

Significant accounting policies are those policies that are the most important to the consolidated financial statements and/or those that require significant management judgment related to matters that are uncertain. The following valuation policies are considered critical accounting policies due to the judgment and significance involved in their applications. The development and selection of these policies and their related disclosure have been reviewed by the board of directors of the Managing General Partner and the board of directors of the Managing Investment Partner.

Valuation of Investments—The investments shown as assets in the Investment Partnership's consolidated financial statements are recorded at fair value. The Managing General Partner's board of directors is responsible for reviewing and approving valuations of investments that are shown as assets in the Investment Partnership's consolidated financial statements. Because valuing investments requires the application of valuation principles to the specific facts and circumstances of the investments, in satisfying its responsibilities, the Managing General Partner's board of directors utilizes the services of Apollo Alternative Assets, who makes calculations as to the investment value. An investment for which a market quotation is readily available is valued using the market price or the quoted price from an active market which is either directly or indirectly observable for the investment as of the end of the applicable accounting period. An investment for which a market quotation is not readily available is valued at the investment's fair value as of the end of the applicable accounting period as determined by the Managing General Partner's board of directors in good faith.

Apollo Alternative Assets (the "Investment Manager"), utilizes a valuation committee consisting of members from senior management that review and approve the valuation results related to direct private equity co-investments, opportunistic investments and underlying investments within credit funds. For certain investments the Investment Manager may retain independent valuation firms to provide third-party valuation consulting services, which consist of certain limited procedures that management identifies and requests them to perform. The limited procedures provided by the independent valuation firms assist management with validating the Investment Partnership's valuation. At December 31, 2017, the Investment Manager did not utilize an independent valuation firm to assist in determining the estimated fair value of Athene.

Due to the inherent uncertainty of the valuation, the estimated value may differ materially from the value that would have been realized had a disposal of the investments been made between a willing buyer and seller. Additionally, widespread economic uncertainty, slowing capital and consumer spending, indeterminate credit markets, volatile equity returns, and other risks described elsewhere in this report could have effects on the fair values of investments in future periods. As part of the valuation process, the Managing Investment Partner considers whether any investments are permanently impaired. The impact of a permanent impairment is the realization of the loss from unrealized depreciation on investments. There were no impairments recorded during the year ended December 31, 2017 and 2016.

Value of Athene Investment – As of December 31, 2017 the fair value of the Investment Partnership's interest in Athene was estimated using the closing market price of Athene shares of $51.71 less a discount due to a lack of marketability ("DLOM") of 1.8%. The DLOM was derived based on the average remaining lock up restrictions of the Athene shares held by the Investment Partnership (2.3 months) and the estimated volatility in such shares. Due to the limited trading history in Athene shares, the historical share price volatility of a representative set of Athene's publicly traded insurance peers was calculated over an equivalent period to the remaining average lock up on the Athene shares held by the Investment Partnership and used as a proxy to estimate the projected volatility in Athene's shares. The fair value of the Investment Partnership's 24,862,120 restricted Athene shares after the application of the DLOM was estimated at a price of $50.78 per share, and the fair value of the Investment Partnership's 1,768,635 freely tradeable shares was estimated using Athene's closing market price of $51.71 per share.

As of December 31, 2016 the fair value of the Investment Partnership's interest in Athene was estimated using the closing market price of Athene shares of $47.99 less a DLOM of 7.3%. The DLOM was derived based on the average remaining lock up restrictions of the Athene shares held by the Investment Partnership (10.8 months) and the estimated volatility in such shares. Due to the limited trading history in Athene shares, the historical share price volatility of a representative set of Athene's publicly traded insurance peers was calculated over an equivalent period to the remaining average lock up on the Athene shares held by the Investment Partnership and used as a proxy to estimate the projected volatility in Athene's shares.

As of December 31, 2016, AAA changed the valuation method used to value the opportunistic investment in Athene from the GAAP book value multiple approach to the use of Athene's closing market price, adjusted for a DLOM in order to reflect the post IPO sales restriction on Athene shares. The DLOM is calculated based on the remaining length of sales restrictions and the estimated market price volatility of the shares.

Fair Value of Financial Instruments—U.S. GAAP requires the disclosure of the estimated fair value of financial instruments. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Investment Partnership's financial instruments are recorded at fair value or at amounts whose carrying value approximates fair value. Refer to the valuation policy for further discussion of investments.

Cash and Cash Equivalents—Cash and cash equivalents consist of cash held at banks and liquid investments with maturities, at the date of acquisition, not exceeding 90 days. Surplus cash may be invested in government securities, cash equivalents, money market instruments, asset-backed securities and other investment grade securities. At December 31, 2017 and 2016, all cash and cash equivalents represented cash held at banks, which are considered to be Level I in the fair value hierarchy.

Other Assets—At December 31, 2017 and 2016, other assets were primarily comprised of prepaid insurance and prepaid management fees. As part of the Services Agreement (refer to Note 5 for further discussion), the Investment Partnership accrued the quarterly management fee due to Apollo Alternative Assets through December 31, 2014 but services will continue to be performed through December 31, 2020. The amount accrued in advance of services being performed is recorded as a prepaid management fee within other assets.

The amount of the prepaid asset as of December 31, 2017 and 2016 was $10.1 million and $13.5 million, respectively.

Capital— Distributable earnings (losses) are allocated to AAA and the General Partner in accordance with the limited partnership agreement. The partners' capital balance reflects contributions less life-to-date partners' capital distributions.

Income Recognition—The assets of the Investment Partnership may generate investment income in the form of dividends and interest. Income is recognized when earned. The Investment Partnership also records income in the form of unrealized appreciation or depreciation on investments, as well as, from realized gains and losses on the sale of investments. Any new unrealized appreciation or depreciation in the value of investments is recorded as an increase or decrease in the unrealized appreciation or depreciation on investments. Unrealized appreciation or depreciation is recorded at the end of each month-end accounting period when investments are valued. Refer to “Valuation of Investments,” for further discussion. Security transactions are accounted for on the trade date (the date the order to buy or sell is executed). Realized gains and losses on sales of securities are determined based on the identified cost basis.

Expenses—Expenses are recorded as incurred. Under the Services Agreement, the Investment Partnership, along with the service recipients agreed to a quarterly management fee with Apollo Alternative Assets and to pay expenses incurred by Apollo that are attributable to the Investment Partnership’s operations and reimbursable under the Services Agreement. Refer to Note 5, “Relationship with Apollo and Related Party Transactions” for further discussion.

Taxes—The Investment Partnership is not subject to income taxes in Guernsey and is treated as a partnership for U.S. federal and state income tax purposes. As a partnership, the Investment Partnership is not a taxable entity and incurs no U.S. federal and state 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 Investment Partnership in computing its U.S. federal income tax liability. The Investment Partnership has filed U.S. federal and state tax returns for the 2016, 2015 and 2014 tax years. The tax years from 2014 through 2016 are subject to the possibility of an audit until the expiration of the applicable statute of limitations.

The Investment Partnership follows U.S. GAAP when accounting for the uncertainty in income taxes recognized in the consolidated financial statements. This guidance prescribes a recognition threshold and measurement attribute for the consolidated financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

Distribution Policy—From time to time, the Investment Partnership makes distributions to or on behalf of AAA to allow AAA to pay its operating expenses as they become due, to assist AAA in making cash distributions to its unitholders in accordance with AAA’s distribution policy and to assist AAA in funding any other corporate needs, such as unit buyback programs.

***Recent Accounting Pronouncements*—**In May 2014, the FASB issued guidance to establish a comprehensive and converged standard on revenue recognition to enable financial statement users to better understand and consistently analyze an entity’s revenue across industries, transactions, and geographies. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. As such, this new guidance could impact the timing of revenue recognition. The new guidance also requires improved disclosures to help users of consolidated financial statements better understand the nature, amount, timing, and uncertainty of revenue that is recognized. The new guidance will apply to all entities. In August 2015, FASB issued its final standard formally amending the effective date of the new revenue recognition guidance. The amended guidance defers the effective date of the new guidance to interim reporting periods within annual reporting periods beginning after December 15, 2017. Public business entities are permitted to apply the new guidance early, but not before the original effective date (i.e., interim periods within annual periods beginning after December 15, 2016). The Investment Partnership early adopted the guidance during the fourth quarter of 2017. Adoption of this guidance did not have an impact on the Investment Partnership's financial statements.

In August 2016, the FASB issued guidance intended to reduce diversity in practice in how certain cash receipts and payments are classified in the statement of cash flows, including debt prepayment or extinguishment costs, the settlement of contingent liabilities arising from a business combination, proceeds from insurance settlements, and distributions from certain equity method investments. The guidance is effective for interim and annual periods beginning after December 15, 2017. Early adoption is permitted. The Investment Partnership is in the process of evaluating but does not expect the application of this guidance to have a material impact on its consolidated financial statements.

3. INVESTMENTS

Investments are valued as described above in Note 2, "Summary of Significant Accounting Policies – Valuation of Investments."

Fair Value Measurements

In accordance with U.S. GAAP, the Investment Partnership prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

> *Level I*—Quoted prices are available in active markets for identical investments as of the reporting date. The types of investments included in Level I include listed equities, securities and listed derivatives. The Investment Partnership does not adjust the quoted price for these investments, even in situations where Apollo holds a large position and a sale could reasonably impact the quoted price.
>
> *Level II*—Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.
>
> *Level III*—Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include private equity, general and limited partner interests in private equity, credit and real estate funds, mezzanine funds, distressed debt, structured debt vehicles and non-investment grade residual interests in securitizations.

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

The following table summarizes the valuation of the Investment Partnership's investments in fair value hierarchy levels as of December 31, 2017 and 2016:

(in thousands)				
As of December 31, 2017:	**Total**	**Level I**	**Level II**	**Level III**
Cash and cash equivalents	**$ 150**	**150**	**$ —**	**$ —**
Investment in opportunistic investment	**1,353,955**	**91,456**	**1,262,499**	**—**
Total	**$ 1,354,105**	**$ 91,606**	**$ 1,262,499**	**$ —**
As of December 31, 2016:	**Total**	**Level I**	**Level II**	**Level III**
Cash and cash equivalents	**$ 2,174**	**$ 2,174**	**$ —**	**$ —**
Investment in opportunistic investment	**3,318,347**	**—**	**3,318,347**	**—**
Total	**$ 3,320,521**	**$ 2,174**	**$ 3,318,347**	**$ —**

A portion of the investment in the opportunistic investment was transferred from Level II to Level I as of December 31, 2017 to reflect the freely tradeable shares that are no longer subject to DLOM adjustments. There were no other amounts transferred between Level I and Level II for the years ended December 31, 2017 and 2016. The investment in the opportunistic investment was transferred from Level III to Level II at December 31, 2016, as the Investment Partnership changed the valuation method used to value the opportunistic investment in Athene from the GAAP book value multiple approach to the use of Athene's closing market price, adjusted for a DLOM.

There were no other transfers between Level III from Level I and II for the years ended December 31, 2017 and 2016.

4. CAPITAL TRANSACTIONS

At December 31, 2017 and 2016, the General Partner's interest in the Investment Partnership was 13.2% and 7.0%, respectively, and the limited partner's interest in the Investment Partnership was 86.8% and 93.0%, respectively. The change in the partners' respective interests from December 31, 2016 to December 31, 2017 was primarily due to the $38.6 million accrued carried interest generated on the opportunistic investment during the year ended December 31, 2017. The carried interest entitles the General Partner to receive a portion of the profits generated by the investments.

During the year ended December 31, 2017 and 2016 the Partnership distributed 46,123,981 and 10,766,297 Athene shares to AAA unitholders, respectively, and the Investment Partnership distributed 1,831,618 and 777,726 Athene shares to its general partner, respectively. This distribution of Athene shares represents a non-cash financing activity. During the year ended December 31, 2017, the Investment Partnership made partners' capital distributions in cash of $1.5 million to facilitate related expense reimbursements by AAA to the Investment Partnership. For the year ended December 31, 2016, the Partnership did not make any partners' capital distributions in cash.

5. RELATIONSHIP WITH APOLLO AND RELATED PARTY TRANSACTIONS

Subject to the supervision of the board of directors of the Managing Investment Partner and the board of directors of the Managing General Partner, Apollo, pursuant to the Services Agreement with Apollo Alternative Assets, is responsible for selecting, evaluating, structuring, performing due diligence, negotiating, executing, monitoring and exiting the investments and for managing the uninvested cash of the Investment Partnership. These investment activities are carried out by Apollo's investment professionals and Apollo's investment committee pursuant to the services agreement. Apollo and its affiliates receive management, sub-advisory, monitoring and other fees from Athene related to services provided to Athene. Apollo, and/or its affiliates, also receives directly from portfolio companies in which the Investment Partnership may have direct or indirect investments, transaction, management, and other fees related to services provided in connection with acquisitions of such portfolio companies and ongoing management services rendered to such portfolio companies.

Commitment—The Investment Partnership had no commitments as of December 31, 2017.

Services Agreement and Management Fee—Under the Services Agreement, Apollo Alternative Assets is responsible for the day-to-day operations of the services recipients and is subject at all times to the supervision of their respective governing bodies, including the board of directors of the Managing Investment Partner and the board of directors of the Managing General Partner. Apollo Alternative Assets received a management fee from the service recipients for providing these services.

In connection with each of the consummation of the Transaction on October 31, 2012, and the consummation of the Athene Private Placement on April 4, 2014, the Services Agreement was amended. Prior to the consummation of the Athene Private Placement, as described below, management fees were paid pursuant to the Services Derivative. In connection with the Athene Private Placement, as described below, the Services Derivative was settled on April 29, 2014 by delivery to Apollo of common shares of Athene Holding, and as a result, such derivative was terminated. Following settlement of the Services Derivative, management fees payable to Apollo pursuant to the Services Agreement, as amended, were paid on a quarterly basis in arrears by delivery to Apollo of common shares of Athene Holding (unless such payment in shares would violate Section 16(b) of the U.S. Securities Exchange Act of 1934, as amended). Under the original services agreement, AAA, the Investment Partnership and the other service recipients jointly and severally agreed to pay Apollo Alternative Assets a quarterly management fee, payable in arrears, in an aggregate amount equal to one-fourth of (i) all Adjusted Assets (as defined in the service agreement) up to and including $3.0 billion multiplied by 1.25% plus (ii) all Adjusted Assets in excess of $3.0 billion multiplied by 1.0%. Pursuant to the amendments there were no management fees paid by the Investment Partnership with respect the Excluded Athene Shares. The Investment Partnership agreed to continue to pay Apollo Alternative Assets the same management fee on the Investment Partnership’s investment in Athene (other than with respect to the Excluded Athene Shares), except that Apollo Alternative Assets agreed that the Investment Partnership’s obligation to pay the existing management fee terminated on December 31, 2014 (although services will continue through December 31, 2020).

The Investment Partnership’s General Partner, is generally entitled to a carried interest that allocates to it 20% of the realized returns (net of related expenses including borrowing costs) on the investments of AAA Investments. The Investment Partnership’s General Partner will not be entitled to receive any carried interest with respect to the Excluded Athene Shares. As of December 31, 2017 and 2016, 11,246,235 and 33,738,702 of the Investment Partnership's Athene shares with a total cost basis of $117.3 million and $351.9 million, respectively, were subject to a carried interest allocation to its General Partner. The Investment Partnership's General Partner may elect to receive payment of carried interest in cash or in common shares of Athene Holding (valued at the then fair market value); and if the General Partner elects to receive payment of such carry in cash, then common shares of Athene Holding shall be distributed to the General Partner and immediately sold by the General Partner to pay for such carry in cash.

For the years ended December 31, 2017 and 2016 the Investment Partnership's management fees were $3.4 million and $3.4 million, respectively. There were no management fees payable as of December 31, 2017 and 2016 as the Investment Partnership has a prepaid management fee covering services through 2020.

The Services Agreement contains certain provisions requiring the Investment Partnership to indemnify Apollo and its affiliates with respect to all claims, liabilities, losses, costs, expenses or damages arising from the services agreement or the services provided by Apollo Alternative Assets, except to the extent that such claims, liabilities, losses, costs, expenses or damages are finally determined by a court of competent jurisdiction to have resulted from the indemnified person's willful misconduct or gross negligence. The Investment Partnership has historically not incurred any liabilities as a result of these guarantees and does not expect to in the future. Accordingly, no liability has been recorded in the accompanying consolidated financial statements.

Carried Interests and Investments—For the years ended December 31, 2017 and 2016, the General Partner had an allocation of carried interest on opportunistic investments of $38.6 million and $75.2 million, respectively. During the years ended December 31, 2017 and 2016, the Investment Partnership distributed 1,831,618 and 777,726 Athene shares, respectively, valued at $91.1 million and $31.1 million, respectively, to the General Partner in connection with the Partnership's distribution of 46,123,981 and 10,766,297 Athene shares to AAA unitholders in the Follow-on Offering, Second Follow-on Offering, 12-Month Unlock Distribution and Athene IPO, respectively.

Asset Management—Apollo, through its consolidated subsidiary, Athene Asset Management, L.P. ("Athene Asset Management"), provides asset management services to Athene including asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions asset diligence, hedging and other asset management services, earns 0.40% per year on all assets that it manages in accounts owned by Athene in the U.S. and Bermuda or in accounts supporting reinsurance ceded to U.S. and Bermuda subsidiaries of Athene Holding by third-party insurers (the "Athene North American Accounts") up to $65.846 billion (the level of assets in the Athene North American Accounts as of December 31, 2016) and 0.30% per year on all assets in excess of $65.846 billion, respectively, subject to certain discounts and exceptions. Athene also directly invests in certain Apollo funds and Apollo sub-advises certain other assets on behalf of Athene for which Apollo earns additional fees. Another subsidiary of Apollo provides investment advisory services to Athene's German group companies. Such German group companies are currently subsidiaries of Athora, a strategic platform established to acquire or reinsure blocks of insurance business in the German and broader European life insurance market.

Athene Asset Management and other Apollo subsidiaries incur all expenses associated with their provision of services to Athene, including but not limited to, asset allocation services, direct asset management services, asset and liability matching management, mergers and acquisitions asset diligence, hedging and other services. For the years ended December 31, 2017 and 2016, Athene Asset Management and other Apollo subsidiaries had earned revenues in the aggregate totaling $502.6 million and $503.2 million, respectively, consisting of management fees, sub-advisory fees, monitoring fees, net carried interest income, and changes in the market value of the Athene shares owned directly by Apollo from Athene.

Athene entered into shared services and cost sharing agreements (the "Agreements") with Athene Asset Management effective on or after January 1, 2012. The services to be provided under the Agreements include the following, among others, (i) for each U.S. subsidiary of Athene, executive management, corporate development, marketing communications, human resources, legal, corporate governance, and liability hedging and investment accounting and (ii) for Athene and each non-U.S. subsidiary, investment advice in connection with stock acquisition activities, shareholder activities related to capital raising and reporting and non-investment services related to stock acquisitions. Pursuant to the Agreements, the services to be provided by Athene Asset Management are provided at cost, with such cost determined based on (i) the compensation, benefits, employment taxes and other expenses paid by Athene Asset Management with respect to each Athene Asset Management employee or consultant who is spending time on certain services provided to the applicable subsidiary of Athene and (ii) each such employee's or consultant's time spent on such services, as reasonably estimated by each such employee or consultant on at least a monthly basis based on the percentage of time spent on such services for each subsidiary of Athene.

Due from Affiliates—Included in due from affiliates at December 31, 2017 and 2016 was $2.9 million and $2.8 million, respectively, which represents a receivable from AAA for expense reimbursements.

Due to Affiliates—Due to affiliates at December 31, 2017 and 2016 consisted of $0.1 million and $0.3 million, respectively, payable to Apollo Alternative Assets or affiliates for management fees, investment-related expenses and other general and administrative expenses.

Personal Interests of Directors—Certain directors of the Managing General Partner and the Managing Investment Partner were AAA unitholders. At December 31, 2017 and 2016, those directors owned approximately 0.5 million and 0.5 million Units of AAA, respectively. As of December 31, 2017 and 2016, Apollo provided employee loans of approximately $15.0 million and $25.0 million, respectively, to certain directors who have a direct investment in Athene Holding.

AMH Credit Agreement—In order to meet future operating cash needs, on April 30, 2015 the Investment Partnership entered into a revolving credit agreement (the "AMH Credit Agreement") with Apollo Management Holdings, L.P. ("AMH"), an indirect subsidiary of Apollo Global Management, LLC. Under the terms of the Agreement, AMH shall make available to the Investment Partnership one or more advances at the Investment Partnership's discretion in the aggregate amount not to exceed a balance of $10.0 million at an applicable rate of LIBOR + 1.5% and subject to an annual commitment fee of 0.125% on the unused portion of the loan. The Investment Partnership shall pay the aggregate borrowings plus accrued interest at the earlier of (a) the third anniversary of the closing date, or (b) the date that is fifteen months following the initial public offering of shares of Athene Holding Ltd (the "Maturity Date"). On January 30, 2018 the Investment Partnership and AMH agreed to extend the Maturity Date of the AMH Credit Agreement to April 30, 2019.

As of December 31, 2017 and 2016, the Investment Partnership had $4.5 million and $4 million outstanding, respectively, under the AMH Credit Agreement.

6. FINANCIAL HIGHLIGHTS

Financial highlights for the Investment Partnership were as follows:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2016
Total return*	**13.45 %**	**26.81 %**
Ratios to average net assets*:		
Operating expenses	**0.15 %**	**0.17 %**
Incentive allocation	**1.41 %**	**2.49 %**
Total operating expenses and incentive allocations	**1.56 %**	**2.66 %**
Net investment loss	**(0.15)%**	**(0.17)%**

* *These financial highlights have been calculated using a methodology in accordance with U.S. GAAP. Ratios to average net assets are calculated on a weighted average basis. The total return calculation assumes all unitholder distributions during the period are reinvested.*

The Investment Partnership's turnover ratios were 0% for the years ended December 31, 2017 and 2016, respectively.

7. COMMITMENTS AND CONTINGENCIES

The Investment Partnership may, from time to time, be party to various legal actions arising in the ordinary course of business including claims and litigations, reviews, investigations or proceedings by governmental and self-regulatory agencies regarding their respective businesses. It is the opinion of the Managing General

Partner and Managing Investment Partner, after consultation with counsel, that there are presently no existing matters that would result in a material adverse effect on the financial condition of the Investment Partnership.

8. SUPPLEMENTAL FINANCIAL INFORMATION (UNAUDITED)

Quarterly Results

The following represents the Partnership's unaudited quarterly results for the years ended December 31, 2017 and 2016. These quarterly results were prepared in accordance with U.S. GAAP and reflect all adjustments that are, in the opinion of the Managing General Partner, necessary for a fair statement of the results:

(in thousands)	For the Three Months Ended March 31, 2017	For the Three Months Ended June 30, 2017	For the Three Months Ended September 30, 2017	For the Three Months Ended December 31, 2017
Expenses	$ (892)	$ (1,098)	$ (1,101)	$ (1,031)
Net investment loss	(892)	(1,098)	(1,101)	(1,031)
Net realized gains from sales/disposition of investments	454,509	392,496	—	828,277
Net change in unrealized appreciation on investments	(211,863)	(351,391)	225,222	(876,563)
	$ 242,646	$ 41,105	$ 225,222	$ (48,286)
Net increase (decrease) in net assets resulting from operations	$ 241,754	$ 40,007	$ 224,121	$ (49,317)

(in thousands)	For the Three Months Ended March 31, 2016	For the Three Months Ended June 30, 2016	For the Three Months Ended September 30, 2016	For the Three Months Ended December 31, 2016
Expenses	$ (1,246)	$ (1,141)	$ (1,623)	$ (1,080)
Net investment loss	(1,246)	(1,141)	(1,623)	(1,080)
Net realized gains from sales/disposition of investments	—	—	—	279,316
Net change in unrealized appreciation on investments	(326,434)	513,337	94,743	270,903
	$ (326,434)	$ 513,337	$ 94,743	$ 550,219
Net (decrease) increase in net assets resulting from operations	$ (327,680)	$ 512,196	$ 93,120	$ 549,139